Precision Camshafts Limited

(100% EOU Division)
Works : D-5,D-6,7,7-1, M I D C, Chincholi, Solapur 413 255

SEC/SEP/SE/N&B/2018

28th September, 2018

To The Listing Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 **SCRIP CODE:539636**	To The Listing Department The National Stock Exchange of India Limited Exchange Plaza, Bandra kurla Complex, Bandra (E) Mumbai 400051 **SCRIP CODE: PRECAM**

Sub: **Submission of Annual Report 2017-18**

Dear Sir/Madam

With reference to above and pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Regulations), 2015 please find enclosed Annual Report for the Financial Year 2017-18 of Precision Camshafts Limited duly approved and adopted by the members in the 26th Annual General Meeting held on Wednesday, 26th September 2018.

You are requested to acknowledge the receipt of the same.

Thanking You

Yours Faithfully

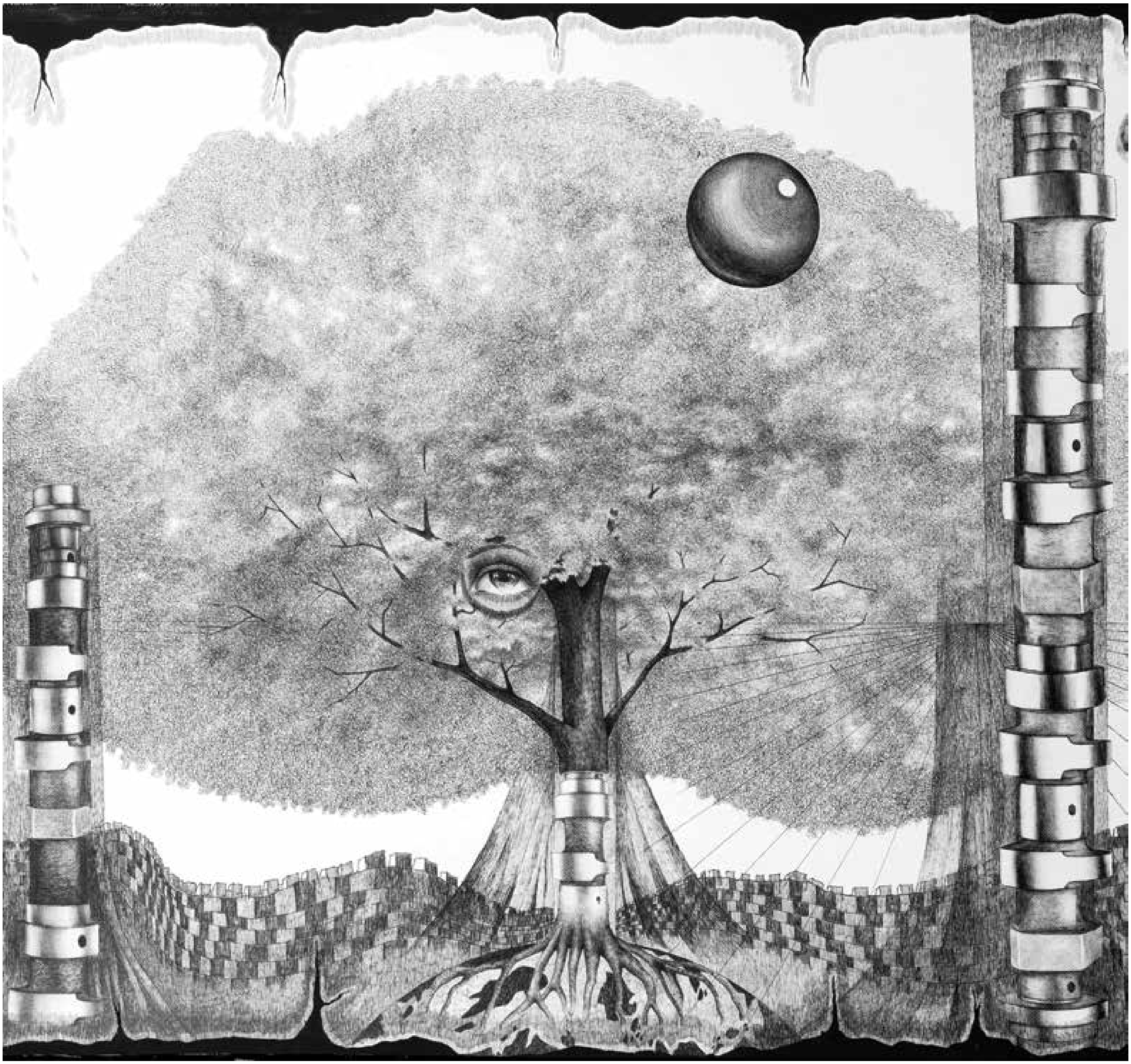
For Precision Camshafts Limited

Mahesh Kulkarni

Mahesh Kulkarni
Company Secretary

PRECISION CAMSHAFTS LIMITED
SOLAPUR

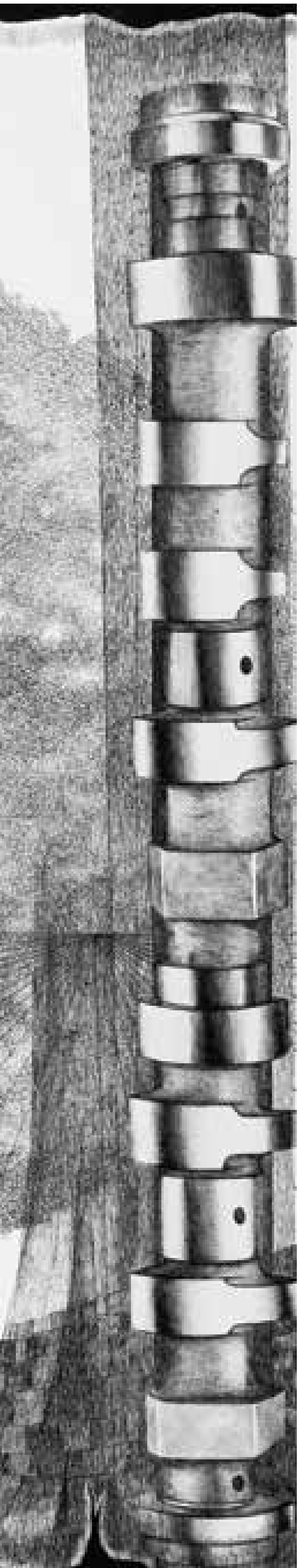
PRECISION CAMSHAFTS LIMITED



PERSISTENCE OF VISION

Drawing in Ball Point Pen by Sheil Sadwelkar
60" * 40" Berkshire Buff Off White Mount Board

ANNUAL REPORT 2017-18



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About Us

Financials

PERSISTENCE OF VISION

The products made by Precision Camshafts are used around the globe in passenger cars, commercial vehicles, and large engines. They are used in every 10th passenger car produced around the world. We are the technology leaders in the global camshaft space, ensuring the highest level of competitiveness in terms of quality and costs. We are pushing ahead with the development of innovative solutions by systematically pursuing a pioneering approach and making transportation more efficient and environment friendly.

Our vision is to be a world leader in camshafts manufacturing, with mutually beneficial engagements with Original Equipment Manufacturers (OEMs) across the globe. We manufacture and supply 8.07 million camshafts across the world, making us one of the largest independent camshaft manufacturer. We are one of the few global players with technological capabilities across all the manufacturing processes – chilled cast iron, ductile iron, hybrid and assembled camshafts. We are also working towards becoming a diversified player by expanding our product portfolio, as we add new products through the recent acquisitions.

From our vision and passion came performance. From being a supplier of camshafts, we gradually transformed into a “preferred development partner” of marquee global and domestic OEMs. We maintained our thrust on improving camshaft technology and a solid focus on quality. Our new machining unit with world-class equipment ranks us as India’s only camshaft manufacturer offering a “one-stop solution” for different types of camshaft needs.

Our most modern and state-of-the-art, cost-optimised production facilities for camshafts have helped us develop an unequalled manufacturing base and a strong and innovative product mix. A higher share of machined camshafts has expanded our product offerings and also driving margin expansion, growing market share and improving our earnings. We forayed into newer markets, increased our revenue streams and advanced our growth strategy.

Over the years, by thinking differently, we have fully transformed our passion into performance and thoughts into action. We not only catered to the requirements of fast-growing economies, but also reaped the benefits of low-cost manufacturing destinations. Our technical know-how and experience enabled us in supplying strategic solutions for customers. A well-spread footprint across geographies lends us a significant competitive edge in the marketplace and helped us perform better each year.

At A Glance

We are one of the leading manufacturers and suppliers of camshafts in India and globally. We supply more than 150 varieties of camshafts for passenger vehicles, tractors, light commercial vehicles and locomotive engine applications. We have a global market share of ~ 9% in passenger vehicle camshafts.

We are one of the few global suppliers manufacturing all four types of camshafts i.e., cast iron, ductile iron, hybrid and assembled camshafts. It is this comprehensive products offering that enables us to occupy a leading position in the marketplace and deliver optimal solutions to our customers.

We are pragmatic and decisive, and are consistently setting new standards in manufacturing with state-of-the art manufacturing facilities, cost competitive engineering expertise, extensive production experience, and long-term relationships with global original equipment manufacturers (OEM).

KEY NUMBERS THAT DEFINE US

0.039

Debt-Equity Ratio

~ 9%

Global Market Share

150

Varieties of Camshafts Manufactured

₹ 57,012 Lakhs

Total Networth

₹ 2,198 Lakhs

Total Debt

OUR EXISTING AND PLANNED PRODUCT OFFERINGS

01 Chilled cast iron machined camshaft

02 Ductile iron machined camshaft

03 Hybrid camshaft

04 Assembled camshaft

05 Balancer shafts

06 Cam modules

07 Sliding cams

One of the Preferred Camshaft Suppliers

At Precision, we believe in setting ambitious benchmarks and strive to achieve them each year. We give utmost importance to quality and abide by a zero defects policy. We are committed to steadfast performance, and adhere to a blend of superior values that ultimately culminate into perfection.

300+

Engineers at Precision Camshafts

OUR ENGINEERING EXPERTISE

- 300+ engineers
- 20+ workstations in design office with modeling software such as Catia, Unigraphics and ProE
- Manufacturing systems follow customer requirements like QSB/ Q1/VDA6.3
- ISO/TS 16949:2009, ISO 14001:2004, BS OHSAS: 18001:2007 certified

OUR TECHNICAL PARTNERS

EMAG
EMA Induction Technology AICHELIN Group
INDUCTOTHERM
Gehring
NTC Komatsu NTC Ltd.
JUNKER partner for precision
AVL SCHRICK
Hanwha

KEY MARKET DIFFERENTIATORS

One stop solution for niche machined components

Publicly listed company with strong financial position

State-of-the-art global manufacturing facilities

Global benchmark in quality

Strong and experienced management team and Board of Directors

Well defined strategy for global expansion and diversification

OUR MANUFACTURING FOOTPRINT

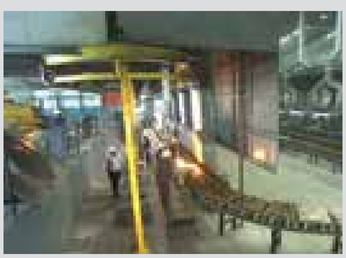
India

EOU Unit, Solapur, Maharashtra	4 Foundries 3 Machine Shops	Installed Capacity: **Foundry:** 10.80 Million Units Per Annum **Machine Shop:** 2.65 Million Units Per Annum

Domestic Unit, Solapur, Maharashtra	1 Foundry 1 Machine Shop	Installed Capacity: **Foundry:** 1.38 Million Units Per Annum **Machine Shop:** 0.36 Million Per Annum

China

Joint Venture Partner:
Ningbo Shenglong Camshafts Limited
Stake of PCL: 22.50%
Installed Capacity of Machine Shop: 1.50 Million Units Per Annum



Joint Venture Partner:
PCL Shenglong (Huzhou) Specialised Casting Company Limited
Stake of PCL: 40%
Installed Capacity of Machine Shop: 4.00 Million Units Per Annum

Increase in Capacity of Machining Camshafts

1.9 Million Units Per Annum in 2017 → **4.0 Million Units Per Annum in 2022**

INCREASE IN MACHINING CAPACITY IS TARGETED TOWARDS CONTRACTED BUSINESS FROM FORD, GENERAL MOTORS AND MAHINDRA & MAHINDRA

Our Journey So Far

1992

- Year of Incorporation
- Commenced supply of 600 camshafts per month

1997

- Private equity investor CDC made investments
- Capacity of machine shop and foundry expanded

2008

- Tata Capital makes investment in PCL by purchasing shares from CDC

2011

- Incorporated 100% owned subsidiary in China – PCL (Shanghai) Company Limited

2014

- Signed exclusive agreement with EMAG, a tooling and machining company based in Germany

2016

- Made an Initial Public Offering to get listed on BSE and NSE

1999

- Entered into technical and financial JV with G. Glancey, a European camshaft manufacturer

2006

- Acquired stake in the JV with G. Glancey

2012

- Entered into JV with China-based Shenglong Automotive Powertrain Company for manufacturing of camshaft

2013

- Entered into JV with China-based Shenglong Automotive Powertrain Company for setting up foundry unit for camshaft castings

2017

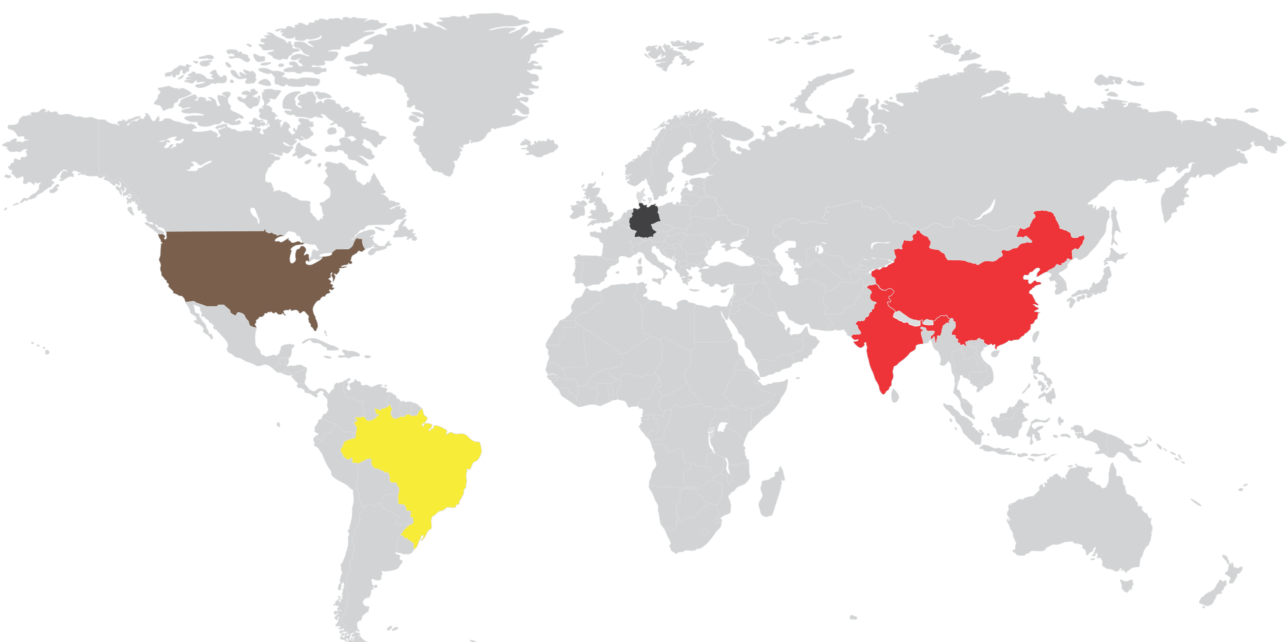
- Added machine shop for manufacture of ductile, assembled, chilled cast iron camshafts at Solapur, with capacity of 2.0 million units a year
- Received orders from Ford Motors and Toyota for manufacture of ductile camshafts
- Acquisition of Nashik based MEMCO Engineering Pvt. Ltd. for ₹ 38.04 crore

2018

- Acquisition of MFT, Germany and EMOSS, Netherlands

Global Presence

Our goal is to improve mobility of people around the world through our solutions unrivalled in breadth and depth. We are determined to set new future standards through our state-of-the-art solutions by consistently using our knowledge and innovating.



● EUROPE ● NORTH AMERICA ● SOUTH AMERICA ● ASIA

OUR MARQUEE CUSTOMERS

PCL	COMMON	MFT
Ford, Toyota, Porsche, Fiat, Maruti Suzuki, Hyundai, Mahindra, Leewon Precision, Musashi, Tata, Escorts, Sonalika International, Mahle, Force Motors	GM, Opel, Mercedes-Benz, BMW	VW, Audi, Westfalia, Hatz Diesel, SHW, Renault, Suzuki, GKN, Mubea

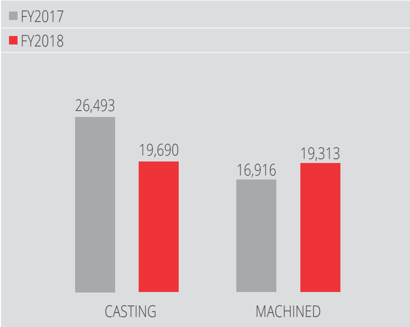
MEMCO	EMOSS
Bosch Invented for life, Endress+Hauser, Delphi Innovation for the Real World, Giro	ferrovial services, De Rooy, Albert Heijn, Meter & Meter, Doll, Lidl, TEDi, Top Movers, DeliXL, H.Essers, Sligro, Peter Appel Transport, Oshkosh, Heineken

How We Performed During the Year

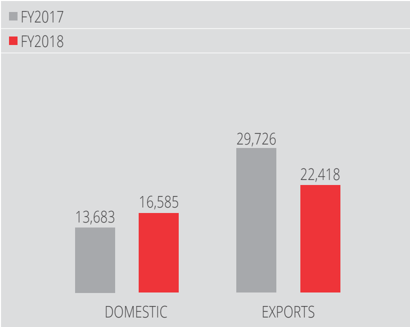
During the year, our consolidated total revenues decreased to ₹ 40,787 lakhs, which was a result of a change in sales mix owing to an increased share of domestic sales and decrease in exports. Profit after tax decreased to ₹ 3,476 lakhs, and margins decreased due to decrease in export sales.

OUR OPERATIONAL PERFORMANCE

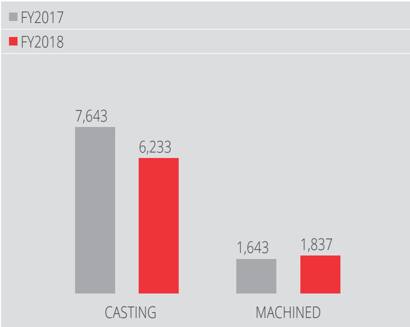
Product-Wise Revenue Break-Up (₹ In Lakhs)



Geographical Revenue Break-Up (₹ In Lakhs)



Total Volumes (In '000)

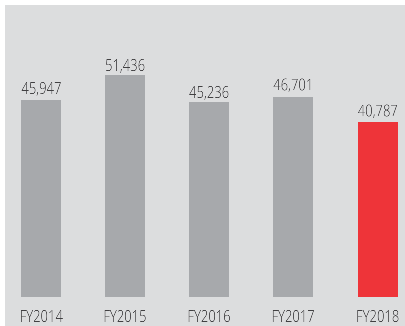


OUR FINANCIAL PERFORMANCE ON STANDALONE BASIS

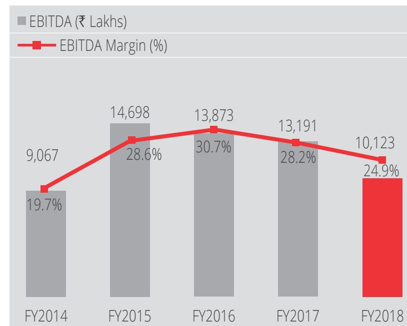
₹ 40,787 Lakhs

Total Revenue from Operations in FY2018

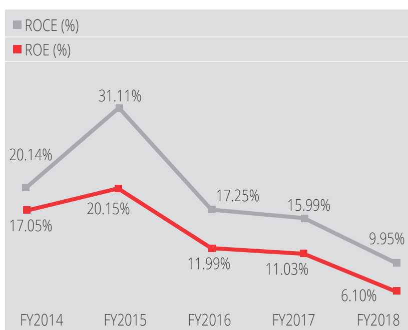
Total Revenue from Operations (₹ In Lakhs)



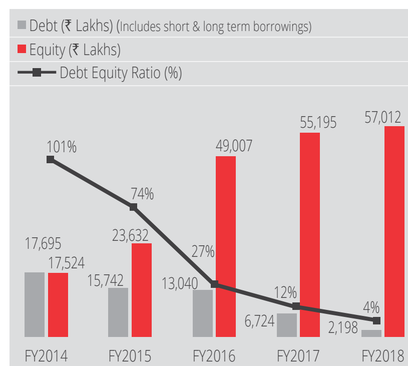
EBITDA & EBITDA Margin (₹ In Lakhs)



Return Profitability (₹ In Lakhs)



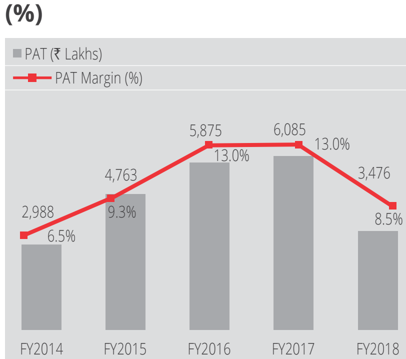
Debt Equity Ratio (₹ In Lakhs)



₹ 3,476 Lakhs

Net Profit in FY2018

PAT (₹ in Lakhs) & PAT Margin (%)



Corporate Information

BOARD OF DIRECTORS

Mr. Yatin S. Shah
Chairman & Managing Director

Dr. Suhasini Y. Shah
Executive Director
(upto 12th August, 2018) and
Non-Executive Non-Independent
Director (w.e.f. 13th August, 2018)

Mr. Ravindra R. Joshi
Director & CFO

Mr. Jayant V. Aradhye
Director
(Ceased w.e.f. 28th May, 2018)

Mr. Sarvesh N. Joshi
Independent Director

Mr. Pramod H. Mehendale
Independent Director

Mr. Vedant V. Pujari
Independent Director

Mr. Vaibhav S. Mahajani
Independent Director

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Mahesh Kulkarni

STATUTORY AUDITORS

M/s. P. G. Bhagwat,
Chartered Accountants, Pune

SECRETARIAL AUDITORS

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

BANKERS

Bank of India
Mid Corporate Branch,
Shivaji Nagar, Pune.

Bank of Baroda
Moledina Road,
Pune Camp Branch, Pune.

REGISTERED OFFICE

E - 102/103, M. I. D. C.,
Akkalkot Road, Solapur- 413006.
Tel:+ 91 9168646536/37
Fax: (0217) 2653398
E-mail: info@pclindia.in
Website: www.pclindia.in
CIN: L24231PN1992PLC067126

Pune Office

Office No. 501/502,
Kanchanban "B", Sunit Capital,
CTS No. 967, FP No. 397,
Senapati Bapat Road, Pune 411016.
Tel: 020-25673050

FACTORIES

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

Our Manufacturing Facilities

Our Esteemed Board

1 MR. YATIN SHAH
Chairman & Managing Director

Mr. Yatin Shah holds a B. Com from Bombay University and a MBA from Pune University. He has over 28 years of experience in the auto component manufacturing sector. He has received various awards, including J.R.D. Tata Udyog Ratna Award by Maharashtra Audyogik Vikas Parishad, Pune in 2011.

2 DR. SUHASINI SHAH
Director

Dr. Suhasini Shah holds a Bachelor's degree in Medicine & Surgery and also in Law from Shivaji University. She has participated in an executive education programme on General Management for small & medium enterprises at IIM Ahmedabad. She has over 25 years of work experience in management.

3 MR. RAVINDRA JOSHI
Director & CFO

Mr. Ravindra Rangnath Joshi holds a B. Com degree from Bangalore University and a Diploma in Business Management from Shivaji University. He has over 28 years of experience in the field of finance and accounts.

4 MR. JAYANT ARADHYE
Non-Executive Director
(Ceased to be a Director w.e.f. 28.05.2018)

Mr. Jayant Aradhye holds a Bachelor's degree in metallurgic engineering from the University of Pune and a Bachelor's degree in mechanical engineering from Marathwada University.

5 MR. SARVESH JOSHI
Independent Director

Mr. Sarvesh Joshi holds a Bachelor's degree in law and a Bachelor's degree in commerce from the University of Pune. He is a fellow member of the Institute of Chartered Accountants of India and has been a practising Chartered Accountant for over 30 years.

6 MR. PRAMOD MEHENDALE
Independent Director

Mr. Pramod Mehendale holds a Bachelor's degree in commerce and is a fellow of the Institute of Company Secretaries of India. He holds a certificate of merit from the Institute of Cost and Work Accountants of India. He is the founder and a former director of Link Intime India Private Limited.

7 MR. VEDANT PUJARI
Independent Director

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

8 MR. VAIBHAV MAHAJANI
Independent Director

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

9 MR. KARAN SHAH
Whole-time Director - Business Development

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

Our Senior Management

1 MR. ACHYUT GADRE
GM, Production

Mr. Achyut Gadre holds a Bachelor of Science in Engineering from Shivaji University. He joined PCL in 1995 and has 19 years of work experience in automobile manufacturing.

2 MR. AJITKUMAR JAIN
GM, Business Development and Projects

Mr. Ajitkumar Jain holds a Bachelor's degree in production engineering from VJTI, Mumbai. He joined PCL in 2004 and has 20 years of work experience in manufacturing engineering.

3 MR. M. G. VALSE
GM, Design and Engineering Services

Mr. G. Valse has a Diploma in Mechanical Engineering from the Maharashtra Board of Technical Examinations. He joined PCL in 2000 and has 34 years of work experience in product development.

4 MR. RAJKUMAR KASHID
GM, Human Resources

Mr. Rajkumar Kashid holds a Master's degree in social welfare and an LLB degree from Shivaji University. He joined PCL in 1995 and has 25 years of work experience in management.

5 MR. DEEPAK KULKARNI
AGM, Projects

Mr. Deepak Kulkarni holds a Diploma in Mechanical Engineering. He joined PCL in 1990 and has more than 25 years of work experience in product development.

6 MR. PRADEEP MAHINDRAKAR
Sr. Manager, Maintenance

Mr. Pradeep Mahindrakar holds a Diploma in Mechanical Engineering. He has 21 years of work experience in mechanical engineering.

CMD's Message to Shareholders

Yatin S. Shah - Chairman & Managing Director

Dear Shareholders,

I take this opportunity to thank you all for your continued faith and belief in our Company, and its sincere and hard-working people. We are presenting our 26th Annual Report to you for the year ended March 31, 2018.

FY2018 was marked by the display of a cautious approach at Precision Camshafts, consolidating the momentum initiated in the past years. Through bold decisions, based on our strong convictions and a steadfast commitment, today we have reached a crucial juncture in our journey, towards becoming one of the world's most admired camshafts company.

Over the years, we have demonstrated an uncanny ability to strike the perfect equation to deliver consistent and sustained value for our shareholders. We were able to do this with the right strategy, the right culture, and the right geographical footprint. Today, we have emerged as a global precision engineering company with strong capabilities, and manufacturing and supplying 8.07 million camshafts (in FY2018) across the world, emerging as the largest independent camshaft manufacturer.

Our Competitive Edges

We are one of the few global camshaft manufacturers with technological capabilities in manufacturing all the types of camshafts – cast iron, ductile iron, hybrid and assembled. Over the past two-and-a-half decades, we created capabilities to supply more than 150 variants of camshafts for passenger vehicles, tractors, light commercial vehicles and locomotive engine applications. Our technical know-how and experience has enabled us in supplying strategic solutions, catering to the requirements of not only fast-growing economies, but also reaping the benefits of low-cost manufacturing destinations. Our well-spread footprint across geographies also lends us a significant competitive edge in the marketplace.

From Passion Comes Performance

Our passion is to be a world leader in camshafts manufacturing, with mutually beneficial engagements with Original Equipment Manufacturers (OEMs) across the globe. We take pride in transforming ourselves into a "preferred development partner" of marquee global and domestic OEMs over the years, from just being a supplier of camshafts. It is our solid focus on quality and thrust on improving camshaft technology that led us to this established global position.

Our Financial Performance

During the year under review, exports contributed about 57.5% to our total revenue, while the remaining 42.5% was contributed by India. We earned about 49.5% of our revenue from machined camshafts and the remaining 50.5% from casting camshafts. The proportion of machined camshafts has been gradually increasing, driving up margin expansion and strengthening profitability.

Total Revenue from Operations stood at ₹ 49,836 lakhs (including Other Income and Finance Income), compared with ₹ 43,247 lakhs in the previous financial year. Net profit (before exceptional items) was ₹ 3,475.63 lakhs, compared to ₹ 6,085.36 lakhs earlier. The Board has declared a final dividend of ₹ 1/- per share for the financial year ended March 31, 2018. We project our margins to further improve once the machining camshafts segment achieves higher scale and existing products generate higher sales.

Our Inherent Capabilities

Our state-of-the-art manufacturing facilities and competitive engineering expertise helps grant us a competitive advantage in the marketplace. Our new machining unit with 2.0 million units per year capacity and world-class equipment ranks us as India's only camshaft manufacturer offering a "one-stop solution" for different types of camshaft needs. Our most modern and state-of-the-art, cost-optimised production facilities for camshafts is helping us develop an unequalled manufacturing base and a strong and innovative product mix. On the other hand, our alliances with leading global players to manufacture high quality products across a wide range of solutions enable us to improve efficiency and productivity, thus driving on our quality improvement journey.

Our Strategic Tie-ups

A key achievement of the year has been the successful acquisition of three significant businesses –MEMCO Engineering, MFT and EMOSS. These acquisitions have helped the group diversify its product portfolio.

MEMCO manufactures brake components and high pressure diesel injector connectors to marquee global customers Bosch and Delphi, besides high precision instrumentation components for Endress & Hauser.

MFT is engaged into machining of balancer shafts and prismatic parts. This acquisition will facilitate our diversification into new product range catering to European customers and help us gain a platform to participate in the global OEM program.

Similarly, the acquisition of EMOSS will enable us foray into the electric mobility through tailor-made engineering services on electric vehicles and equipment, paving way for electrical mobility markets such as Europe, North America and Australasia. EMOSS specialises in providing end-to-end solutions including research & development, engineering, production, testing, delivery and post-sale services.

These acquisitions will enable us increase our market share in specific products, access a wide customer base, serve as a catalyst in our growth and will augment our customer-focused mission to transform the organisation.

Moving Ahead

Our vision of the future is not limited to our actions on display today. We are continuously exploring alternative newer ways and means to establish new channels of growth and value creation. We have shaped a far-reaching growth strategy to remain on track in the dynamic industry.

These strategies are aimed towards improving our competitiveness, optimising our reach, leveraging our relationships and building better and relevant products for the customers.

We continue to strengthen our position as one of the world's leading and most highly regarded development partners in the automotive industry. Our single-minded objective is to drive ahead our journey on new product development aligned with emerging technologies, and remain the supplier of choice to customers.

Once committed, our value system dictates that we progress forward with conviction and excellence, to deliver on our promises.

Before I conclude, I once again thank all of you for your continued support and encouragement. We are committed to grow and create more value for all stakeholders with a renewed sense of optimism, confidence and ambition.

With Regards,

Yatin S. Shah
Chairman & Managing Director

CHARTING A STRATEGY FOR SCALABLE AND SUSTAINABLE GROWTH

OUR ALLIANCES ENABLE US ACQUIRE THE TECHNICAL CAPABILITY TO MEET THE NEEDS OF OUR CUSTOMERS AND DELIVER INNOVATIVE SOLUTIONS TO THEM. THIS ENABLES US IN SCALING HIGHER TO MEET MARKET DEMANDS IN EACH SEGMENT, AND ALSO GIVES US THE RESILIENCE AND STRENGTH TO ENDURE MARKET PRESSURES.

At PCL, we have decisively shaped a far-reaching growth strategy to remain on track with the dynamic industry. These strategies are aimed towards improving our competitiveness, optimise our reach to developed markets, leverage our relationships with global OEMs and build better and relevant products for our customers.

We are a global precision engineering company with strong capabilities to develop, manufacture and supply products needed by our customers today, and to innovate and scale up to meet their demands in the future. We are known for our benchmarked performance in engineering, quality and cost competitiveness. We continue to strengthen our position as one of the world's leading and most highly regarded development partners in the automotive industry with the best products.

While doing so, our alliances enable us acquire the technical capability to meet the needs of our customers and deliver innovative solutions to them. This enables us in scaling higher to meet market demands in each segment, and also gives us the resilience and strength to endure market pressures and a tough economic environment.

During the year, we renewed and strengthened our strategies with the objective of making good progress towards achieving our vision of being a leader in the segments we serve. We aimed at driving ahead our journey on new product development aligned with emerging technologies, sale to meet market demands in each segment and remain the supplier of choice to our customers.

03

Key Acquisitions made in FY2018

OUR FOCUS IS ON SUPPLYING HIGHER NUMBER OF MACHINED CAMSHAFTS TO EXISTING CUSTOMERS AS WELL AS TARGET NEW CUSTOMERS. WE ARE ALSO AIMING AT A HIGHER SHARE OF MACHINED CAMSHAFTS WILL HELP TO IMPROVE THE OPERATING MARGINS AND RETURN RATIOS.

KEY STRATEGIES FOR GROWTH

Capacity Expansion

- Addition of new Machine Shop for ductile/assembled/ chilled cast iron camshafts at EOU division in Solapur
- Capacity addition to take place in phases

Expand Role with Customer

- Expand engagement with customers by being involved from designing to helping in validation with the help experts on board

Focus on New Technologies

- Focus on new components to meet future market expectations
- Sliding cams, Cam modules, Balancer shafts

Product Range Diversification

- Focus to offer "One Stop Solution" with diversified product range - Chilled, Ductile and Assembled Camshafts
- Exclusive agreement with EMAG, a German machining and tooling process company, for licensing the 'Force Free Heat Shrink' process. This will help us strengthen foray into assembled camshafts and expand business operations in the European market.

Focus on Increasing Sale of Machined Camshafts

- Focus on supplying higher number of machined camshafts to existing customers as well as target new customers
- Higher share of machined camshafts will help to improve the operating margins and return ratios

Expand through Organic Growth

- Continue to explore possibilities of partnerships with companies operating in niche machined components, by leveraging our knowledge

LEVERAGING ORGANIC AND INORGANIC GROWTH

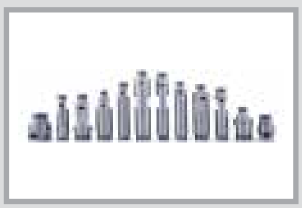
We aim at organic growth to increase the sale of niche machined products with new customers and new technologies.

In addition to organic growth, we also maintained a prominence on inorganic growth by diversifying our product range through niched machined components, high technology products and e-mobility solutions. We expanded our partnership model with high technology companies and design partnership with OEMs.

During the year under review, we struck a few alliances with leading global players to manufacture high-quality products across a wide range of solutions. This enables us fine-tune our manufacturing capabilities to improve efficiency and productivity, thus driving on our quality improvement journey.

KEY ACQUISITIONS:

MEMCO Engineering Private Limited



Acquisition of Stake:
95%

Capacity:
To produce 10.7 million precision components per annum

About MEMCO:
The Nasik-based company enjoys long-term relationships with marquee global customers including Bosch, Delphi, Endress+Hauser and Giro. The key products manufactured by MEMO include Fuel injection components for conventional and CRDi diesel engines, brake components, high pressure diesel injector connectors for naval ships and high precision instrumentation components.

Benefit to PCL:
The acquisition will help PCL strengthen its niche machining capabilities and diversify into a new product range.

MFT Motoren und Fahrzeugtechnik GmbH (MFT)

(Via wholly-owned Subsidiary PCL (International) Holdings B.V.)

Acquisition of Stake:
76%

About MFT Motoren und Fahrzeugtechnik GmbH:
The Company acquired stake in MFT Motoren und Fahrzeugtechnik GmbH (MFT) through its wholly-owned Dutch subsidiary PCL (International) Holding B.V. Key products manufactured by MFT include Balancer Shafts, Camshafts, Bearing Caps, Engine Brackets and several non-engine Prismatic components. MFT enjoys long-term relationships with marquee global customers including Volkswagen, Audi, Opel, Westfalia, and Hatz, Suzuki, among others. The partnership will help the Company scale its business in Germany owing to MFT's know-how in manufacturing and proximity to European customers.

Benefit to PCL:
The acquisition will help PCL strengthen its niche machining capabilities and diversify into a new product range.

EMOSS Mobile Systems B.V

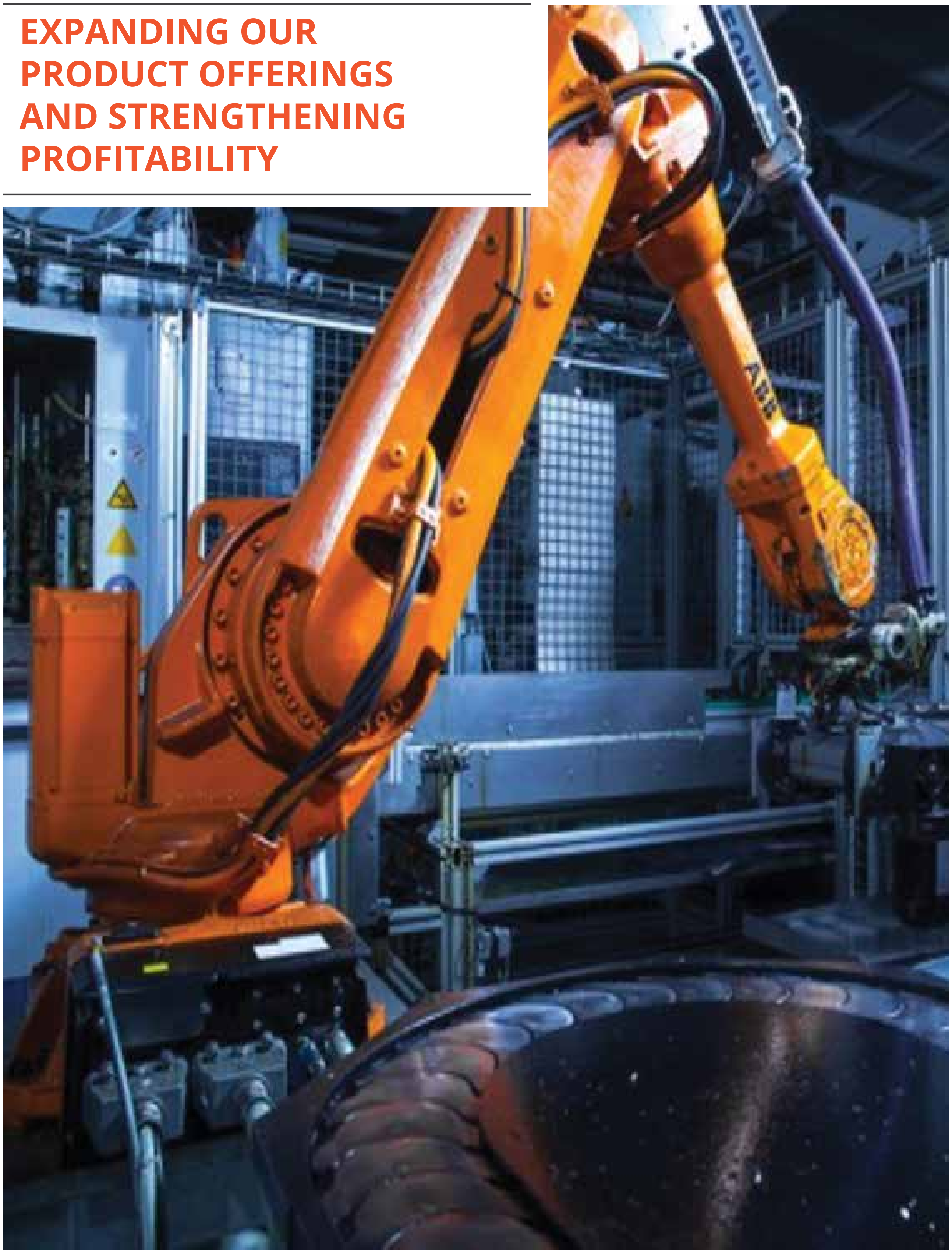
(Via wholly-owned Subsidiary PCL (International) Holdings B.V.)

Acquisition of Stake:
51%

About EMOSS Mobile Systems B.V.:
The Company acquired stake in EMOSS Mobile Systems B.V., a Dutch electric mobility company, through its 100% subsidiary PCL (International) Holding B.V.

Benefit to PCL:
The acquisition helps PCL make a foray into the electric mobility and paves way for us to access mature electrical mobility markets such as Europe, North America and Australasia. The partnership also benefits EMOSS as it will be able to capitalise on PCL's financial bandwidth for its working capital requirements to drive future growth. PCL's global sales and engineering network, close relationships with leading OEMs and strong know-how in lean manufacturing will also help EMOSS scale up rapidly in the marketplace.

EXPANDING OUR PRODUCT OFFERINGS AND STRENGTHENING PROFITABILITY



Our machine shop for ductile, assembled and chilled casting camshafts at our Solapur facility has been a result of a continuous drive to improve camshaft technology and expand our product offerings for existing and new customers, and drive margin expansion and strengthen profitability.

We are one of the world's leading manufacturers and suppliers of camshafts with a comprehensive product offering. From manufacturing of plain vanilla raw chilled iron camshafts to machining, and further to assembled camshafts, we are bettering our product offerings with 2.0 million units per year capacity of the machining unit. The proportion of machined camshafts has been increasing in total revenues, driving up margin expansion and strengthening our profitability.

Our state-of-the-art manufacturing facilities and competitive engineering expertise helps grants us a competitive advantage in the marketplace. We are one of the few global camshaft manufacturers with technological capabilities in manufacturing all four types of camshafts – cast iron, ductile iron, hybrid and assembled. In the past two-and-a-half decades, we have created capabilities to supply more than 150 variants of camshafts for passenger vehicles, tractors, light commercial vehicles and locomotive engine applications.

INCREASING PROFITABILITY

A focus on enhancing the machining business has benefitted our top line and profitability over the past 2-3 years. The value-added machined camshafts segment operates at higher margins, entailing a nearly 3 times higher realisation.

IMPROVING MARGINS

Moving ahead, our margins are projected to be even higher over the coming years, with expenditure on new products already incurred. Margins will further improve once machining camshafts segment achieves higher scale and the already-existing products generate increased revenues. With new volumes coming onboard, revenues are also projected to move northwards. With a higher proportion of machined camshafts, profitability will also improve.

We are pushing ahead with the development of innovative solutions and products and expand the appropriate business segment. We are systematically pursuing an innovative approach and expand our portfolio, gaining ever greater importance in urban mobility around the world. We have already received orders from Ford Motors and Toyota for ductile camshafts. We aim to set up a facility to manufacture larger variety of camshafts to address the growing market for these specialised products in India, and overseas, in order to mitigate risks.

IMPACTING LIVES, UPLIFTING SOCIETIES

> We understand that we have a social responsibility to develop assets that co-exist in harmony with the environment and with the communities. We continue to advance our policies on corporate activities in social, environmental and ethical aspects.

We constantly contribute to the local society, work with communities and produce ways of living for the future. We continue to maintain our sustainable growth together with local residents by carrying out activities based on our chosen pillars for Corporate Social Responsibility (CSR).

We are committed towards the development of communities where we operate. We undertake CSR projects in the areas of health, education, art & culture, social issues and sustainability that improve lives of fellow human beings. These CSR activities help us create stable jobs, increase tax revenues, and stimulate the economy by outsourcing various operations and share the economic effects on a wider scale.

7,25,215
People Benefited

24
Successful Projects

59
Towns Served

70
Partner Organisations

KEY PILLARS OF OUR CSR ENGAGEMENT

HEALTHCARE

- Health Awareness Program on Solapur radio
- Menstrual hygiene awareness program (Saral Designs)
- Speech Therapy Center & BERA Testing Machine

EDUCATION

- Interactive Learning through e-Learning Tools at 100 schools
- Skill Enhancement & Vocational Training

SOCIAL ISSUES

- Battery Operated Vehicle at Solapur railway station

ART & CULTURE

- Solapur International Film Festival
- Precision Sangeet Mahotsava
- Precision Guppa

SUSTAINABILITY

- Donation of 1360 pairs of recycled footwear (Greensole)
- Solar panel installation at 100 schools

Management Discussion & Analysis

6.7%

India's GDP Growth recorded in FY2018

ECONOMY OVERVIEW

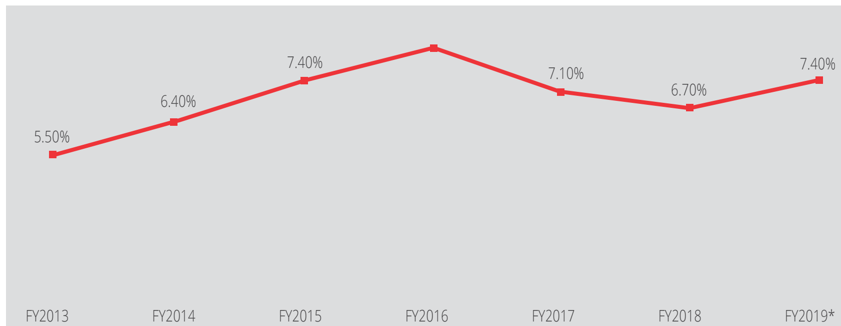
With strong growth potential projected for the coming years, the Indian economy continues to be the flag-bearer for economic expansion in the global landscape. The government has made significant progress on important economic reforms, which will support strong and sustainable growth going forward. The implementation of the goods and services tax, which has been in the making for over a decade, will help raise India's medium-term growth by enhancing the efficiency of production and the movement of goods and services across Indian states.

India's economy temporarily decelerated, nevertheless, it remained the second-best performer amongst major countries, with strong macro-economic fundamentals. This interim deceleration was primarily caused by the demonetisation measures and the introduction of the Goods and Services Tax (GST). In the second half, the scenario improved significantly and India jumped 30 spots on the World Bank's Ease of Doing Business rankings, while similar actions to liberalise the (FDI) regime helped increase flows by 20%. ***(Source: Economic Survey, 2017-18)***

India's Gross Domestic Product (GDP) grew by 6.7% in FY2018. The economy has been bolstered by strong performance in construction, manufacturing and public services, showing a persistent revival trend. With this performance, India retained its ranking as the world's fastest-growing major economy, outpacing China by nearly a percentage point. Inflation, both Consumer Price Inflation (CPI) and Wholesale Price Inflation (WPI) remained under control for the entirety of FY2018. Assuming a normal monsoon and no major policy reforms, CPI is estimated to remain stable. However, rising crude oil and commodity prices may affect the inflation outlook.

Looking ahead, India's economic growth is expected to gather momentum in FY2019, aided by a conducive domestic and global environment. The factors that are expected to help the economy in achieving stronger growth are the effective implementation of GST; an improved credit off-take; a large resource mobilisation from the primary market, strengthening investment activity; and the acceleration of global trade growth. In addition, the thrust on rural and infrastructure sectors in the Union Budget FY2019 are expected to rejuvenate rural demand. In line with these positive economic development outlook, the International Monetary Fund (IMF) has projected India's growth to be 7.4% in FY2019.

India's Rising Economic Growth



Source: Central Statistical Organisation; Data forFY2019 is IMF's projection on India's GDP Growth

INDUSTRY OVERVIEW

Global Passenger Vehicle Market

The global passenger vehicle market is projected to grow at a CAGR of 2.68% during the period 2018-2022, according to the Global Passenger Vehicle Market 2018-2022 by Research and Markets, a leading global management consulting and market research firm. Vehicle production rebounded in 2010-2011, led by high demand from emerging markets such as China, India, and Brazil. China dominates the market and future growth will continue to be driven primarily by BRIC countries.

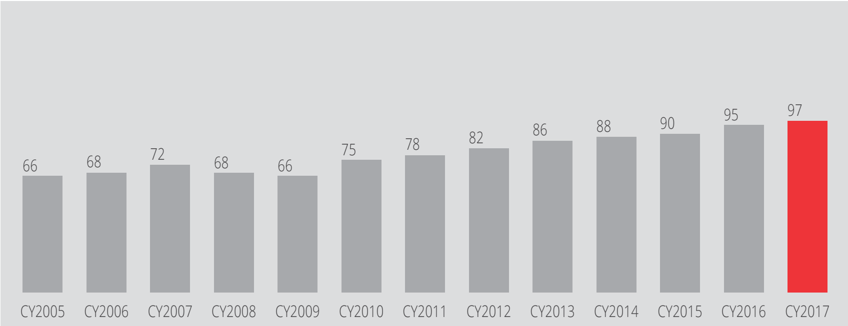
During FY2018, global sale of new vehicles exceeded 94 million. Global production of passenger cars increased by 0.54% to 94,937,447 units in FY2018, compared to 94,424,469 units sold in FY2017.

Vehicle production rebounded in 2010-2011, led by high demand from emerging markets such as China, India, and Brazil. China dominates the market and future growth willcontinue to be driven primarily by BRIC countries.

Management Discussion & Analysis

THE INDIAN AUTO INDUSTRY ACCOUNTS FOR 7.1% OF INDIA'S GDP. THE INDUSTRY HAS THE POTENTIAL TO GENERATE UP TO US$ 300 BILLION IN ANNUAL REVENUE BY 2026, CREATING 65 MILLION ADDITIONAL JOBS.

Rising Global Vehicle Demand
(Units In Million)



Source: Website of OICA (Organisation Internationale des Constructeurs d'Automobiles)

Production of Vehicles in Different Economies

	FY2017	FY2018
Europe	21,863,564	22,205,900
North America	17,908,974	16,940,737
South America	2,869,644	3,374,600
Asia (Including India)	51,782,287	52,416,210
Total	**94,424,460**	**94,937,447**

Source: IHS Markit

Indian Passenger Vehicle Market

The Indian automobile industry is the 4th largest in the world, according to a report by India Brand Equity Foundation (IBEF), with sales increasing 9.5% year on year to 4.02 million units (excluding two-wheelers) in 2017. It was the 7th largest manufacturer of commercial vehicles in 2017. The industry accounts for 7.1% of India's GDP. The auto industry has the potential to generate up to US$ 300 billion in annual revenue by 2026, creating 65 million additional jobs according to the IBEF Report. The industry reported production of 37,92,000 units of passenger vehicles in FY2017, compared to 34,65,000 units in FY2016, as per the data released by ACMA.

The growth of Indian passenger vehicle (cars, utility vehicles and vans) market stood out among the top volume markets globally in 2017. With a growth of more than 9% in sales in 2017, the domestic market is expanding at a faster pace than countries such as China, US, Germany, Japan, UK and France. As per the data from the Society of Indian Automobile Manufacturers (SIAM), passenger vehicle sales in India during FY2018 stood at 32,87,965 units, up 7.9%

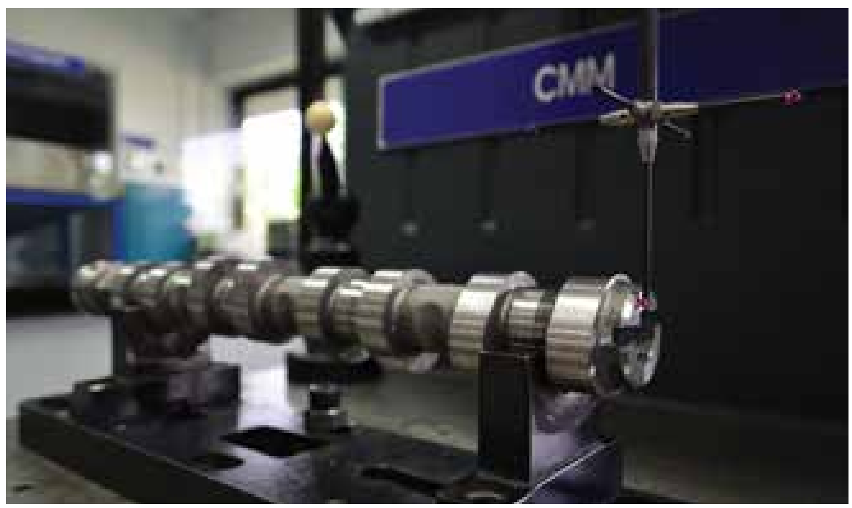
7.1%

Contribution of Passenger Vehicle Segment to India's GDP compared to 30,47,582 units in the corresponding year, supported by new model launches. Domestic car sales were up 3.3% at 21,73,950 units during the year, against 21,03,847 units in the previous year. This was despite a partial impact of demonetisation in the initial months of the year and the introduction of the Goods & Services Tax in July 2017.

9.5%

YoY Sale in Indian Automobile Sector in 2017

Growth of Indian passenger vehicle market stood out among the top volume markets globally in 2017. With a growth of more than 9% in sales in 2017, the domestic market is expanding at a faster pace than several countries.



Performance of Indian Auto Industry

Category	FY2016	FY2017	FY2018
Passenger Vehicles	3,465	3,802	4,010
Growth (%)	8%	10%	5%
Commercial Vehicles	787	810	895
Growth (%)	13%	3%	10%
Three-Wheelers	934	783	1,022
Growth (%)	-2%	-16%	30%
Two-Wheelers	18,830	19,934	23,147
Growth (%)	2%	6%	16%
Grand Total	**24,016**	**25,329**	**29,074**

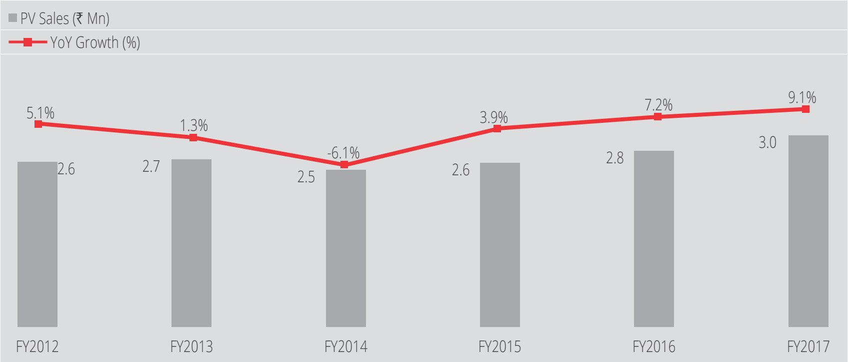
Source: SIAM Report *Figures In Thousands*

Management Discussion & Analysis

The Indian market, the 5th largest passenger vehicle market globally, grew by 9.1% in 2017. Volumes were driven by new model launches and improved customer sentiments in the backdrop of a recovery in the overall economy. India is poised to become the 3rd largest market by 2020, when it can sell up to 5 million units, as per IHS Markit. The domestic passenger vehicle market is expected to perform well, backed by the return of the first-time buyers, replacement demand and aggressive new model launches in the mini car and the UV segment. Multiple forces such as lower interest rates, higher salaries driven by the 7th pay commission and a slew of new models to drive customer interest are likely to drive PV sales higher by 10-12% during FY2018.

THE INDIAN AUTO COMPONENT INDUSTRY PROPELS THE VISION OF "MAKE IN INDIA" FOR THE LAST SEVERAL YEARS. IT EMPLOYS 1.50 MILLION PEOPLE DIRECTLY AND ANOTHER 1.50 MILLION INDIRECTLY. THE INDUSTRY IS EXPECTED TO GROW BY 8-10% IN FY2018.

Indian Passenger Vehicle Sales Volumes (₹ In Million)



India's passenger vehicle market is expected to perform well, backed by the return of the first-time buyers, replacement demand and aggressive new model launches in the mini car and the UV segment.

US$ 730.8 Billion

Estimated Size of Global Auto Component Industry

US$ 43.5 Billion

Estimated Size of Indian Auto Component Industry

Production of Commercial Vehicles in Different Economies

Production	FY2017	FY2018	Growth (In%)
NORTH AMERICA			
Heavy Duty Trucks	215,632	280,529	30.1%
Medium Duty Trucks	241,077	259,522	7.7%
Light Vehicles	10,185,439	10,514,278	3.2%
EUROPE			
Heavy Duty Trucks	394,040	408,041	3.6%
Medium Duty Trucks	75,521	75,155	-0.5%
BRAZIL			
Heavy Duty Trucks	39,472	59,116	49.8%
Medium Duty Trucks	19,586	25,508	30.2%
CHINA			
Heavy Duty Trucks	864,300	1,216,013	40.7%
Medium Duty Trucks	227,676	243,142	6.8%
Grand Total	**12,262,743**	**13,081,304**	**6.7%**

Source: LMC Automotive, March 2018 *In Units/Year*

Global Auto Component Industry

The global auto component market experienced moderate growth over the last five years and is expected to continue its growth momentum reaching approximately US$ 730.8 billion in 2017 with a CAGR of 3.2% during 2012-2017, according to "Global Auto Component Market 2012-2017 Trend, Profit, and Forecast Analysis", a report by Lucintel, a leading global management consulting and market research firm. APAC is anticipated to emerge as the leading growth market over the forecast period due to high demand and low-cost manufacturing practices in the region. Manufacturing of auto components has shifted toward Asian countries such as China, India and others, owing to a higher market potential and low-cost manufacturing options available. China and India are offering majority of low cost services, which are helping OEMs to improve and grow their businesses.

India Auto Component Industry

The auto component sector in India was valued at US$ 43.5 billion (₹ 292,184 crore) at the end of FY2017, contributing 2.3% to India's GDP. Exports amounted to US$ 10.9 billion or ₹ 73,128 crore in FY2017 (vis-à-vis US$ 10.8 billion or ₹ 70,100 crore in FY2016), adding 4% share to India's total exports. The industry propels the vision of "Make in India" for the last several years. It employs 1.50 million people directly and another 1.50 million indirectly. The industry is expected to grow by 8-10% in FY2018, based on

Management Discussion & Analysis

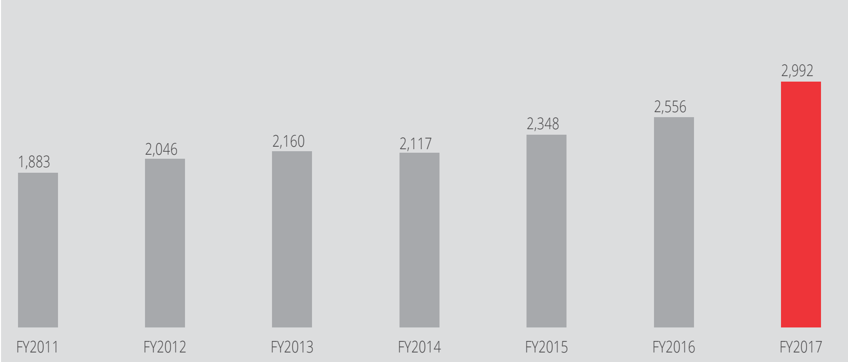
higher localisation by OEMs, higher component content per vehicle, and rising exports from India, as per ICRA Limited. A stable government framework, increased purchasing power, large domestic market, and an ever increasing development in infrastructure and adding to this the Make in India initiative is fuelling the momentum of progressing forward to make India a favourable destination for investment.

The automotive industry overtook Germany to become the 4th largest global automotive market. The industry showed positive signs with significant growth in the passenger vehicle and two-wheeler segments. During the year, OEMs launched new models with additional functionalities and features to attract customers.

The Indian auto component industry recorded a turnover of ₹ 2,992 crore (US$43.5 billion) in FY2017, up 14.3% compared to ₹ 2,556 crore (US$ 2,556 crore) recorded in FY2016, as per data released by the Automotive Component Manufacturers Association of India (ACMA), the apex body of the auto component industry. A Report by rating agency ICRA projects the auto component industry to record 8% to 10% growth during FY2018, based on higher localisation by original equipment manufacturers (OEM), higher component content per vehicle and rising exports from India. ACMA projects the industry to record US$ 100 billion turnover by 2020, backed by strong exports ranging between US$ 80-US$ 100 billion by 2026. The Indian auto components industry has been experiencing a healthy growth over the last few decades due to factors such as a buoyant end-user market, improved consumer sentiment and return of adequate liquidity in the financial system.

A Report by rating agency ICRA projects the auto component industry to record 8% to 10% growth during FY2018, based on higher localisation by original equipment manufacturers (OEM), higher component content per vehicle and rising exports from India.

Turnover of India Auto Component Industry (₹ In Crore)



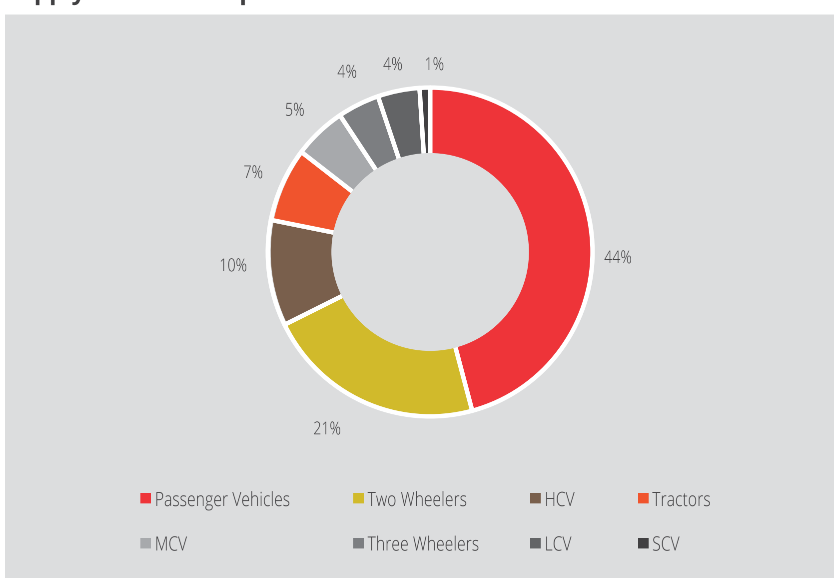
Source: ACMA

THE INDIAN AUTO COMPONENTS INDUSTRY HAS BEEN EXPERIENCING A HEALTHY GROWTH OVER THE LAST FEW DECADES DUE TO FACTORS SUCH AS A BUOYANT END-USER MARKET, IMPROVED CONSUMER SENTIMENT AND RETURN OF ADEQUATE LIQUIDITY IN THE FINANCIAL SYSTEM.

US$ 100 Billion

Projected Turnover of India's Auto Component Industry by 2020

Supply of Auto Components to OEMs



Source: ACMA

Management Discussion & Analysis

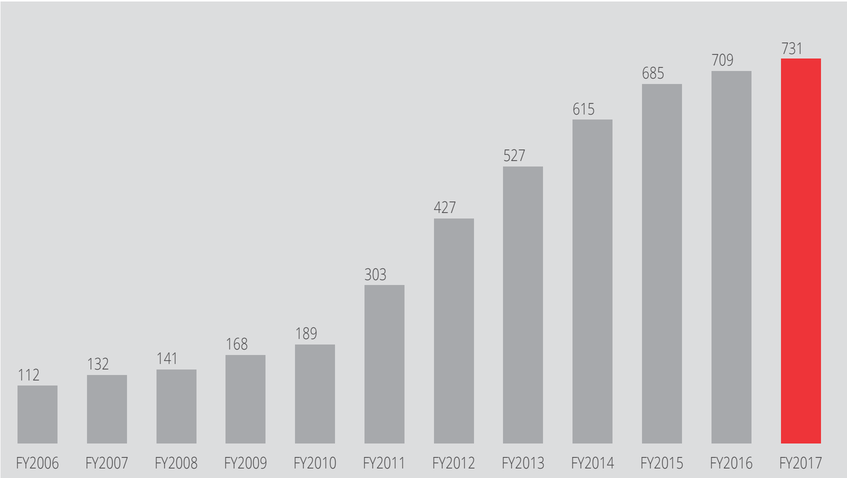
India – A Global Auto Component Hub

Exports of automobile components witnessed a spurt from US$ 3.2 billion in 2006 to US$ 10.8 billion in FY2015 and further to US$ 11.2 billion in FY2016. Auto components constitute 4% of India's overall exports, driven by strong domestic growth and enhanced globalisation of Indian auto component suppliers. The industry is gearing up and moving away from traditional ICE based platforms to cleaner technologies including electric cars. It is achieving milestones by equipping itself with first quality standards, worldwide tech capabilities and ability to supply to global OEMs.

India is emerging as a global hub for sourcing of automotive parts. Geographically, it is strategically positioned to take advantage of key automotive markets in the ASEAN, Europe, Korea and Japan. Being amongst the fastest growing economies in the world, India is bestowed with a rich pool of skilled and semi-skilled labour, accounting for a majority of the working age population which makes the country a cost competitive manufacturing destination.

EXPORTS OF AUTOMOBILE COMPONENTS WITNESSED A SPURT FROM US$ 3.2 BILLION IN 2006 TO US$ 10.8 BILLION IN FY2015 AND FURTHER TO US$ 11.2 BILLION IN FY2016.

India's Auto Component Exports (₹ In Crores)



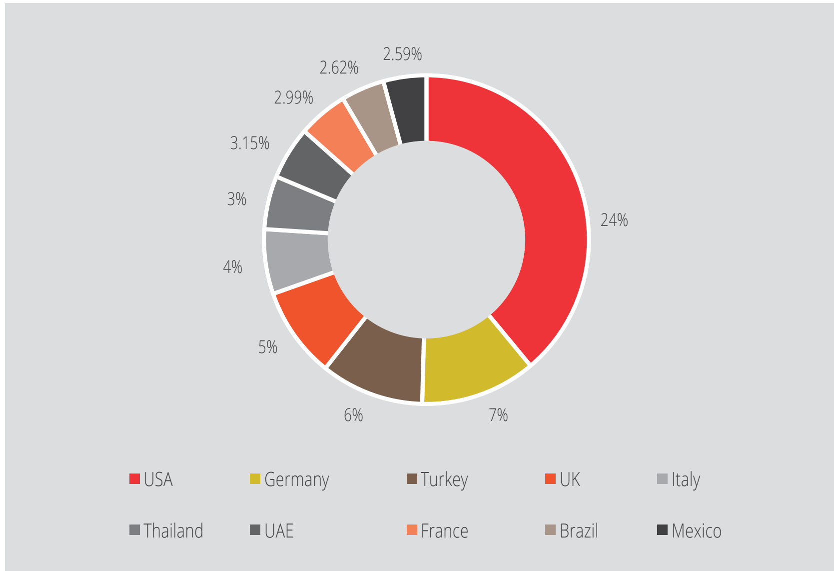
Source: ACMA

US$ 11.2 Billion

Estimated Industry Size of India's Auto Component Sector

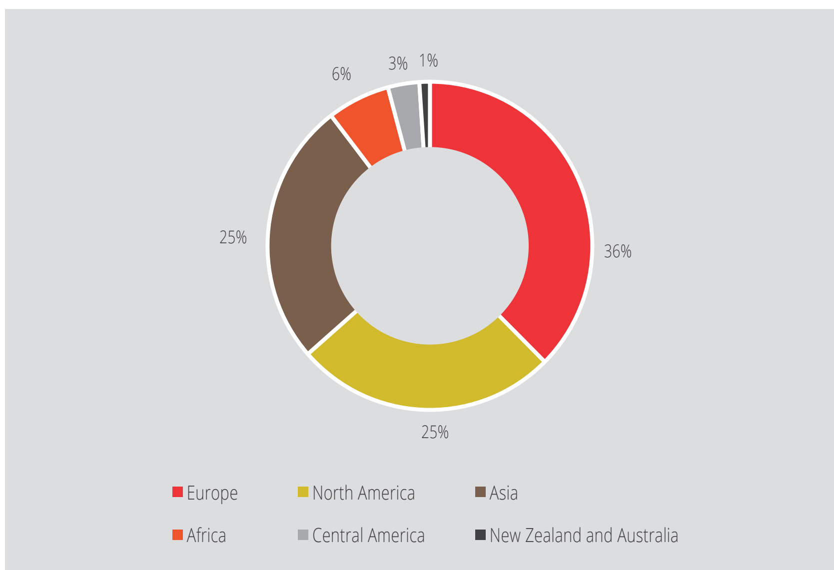
AUTO COMPONENTS CONSTITUTE 4% OF INDIA'S OVERALL EXPORTS, DRIVEN BY STRONG DOMESTIC GROWTH AND ENHANCED GLOBALISATION OF INDIAN AUTO COMPONENT SUPPLIERS. THE INDUSTRY IS GEARING UP AND MOVING AWAY FROM TRADITIONAL ICE BASED PLATFORMS TO CLEANER TECHNOLOGIES INCLUDING ELECTRIC CARS.

Top 10 Export Destinations for Auto Components from India



Source: ACMA

Export Destinations from India – Region-wise



Source: ACMA

India is bestowed with a rich pool of skilled and semi-skilled labour, accounting for a majority of the working age population which makes the country a cost competitive manufacturing destination.

Management Discussion & Analysis

Domestic Aftermarket Segment

The aftermarket segment has been the silver lining for India's auto component industry, growing 25.6% at US$ 8.4 billion or ₹ 56,096 crore in FY2017, up from ₹ 44,660 crore in the previous year, according to data released by ACMA. Overall, the industry clocked a turnover of ₹ 2.92 lakh crore (US$43.5 billion), growing 14.3% over the previous year and clocking 7% CAGR over the past 6 years. Industry experts estimate the aftermarket segment in India to touch US$ 13 billion by 2020 and further to US$ 32 billion by 2026. This is in the backdrop of robust growth expectation in domestic Passenger Vehicle, Commercial Vehicle, tractor and two-wheeler segment. Revenue growth will also be supported by a steady increase in commodity prices and a consequent impact on realisation.

Global Automotive Camshafts Market

The global automotive camshaft market is projected to reach a valuation of US$ 4,462.2 million by the end of 2028, up from an estimated US$ 2,861.2 million in 2018. This will be primarily driven by an increasing number of passenger cars for recreational purposes, growing purchasing power of the middle class in the developing economies, and the availability of capital for expansion of manufacturing facilities in mature and emerging markets.

Camshaft is a critical component that is necessary for the functioning of an engine. The automotive camshaft market is highly dependent on automobile demand, as camshafts are required in all internal combustion engines. The OEM segment forms a major portion of the automotive camshaft market and is an important source of revenue. The global automotive camshaft market is gaining momentum with growing passenger vehicles segment, which is the key segment driving camshaft sales. Passenger vehicles largely use either SOHC or DOHC engines, i.e. either single camshaft engines or double camshaft engines.

Increasing Outsourcing of Camshafts

As setting up a new foundry is capital intensive, there is a growing trend of outsourcing manufacturing of camshafts. Several OEMs such as General Motors, Ford Motors, Hyundai and FIAT outsource a majority of their camshaft castings production. Inherent cost

THE AFTERMARKET SEGMENT CLOCKED A TURNOVER OF ₹ 2.92 LAKH CRORE (US$43.5 BILLION), GROWING 14.3% OVER THE PREVIOUS YEAR AND CLOCKING 7% CAGR OVER THE PAST 6 YEARS. INDUSTRY EXPERTS ESTIMATE THE AFTERMARKET SEGMENT IN INDIA TO TOUCH US$ 13 BILLION BY 2020 AND FURTHER TO US$ 32 BILLION BY 2026.

Inherent cost advantage compared to other major manufacturing destinations across the world has made India the preferred sourcing destination for OEMs and major Tier-1 suppliers.

advantage compared to other major manufacturing destinations across the world has made India the preferred sourcing destination for OEMs and major Tier-1 suppliers. Camshaft manufacturers with manufacturing abilities across technologies and with machining set-ups are expected to benefit from the trend of manufacturing operations being outsourced by OEMs, along with optimisation of vendor network.

Growing Popularity of Machined Camshafts

The machining process contributes to value addition of 100% to 200% depending on the complexity of the cam profile and grinding requirements. Consequently, camshaft prices are less dependent on raw material prices as they are based on cam profile complexity and the extent of machining. There are three prevalent technologies for manufacturing automotive camshafts: chilled iron casting (grey/cast iron or ductile iron casting), forging, and assembled camshafts. Depending on the desired characteristics, shafts may be induction hardened for increased strength requirements. All manufacturing processes are followed by machining to give required finish and profiling to the camshaft castings.

Ductile iron can handle more pressure than cast iron though ease of machining and cost make chilled cast iron the preferred method. Additional weight reduction can be achieved by using hollow/profiled shafts. Chilled cast iron generally doesn't require additional hardening, while ductile iron can require additional hardening, if chills are not used.

Assembled camshafts are produced by assembling / fixing aggregate parts, i.e., lobes, journals, sprockets,

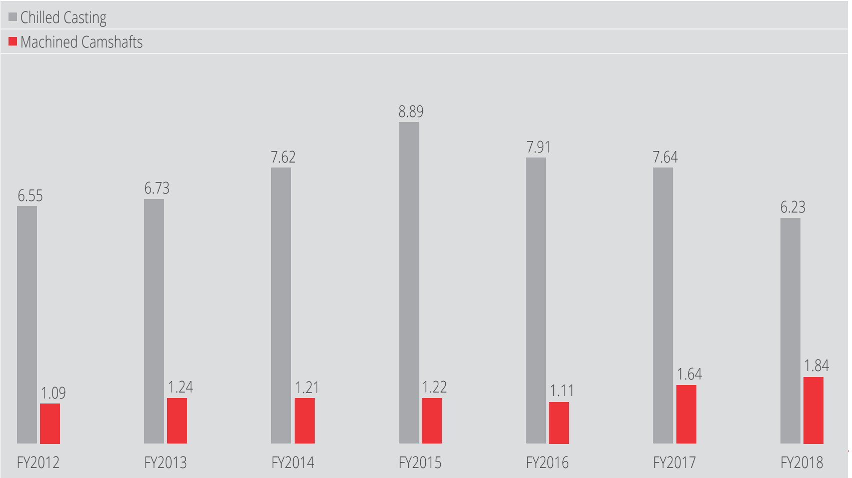
Management Discussion & Analysis

and other parts, on a tubular shaft. The manufacturing cost of a single assembled camshaft is higher compared to other camshafts due to proprietary fixing technologies.

One of the technology is 'force free heat shrink technology' process developed by EMAG, a German machining and tooling company.

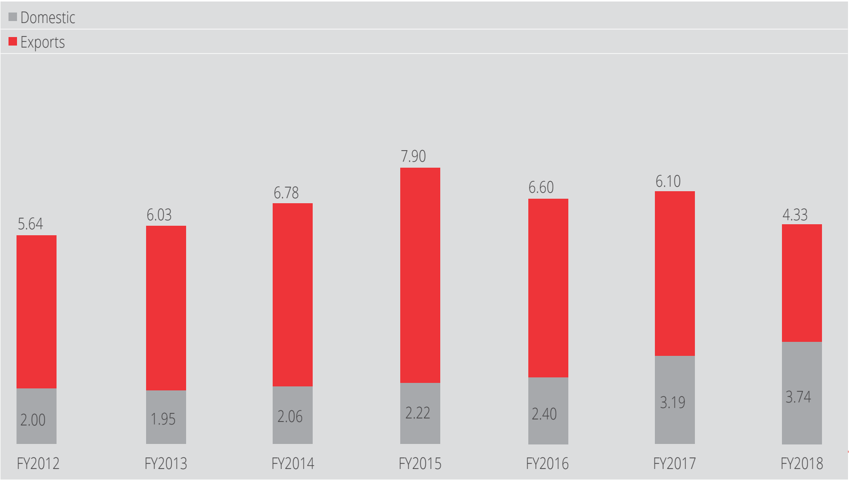
CAMSHAFT MANUFACTURERS WITH MANUFACTURING ABILITIES ACROSS TECHNOLOGIES AND WITH MACHINING SET-UPS ARE EXPECTED TO BENEFIT FROM THE TREND OF MANUFACTURING OPERATIONS BEING OUTSOURCED BY OEMS, ALONG WITH OPTIMISATION OF VENDOR NETWORK.

Gradual Rise in Sale of Machined Camshafts Volume (In Million)



Source: Asit C. Mehta Research

Rising Volumes in Camshafts Segments (In Million)



150

Varieties of Camshafts for Passenger Vehicles produced by Precision Camshafts

COMPANY OVERVIEW

Precision Camshafts Limited (PCL) is one of the world's leading manufacturer and supplier of camshafts, a critical engine component, in the passenger vehicle segment. Promoted by first generation entrepreneurs Yatin Shah and Dr. Suhasini Shah, we supply a wide range of over 150 varieties of camshafts for passenger vehicles, tractors, light commercial vehicles and locomotive engine applications and mainly caters to the passenger vehicle segment. Our aggregate capacity is 15.6 million camshafts.

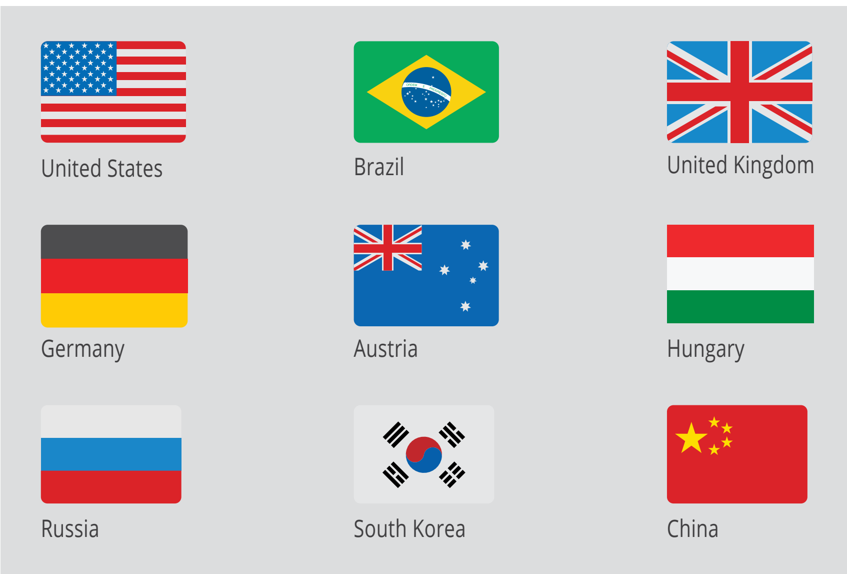
The Company supplies camshafts for passenger vehicles, tractors, light commercial vehicles and locomotive engine applications from its manufacturing facilities in Solapur, Maharashtra. It is a complete solutions provider for camshafts manufactured by different technologies, earning a major chunk of its revenue from the export of camshafts to various OEMs, directly and indirectly.

With over 23 years of experience, we are a niche player in the camshaft segment with a global market share of 8% to 9%. We are also the largest suppliers in the domestic market with a market share of ~70%, and the preferred suppliers of casting camshaft to some of the global and domestic Original Equipment Manufacturers (OEM),

Management Discussion & Analysis

including Maruti Suzuki, Hyundai (India), Tata Motors and M&M, while OEMs such as General Motors and Ford constitute its largest global customers. Focus on technology (product and process) has enabled us gain a strong foothold in the domestic and global markets.

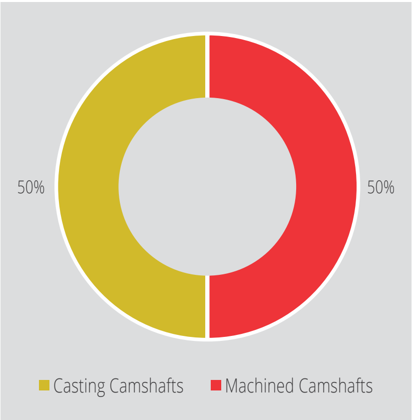
Our Global Presence



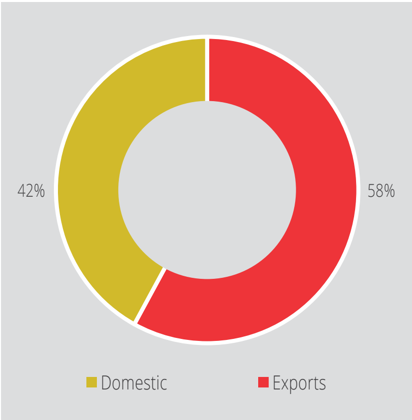
~ 9%

Our Market Share in Global Camshaft Segment

Product-wise Revenue Mix



Geography-wise Revenue Mix



23

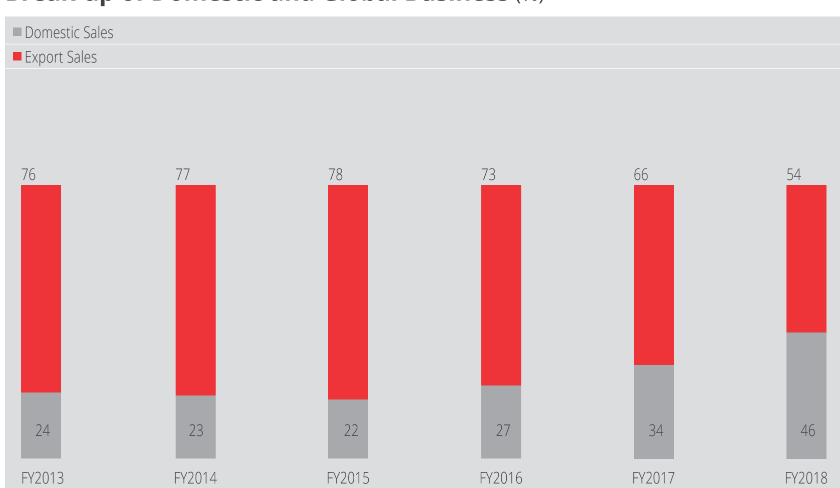
Years of Experience

AFTER HAVING DEMONSTRATED OUR EXPERTISE OF BEING THE PREFERRED SUPPLIER FOR CASTING CAMSHAFTS TO MAJOR GLOBAL OEMs, WE ARE CURRENTLY WORKING TO CAPTURE A LARGER MARKET SHARE OF MACHINED CAMSHAFTS, WITH THE GROWING TREND OF OUTSOURCING OF MACHINING PROCESS FROM OEMs.

One Stop Solution Provider

- Chilled cast iron machined camshafts
- Ductile iron machined camshafts
- Hybrid camshafts
- Assembled camshafts
- Balancer shafts

Break-up of Domestic and Global Business (%)



Management Discussion & Analysis

Our Manufacturing Facilities

India Facility

We have two state-of-the-art manufacturing facilities – an EOU and a domestic unit – both situated at Solapur, Maharashtra. The EOU consists of 4 foundries and 3 machine shops and products manufactured at the EOU unit are primarily exported to the overseas customers. The domestic unit consists of one foundry and one machine shop, and the Company caters to its domestic customers from this facility. An increase in machining capacity to 4 million units per annum is underway, aiming for the contracted business from Ford, General Motors and Mahindra & Mahindra.

EOU UNIT

Foundry: 10.85 Million Units Per Annum

Machine Shop: 2.65 Million Units Per Annum

DOMESTIC UNIT

Machine Shop: 0.36 Million Units Per Annum

China Facility (Through Strategic Joint Ventures)

NINGBO SHENGLONG PCL CAMSHAFTS COMPANY LIMITED (OUR STAKE: 22.5%)

Machine Shop: 1.50 Million Units Per Annum

PCL SHENGLONG (HUZHOU) SPECIALISED CASTING COMPANY LIMITED (OUR STAKE: 40%)

Foundry: 4.00 Million Units Per Annum

Machined Camshafts

Machined camshaft is the next level of refined stage of casting camshaft, which has the potential for ~2.5 times higher realisation, compared to camshaft castings or unmachined camshaft. After having demonstrated our expertise of being the preferred supplier/vendor for casting camshafts to major global OEMs, we are currently working to capture a larger market share of machined camshafts, with the growing trend of outsourcing of machining process from OEMs. During the previous year, we have bagged new orders from Ford and Toyota for machined camshafts. The incremental revenue is likely to come through higher volumes from machined camshaft with higher realisation.

Our New Machine Shop

We have set up machining unit with a capacity of 2-million per annum for manufacturing chilled machined camshafts within the same premises as the export-oriented unit in Solapur Maharashtra. The capacity expansion will take place in phases during FY2019. This will help the Company expand its product offerings for existing customers, target new customers, focus on process improvement, value-added products and efficiency enhancement. We have already received orders from Ford Motors and Toyota for fully machined ductile camshafts. We are setting up a plant in Brazil for machining of camshafts for General Motors to supply 6 million camshafts over the life of the program.

We have set up machining unit with a capacity of 2-million per annum for manufacturing chilled machined camshafts within the same premises as the export-oriented unit in Solapur Maharashtra. The capacity expansion will take place in phases during FY2018-19. This will help the Company expand its product offerings for existing customers, target new customers.

4.0 Million

Projected machining capacity post expansion

WE HAVE ESTABLISHED ENGINEERING CENTRES MANNED WITH INTERNATIONAL EXPERTS IN THE US AND EUROPE TO SUSTAIN THE GROWTH. THIS TEAM WOULD HELP PCL HARNESS THE BEST OF TECHNOLOGY GOING FORWARD. WE HAVE DEDICATED A NEW 2 MILLION MACHINING CAPACITY TO CATER TO FORD'S DRAGON PROJECT.

Types of Camshafts and their Processes

Raw Cast Iron/Ductile Iron Camshaft	Machined Camshaft	Assembled Camshaft
Cast Iron Camshaft • Casting process • Material used: Pig iron, resin coated sand	• Cutting • Drilling • Finishing • Reaming • Milling • Cam grinding	• Assembled by robotics • Fully mechanised process • Different materials can be used • 30% lighter than normal
Ductile Iron Camshaft • Casting process • Material used: Pig iron, CRCA, Low Boron Scrap, RCS and filter		

Our Quality Certifications

Foundry:

- **ISO/ TS 16949:2009**
  Consistent manufacturing practices and defect free products
- **ISO:14001:2004**
  Environmental Management System
- **BS OHSAS: 18001:2007**
  Occupational Health & Safety Management System

Management Discussion & Analysis

Machine Shop:

- **ISO/ TS 16949:2009**
  Consistent manufacturing practices and defect free products
- **ISO:14001:2004**
  Environmental Management System
- **BS OHSAS: 18001:2007**
  Occupational Health & Safety Management System

Single Source for Global Projects

We have established Engineering Centres manned with international experts in the US and Europe to sustain the growth. This team would help us harness the best of technology going forward. We have dedicated a new 2 million machining capacity to cater to Ford's Dragon project. Of this, 0.25 million machining capacity has been commissioned, from which a supply has started in FY2018. We have begun delivering ductile iron machined camshafts to Toyota, with a monthly run rate of 18,000 camshafts for Innova and Fortuner models.

Our Key Competitive Advantages

a. Entrenching Global Competencies

We serve global OEM majors such as General Motors and Ford, which together account for 65% of our total revenues.

b. Diversifying Client Base

We are in advanced stages of discussions for new orders with leading OEMs across geographies, which will lead to significant diversification and dilute the concentration risk.

c. Enhancing Market Presence

Unwavering focus on product quality, ability to meet quality standards and various process efficiency measures, along with stringent delivery schedules of OEMs and Tier-1 suppliers and effective execution have enabled us in matching global standards and enhancing market presence.

d. Strong Presence in Asian Markets

The APAC region is anticipated to spearhead automotive demand in the near to medium term. With presence in China (through foundry and machining facility via a joint venture and trading subsidiary) and India, we are well positioned to cater to requirements of the two fastest growing economies. We are also reaping benefits of being present in two of the world's most low-cost manufacturing destinations.

Unwavering focus on product quality, ability to meet quality standards and various process efficiency measures, along with stringent delivery schedules of OEMs and Tier-1 suppliers and effective execution have enabled us in matching global standards and enhancing market presence.

2.0 Million

New Machining Capacity
Under Progress

Leveraging Rising Opportunities in APAC Markets (Units In Million)

	APAC	EMEA	Americas
CY2014	56.6	30.6	14.5
CY2015	58.4	30.3	14.1
CY2016	60.6	30.2	14.1

Source: Edelweiss Report

e. Ingrained Presence in Critical Camshaft space

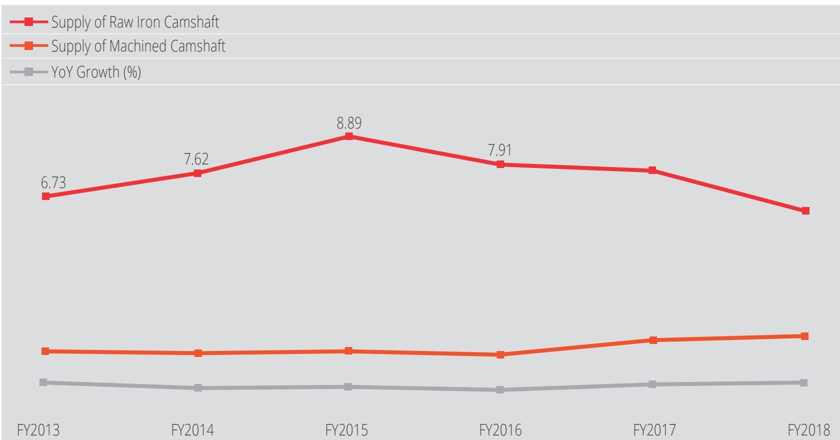
We are capable of manufacturing all kinds of camshafts required by OEMs - castings in cast iron & ductile iron, machining, hybrid and assembled camshafts. We are the only camshaft manufacturing company globally to provide all types of technologies for camshafts under one roof. We are now expanding our range to cover the other two camshaft technologies - sliding cams and cam modules.

f. Presence in Machined Camshafts

We have scaled up the value chain from manufacturing plain vanilla raw chilled iron camshafts to machining, and further to assembled camshafts. With our 2 million machining unit for manufacturing machined camshafts, we continue to focus on process improvement, value-added products and efficiency enhancement.

Management Discussion & Analysis

Rising Growth in Supply of Machined Camshaft



WE ARE THE ONLY CAMSHAFT MANUFACTURING COMPANY GLOBALLY TO PROVIDE ALL TYPES OF TECHNOLOGIES FOR CAMSHAFTS UNDER ONE ROOF. WE ARE NOW EXPANDING OUR RANGE TO COVER THE OTHER TWO CAMSHAFT TECHNOLOGIES - SLIDING CAMS AND CAM MODULES.

g. Global Partnerships

We have a technical alliance with the German technology company EMAG, for the assembled camshaft technology. We have worldwide exclusive rights to use the new technology and patented rights developed by EMAG for a period of 5 years.

Strategic Tie-ups

Global Partner

- Shenglong Powertrain Company Limited
- Shenglong Automotive Powertrain Systems Co. Ltd.

Purpose of Tie-up

- Machining of camshafts
- Setting up a foundry in China

Name of JV Company

- Ningbo Shenglong PCL Camshafts Co. Ltd.
- Huzhou PCL Shanglong Specialised Castings Co. Ltd.

18,000

Monthly Run Rate for Innova and Fortuner models

OUR PARTNERSHIP WITH MFT WILL US SCALE ITS BUSINESS IN GERMANY OWING TO MFT'S KNOW-HOW IN MANUFACTURING AND PROXIMITY TO EUROPEAN CUSTOMERS. KEY PRODUCTS MANUFACTURED BY MFT INCLUDE BALANCER SHAFTS, CAMSHAFTS, BEARING CAPS, ENGINE BRACKETS AND SEVERAL NON-ENGINE PRISMATIC COMPONENTS.

Key Focus Areas

- Diversifying client base and gaining market share in PV camshaft markets by grabbing orders from OEMs where company has limited presence
- Increase presence in existing client base
- Gaining incremental business from value added products like machining and assembled camshaft
- Gaining presence in higher end luxury and sports cars
- Realisation to improve on the back of favourable product mix
- Significant rise in EBITDA margins and ROCE

Operational Highlights

1. **Acquisition of stake in MEMCO Engineering**
   The Company acquired 95% stake in Nashik-based MEMCO Engineering Private Limited (MEMCO) during FY2018. MEMCO has the capacity to produce 10.7 million precision components per annum. It enjoys long-term relationships with marquee global customers including Bosch, Delphi, Endress+Hauser and Giro. Key products manufactured by MEMCO include fuel injection components for conventional and CRDi diesel engines, brake components, high pressure diesel injector connectors for naval ships and high precision instrumentation components.

Management Discussion & Analysis

2. **Acquisition of stake in MFT Motoren und Fahrzeugtechnik GmbH (MFT)**
   The Company acquired 76% stake in MFT Motoren und Fahrzeugtechnik GmbH (MFT) through its wholly-owned Dutch subsidiary PCL (International) Holding B.V. The acquisition will help us strengthen our niche machining capabilities and diversify into a new product range. MFT enjoys long-term relationships with marquee global customers including Volkswagen, Audi, Opel, Westfalia, and Hatz, Suzuki, among others. The partnership will help the Company scale its business in Germany owing to MFT's know-how in manufacturing and proximity to European customers. Key products manufactured by MFT include Balancer Shafts, Camshafts, Bearing Caps, Engine Brackets and several non-engine Prismatic components.

3. **Acquisition of stake in Emoss Mobile Systems B.V.**
   The Company acquired 51% stake in Emoss Mobile Systems B.V., a Dutch electric mobility company, via its 100% subsidiary PCL (International) Holding B.V. With this, the Company makes a foray into the electric mobility. The acquisition paves way for the Company to access mature electrical mobility markets such as Europe, North America and Australasia. Emoss will also benefit as it will capitalise on our financial bandwidth for its working capital requirements to drive future growth. Our global sales and engineering network, close relationships with leading OEMs and strong know-how in lean manufacturing will help Emoss scale rapidly in the marketplace.

~2.5 Times

Increased Realisation of Machining Business vis-a-vis Raw Cast Iron Camshafts

Financial Overview – Consolidated and Standalone (₹ In Lakhs)

Financial Results	Standalone		Consolidated	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Revenue From Operations	40,787.24	46,700.86	42,861.33	46,632.96
Other income	1,131.64	917.00	1,143.05	927.72
Revenue From Operations and Other income	41,918.88	47,617.86	44,004.37	47,560.68
Profit (Loss) before Interest, tax, and depreciation (EBITDA)	8,975.56	10,972.66	9,115.74	10,850.13
Profit for the year	3475.63	6,085.36	4,732.65	6,658.80
EPS (Basic) (In ₹)	3.67	6.42	4.98	7.03
EPS (Diluted) (In ₹)	3.66	6.41	4.98	7.01

Our global sales and engineering network, close relationships with leading OEMs and strong know-how in lean manufacturing will help Emoss scale rapidly in the marketplace.

FOCUS ON ENHANCING VALUE-ADDED MACHINING BUSINESS, WHICH ENTAILS 2.5 TIMES HIGHER REALISATION THAN RAW CAST IRON/ DUCTILE IRON CAMSHAFTS, HAS BENEFITTED THE COMPANY'S TOPLINE AND PROFITABILITY OVER THE PAST COUPLE OF YEARS AND INCREASED REALISATION. PRESENCE IN A CAPITAL-INTENSIVE INDUSTRY AND COMPETITIVE MARKET AND ABILITY TO GRADUALLY ENHANCE PROFITABILITY PLACES US IN AN IDEAL POSITION TO MAKE SIGNIFICANT VALUE ACCRETION.

Management Outlook

Profitability has been primarily driven by a favourable product mix and a rise in presence within OEMs with higher engine capacity models. We recently acquired the capability to manufacture assembled camshafts, which entails higher realisation than raw cast iron camshafts. We are shifting focus to the machining business, which yields higher realisation than castings camshafts. Focus on enhancing value-added machining business, which entails 2.5 times higher realisation than raw cast iron/ductile iron camshafts, has benefitted the Company's topline and profitability over the past couple of years and increased realisation. Presence in a capital-intensive industry and competitive market and ability to gradually enhance profitability places us in an ideal position to make significant value accretion.

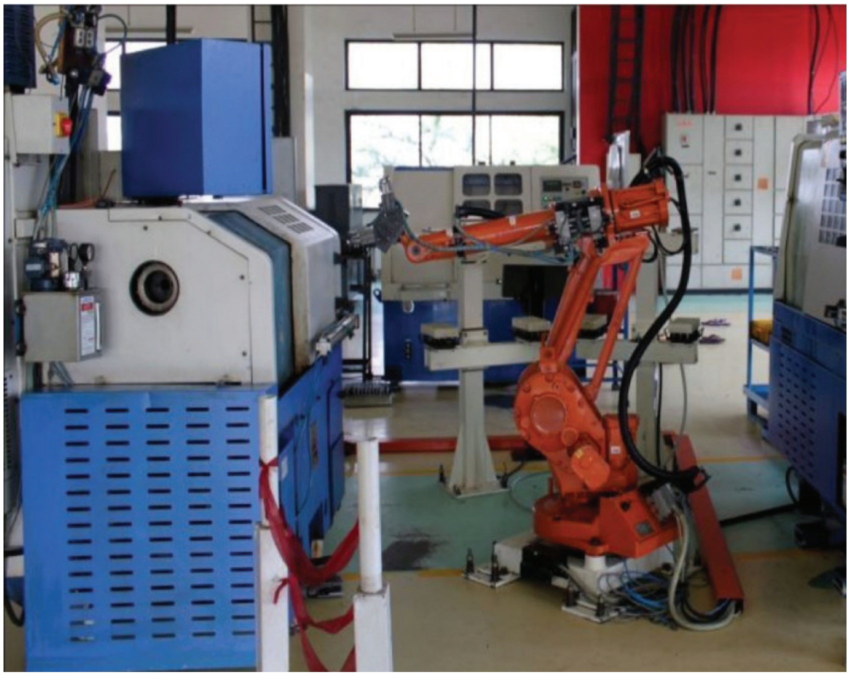
What will drive future growth?

- Diversification of product range
- Expanding our role with customer
- Focus on increasing sale of machined camshafts
- Focus on new technologies
- Expansion through inorganic growth

Human Resource Management

At PCL, we have laid a foundation that emphasises on people, helping us create an environment where employees thrive to deliver an exceptional customer experience. We have extended our work culture from beyond

Management Discussion & Analysis



OUR COMPANY HAS INVESTED INTO TRAINING AND LEARNING & DEVELOPMENT OF EMPLOYEES ON A REGULAR BASIS. WE EMPHASISE ON PROVIDING OUR EMPLOYEES WITH EFFECTIVE TRAINING PROGRAMS, RESULTING IN THE IMPROVEMENT OF OPERATIONS AND EFFICIENCY, AS WELL AS CUSTOMER SERVICE STANDARDS.

what we offer to our customers to a larger audience, including our employees. Our employees include sales, IT, administrative, finance, marketing, procurement, logistics, design, merchandise and factory personnel. We believe in developing a strong relationship with the employees. Our Company has invested into training and learning & development of employees on a regular basis. We emphasise on providing our employees with effective training programs, resulting in the improvement of operations and efficiency, as well as customer service standards. As on March 31, 2018, we had 1,292 full-time employees.

Risk Management

a. Growth in demand for Electric vehicles:

Electric vehicle sales are in uptrend as people are getting more concerned about the environmental issues. Although, the current size of electric vehicle market is minuscule as compared to conventional vehicle but is growing at much faster pace. Stricter norms for the gas fueled vehicles are turning heads towards bio-fueled vehicles.

b. Delay or failure to acquire new clients:

Adding a new client is a long process of 2-3 years. If company fails in any process in-between or there is any delay, it would impact the volume growth of the company.

c. Currency fluctuation:

Company derives close to 53% of revenue in export. Depreciation

1,292

Employee Strength in FY2018

in currency would impact the revenue realisation of the company.

Internal Control Systems

The Company works under the environment of SAP, which enables us to gain control of each stage of the manufacturing process. The Company has appointed Internal Auditors covering all the aspects which could financially impact its operations. The Company has also set up adequate controlling systems to curb production wastage and inculcate processing efficiency.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Precision Camshafts Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirely by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Precision Camshafts Limited's Annual Report, FY2018.

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

To,
The Members,
PRECISION CAMSHAFTS LIMITED

Your Directors are pleased to present the TWENTY SIXTH ANNUAL REPORT and the Audited Financial Statements for the year ended 31st March, 2018.

1. FINANCIAL RESULTS

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

(₹ in lakhs)

Financial Results	Standalone		Consolidated	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Total Revenue (I)	41,918.88	47,617.86	44,004.37	47,560.68
Total Expenses (II)	33,123.32	36,645.20	34,888.64	36,710.56
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)	8795.56	10,972.66	9,115.74	10,850.13
Profit before tax	5376.15	8,741.77	7,013.22	9,716.64
Total Tax Expenses	1900.52	2,656.41	2,280.57	3,057.84
Profit for the year	3475.63	6,085.36	4,732.65	6,658.80
EPS (Basic)	3.67	6.42	4.98	7.03
EPS (Diluted)	3.66	6.41	4.98	7.01

The abovementioned figures are extracted from financial statements prepared in accordance with the Indian accounting standards (IND AS).

2. COMPANY'S FINANCIAL PERFORMANCE

During the Financial Year under review on standalone basis your Company registered a total revenue ₹ 41,918.88 lakhs as against ₹47,617.86 lakhs in the previous year. The profit after tax for the year stood at ₹ 3475.63 lakhs as against ₹ 6,085.36 lakhs in the previous year. Your Company reported reduction in top-line by 12% over the previous year.

On consolidated basis Total Revenue was ₹44,004.37 lakhs as against ₹ 47,560.68 lakhs in the previous year. The profit after tax for the year stood at ₹ 4,732.65 lakhs as against ₹ 6,658.80 lakhs in the previous year. Your Company reported reduction in top-line by 7.5% over the previous year

3. DIVIDEND

The Board of Directors of your Company has recommended a final dividend of ₹ 1/- (10%) per Equity Share of Face Value of ₹10/- for the Financial year ended 31st March 2018.

Payment of dividend is subject to the approval of the members at the ensuing Annual General Meeting. In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has formulated a Dividend Distribution Policy. The Dividend Distribution Policy of the Company is also hosted on the website of the Company and can be viewed at www.pclindia.in.

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4. SHARE CAPITAL

During the year under review, your company allotted 82,105 Equity Shares of ₹ 10/- each on the exercise of Stock Options under Precision Camshafts Limited Employee Stock Option Scheme 2015 ("PCL ESOS 2015"). Consequently the Issued, Subscribed and Paid-up Equity Share Capital of the Company increased from ₹ 9479.45 lakhs divided into 94,794,530 Equity Shares of ₹ 10/- each to ₹ 9487.66 Lakhs divided into 94,876,635 Equity Shares of ₹ 10/- each.

5. SUBSIDIARIES AND ACQUISITIONS

(a) PCL (INTERNATIONAL) HOLDINGS B.V. NETHERLANDS ("PCL Netherlands")

Your Company incorporated a Wholly Owned Subsidiary Company in Netherlands under the name "PCL (International) Holdings B.V. Netherlands" ("PCL Netherlands") in October 2016. During the year, the Company made investment in Equity Shares to the extent of ₹ 2214.00 Lakhs in PCL Netherlands. The Equity contribution made in PCL Netherlands was utilized for strategic acquisitions. The existing customer base of the Company is predominantly located in Europe, hence to get future orders and to establish research and development PCL Netherlands would add value to the business of the Company.

(b) MEMCO Engineering Private Limited ("MEMCO")

With intention to diversify its product portfolio, the Company during the year, acquired 95% Equity Share Capital of MEMCO Engineering Private Limited, Nashik, Maharashtra. The acquisition was done on 10th October, 2017 for an enterprise value of ₹ 3,804.35 lakhs. Pursuant to the Share Purchase Agreement, your Company would acquire balance 5% Equity Shares by end of September 2018 based on financial performance.

MEMCO is engaged in the business of manufacturing fuel injection components for conventional CRDi diesel engines, brake components, high pressure diesel injector connectors for naval ships and high precision instrumentation components. MEMCO enjoys long term relationships with marquee global customers like Bosch, Delphi, Endress Hauser and Giro. For the financial year ended 31st March, 2018 the Revenue from Operations of the Company was ₹ 3,472.44 Lakhs and Profit After Tax was ₹ 188.09 Lakhs on standalone basis, however in consolidation of MEMCO financials in the Company, financials of only six months of MEMCO has been considered.

(c) MFT Motoren und Fahrzeugtechnik GmbH, Germany ("MFT")

With intention to grow the Company inorganically, the Company identified a similar allied product like Camshafts, Bearing Caps, Engine Brackets and Prismatic Components and acquired through its Wholly Owned Subsidiary, PCL (International) Holdings B .V. Netherlands (PCL, Netherlands") 76% Shares in M/s MFT Motoren und Fahrzeugtechnik GmbH, Germany ("MFT") on 23rd March, 2018 for a sum of ₹ 2500 Lakhs. Pursuant to Share Purchase Agreement, the Company would acquire balance 24% Shares in the Financial Year 2021 based on the performance in the Financial Year 2020.

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 chasis components, machining of all casting materials). MFT is a financially strong company with a turnover of about ₹ 16,000 lakhs in the year 2017. MFT enjoys long term relationship with marquee global customers like Volkswagen, Audi, Opel, Westfalia, Hatz, Suzuki etc. With acquisition of MFT, it would strengthen the Company's niche machining capabilities and diversify in new product range to cater to the customers in European markets.

Consequent to the acquisition of MEMCO by the Company, MFT Motoren through its Wholly Owned Subsidiary Company M/s PCL (International) Holdings B.V. Netherlands as on 31st March, 2018, your company has 3 (three) subsidiaries and 1 (one) Step down Subsidiary and 2 (two) Associate Companies.

Consolidated Financial Statements of the Company which include the results of the said Subsidiary and Step-down Subsidiary Companies are included in this Annual Report. Further a Statement containing particulars for each of

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Subsidiaries is also enclosed. Copies of Annual Accounts (management certified) and related information of the subsidiaries can also be sought by members of the Company by making a written request to the Company. The Annual Accounts of the Subsidiaries (management certified) are also available for inspection at the Company's Registered office and or concerned Subsidiary's Registered Office.

The Company has formulated a policy for determining "material" subsidiaries and such policy is also hosted on the website of the Company and can be viewed at www.pclindia.in.

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

6. CREDIT RATING

Credit ratings on standalone basis is:-

(a) CARE Ratings has reaffirmed: "A" Stable rating to the Company for Long Term Bank Facilities and
(b) CARE Ratings has reaffirmed: "A1" rating to the Company for Short Term Bank Facilities

7. UTILIZATION OF IPO PROCEEDS

The proceeds of the IPO are being used for setting up of machine shop for machining of camshafts and general corporate purposes. The unutilized portion thereto has been invested in bank deposits. There is no deviation in use of proceeds from objects stated in the offer documents. The summary of utilization of IPO proceeds as on 31st March, 2018 is stated in Note No. 41 of Notes to Accounts.

8. DIRECTORS AND KEY MANAGERIAL PERSON

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

The Shareholders of the Company in the Annual General Meeting held on 27th September, 2017 approved re-appointment of Mr. Yatin S. Shah (DIN 00318140) as Chairman and Managing Director for a period of 5 years w.e.f. 1st April, 2017 to 31st March, 2022. The Shareholders of the Company in the Annual General Meeting also approved re-appointment of Mr. Vaibhav S. Mahajani (DIN 00304851), as Independent Director of the Company for the second term of 5 years upto the 30th Annual General Meeting of the Company to be held in Financial Year 2022-23

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

The Board of Directors at the meeting held on 13th August, 2018 appointed Mr. Karan Y. Shah (DIN 07985441) son of Mr. Yatin S. Shah, Chairman and Managing Director and Dr. (Mrs.) Suhasini Y. Shah Promoters of the Company as Additional Director of the Company designated as "Whole-time Director – Business Development" with effect from 13th August, 2018 for a period of 5 years. He holds office upto the date of ensuing Annual General Meeting offers himself for appointment.

Dr. (Mrs.) Suhasini Y. Shah (DIN 02168705), had been re-designated by the Board of Directors at the meeting held on 13th August, 2018 as Non-Executive Non Independent Director of the Company with effect from 13th August, 2018. Dr. (Mrs.) Suhasini Y. Shah, retires by rotation in the ensuing Annual General Meeting and being willing and eligible offers herself for re-appointment.

The term of appointment of Mr. Sarvesh N. Joshi (DIN 03264981), Independent Director will end in the ensuing Annual General Meeting. The Board, at its meeting held on 28th May, 2018 has, subject to the approval of members in the ensuing Annual General Meeting recommended extension of the term of Mr. Sarvesh N. Joshi as Independent

Directors' Report

Director for the next 5 years i.e. up to the 31st Annual General Meeting of the Company.

During the year, Mr. Swapneel S. Kuber, Company Secretary and Compliance Officer resigned from the services of the Company with effect from 29th September, 2017. Mr. Mahesh A. Kulkarni was appointed Company Secretary and Compliance Officer with effect from 8th December, 2017

The brief profile(s) and other details relating to the Director(s) who are proposed to be appointed and/or re-appointed, as required to be disclosed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Notice of 26th Annual General Meeting.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel (KMP) of your Company for the financial year 2017-18 were:-

Mr. Yatin S. Shah, Chairman and Managing Director,
Dr. (Mrs.) Suhasini Y. Shah, Whole-time Director,
Mr. Ravindra R. Joshi, Whole-time Director and Chief Financial Officer and
Mr. Swapneel S. Kuber, Company Secretary and Compliance Officer upto 28th September, 2017.
Mr. Mahesh Kulkarni, Company Secretary and Compliance Officer with effect from 8th December, 2017

9. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criterion of Independence as prescribed under Section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Pursuant to the provisions of the Companies Act, 2013, evaluation of every Director's performance was done by Nomination and Remuneration Committee. The performance evaluation of Non-Independent Directors and the Board as a whole, Committees thereof, and Chairman of the Company was carried out by the Independent Directors/Company. Evaluation of Independent Directors was carried out by the entire Board of Directors, excluding the Director(s) being evaluated.

A structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. The Board of Directors expressed their satisfaction with the evaluation process.

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

The Members at the Annual General Meeting of the Company held on 28th September, 2016 approved the Precision Camshafts Limited Employee Stock Option Scheme 2015 ("PCL ESOS 2015"). The employee stock options are exercisable into not more than 6,00,000 equity shares of ₹ 10/- each.

During the year under review, in terms of PCL ESOS-2015, the Company has allotted 82,105 Equity Shares of ₹ 10/- on exercise of vested options. During the year under review no fresh grant was made by the Company.

The disclosures in compliance with Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (SEBI ESOP Regulation) is as follows:

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Total No. of Shares covered by ESOP Scheme approved by the Shareholders	**6,00,000 (Six Lakhs) Equity Shares**		
Grant	**I**	**II**	**Total**
Options granted	Nil	Nil	Nil
Options vested	12,500 Equity Shares	82,605 Equity Shares	95,105 Equity Shares
Options exercised	7,375 Equity Shares	74,730 Equity Shares	82,105 Equity Shares
The total number of shares arising as a result of exercise of option	7,375 Equity Shares	74,730 Equity Shares	82,105 Equity Shares
Options forfeited	Nil	Nil	Nil
Options lapsed	5,625	10,625	16,250
Extinguishment or modification of options			
The exercise price	10	10	
Pricing formula	As per the ESOS Scheme approved by the members of the Company.		
Variation of terms of options	NA	NA	
Money realized by exercise of options	73,750	7,47,300	8,21,050
Total number of options in force (PCL ESOS 2015)	177,290 Equity Shares		
Employee wise details of options granted to:			
- Key Managerial Personnel & Senior Managerial Personnel	NA	NA	NA
- Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	NA	NA	NA
Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NA	NA	NA
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

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

a) The Company has not given any loans to its subsidiaries, associates or joint venture companies during the year under review

b) The Company has given Corporate Guarantee of ₹ 14,900 lakhs to Bank of Baroda, London in respect of Term Loan given by Bank of Baroda to its Wholly Owned Subsidiary Company M/s PCL International Holdings, B.V. Netherlands for strategic acquisitions. Please refer Note No. 34 of notes forming part of the financial statements to the Standalone Financial Statements.

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

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during financial year with related parties were on an arm's length basis and were in the ordinary course of business. Such transactions form part of the notes to the financial statements provided in this Annual Report. (Please refer Note No. 34 to the Standalone Financial Statements.) The details of material transactions entered with related parties during the year 2017-18 in Form AOC-2 are enclosed herewith as **Annexure-A**

14. STATEMENT ON RISK MANAGEMENT POLICY

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

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's guiding principle for CSR is to build its relationship with stakeholders and the community at large, and to contribute to their long term social good and welfare. Your company, as a matter of duty, has been carrying out the CSR activities since long even when there were no statutory requirements in this regard.

In compliance with the guidelines prescribed under Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility (CSR) Committee comprising of:

Mr. Yatin S. Shah, Chairman
Dr. Mrs. Suhasini Y. Shah, Member
Mr. Vedant V. Pujari, Member
Mr. Vaibhav Mahajani, Member

The role of the CSR Committee is to formulate and recommend a CSR policy to the Board, to recommend amount of expenditure to be incurred on CSR activities, to monitor the CSR policy of the Company from time to time and to institute a transparent monitoring mechanism for implementation of CSR projects or programmes or activities undertaken by the Company.

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

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has formulated a detailed policy on vigil mechanism and is also disclosed on the website of the Company (www.pclindia.in). The vigil mechanism is overseen by the Audit Committee and provides a mechanism for Directors and employees of the Company to report to the Chairman of the Audit Committee or Chairman of the Company in respect of any instance of unethical behavior, fraud, irregularities or violation of the Company's code of conduct. During the year, there have been no complaints alleging child labour, forced labour, involuntary labour and discriminatory employment.

17. EXTRACT OF ANNUAL RETURN

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

18. 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 - D** and is attached to this report.

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

19. AWARDS

On 17th November, 2017, Dun & Bradstreet in association with Export Credit Guarantee Corporation of India Ltd (ECGC) awarded Precision Camshafts Limited with the 'D&B – ECGC SME Business Excellence Awards 2017', recognizing its efforts and excellence in engineering and machinery work in the medium-scale businesses category.

20. PARTICULARS OF EMPLOYEES

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

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

Industrial relations continued to be cordial during the year.

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

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

No complaint was reported to the Committee during the year ended on 31st March, 2018 in connection with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

22. DEPOSITS

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

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

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

24. COMMISSION OR REMUNERATION FROM SUBSIDIARY

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

25. AUDITORS

(a) STATUTORY AUDITORS

The members at the 25th Annual General Meeting held on 27th September 2017, appointed M/s P. G. Bhagwat, Chartered Accountants, Pune (ICAI Firm Registration Number 101118W) as the Statutory Auditors of the Company for a period of five years with effect from the conclusion of 25th Annual General Meeting till the conclusion of the 30th Annual General Meeting of the Company to be held in the Financial Year 2022-2023 (subject to ratification of their appointment at every Annual General Meeting if so required under the Companies Act, 2013).

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting has been done away with vide notification dated 7th May, 2018 issued by Ministry of

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors who were appointed in the Annual General Meeting held on 27th September, 2017.

(b) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s J. B. Bhave & Co. Company Secretaries, Pune, to conduct Secretarial Audit of the Company for Financial Year 2017-2018. The Report of the Secretarial Audit for Financial Year 2017-2018 is annexed herewith as an **Annexure-F** to the Annual Report.

(c) COST AUDITORS

The Board of Directors, on the recommendation of Audit Committee, appointed M/s. S. V. Vhatte And Associates Cost Accountants, Solapur, [Firm Registration No.:100280] as Cost Auditors to audit the cost records of the Company for the Financial Year 2018-19. As required under the Companies Act, 2013, a resolution seeking Members' approval for the remuneration payable to the Cost Auditors forms part of the notice convening the 26th Annual General Meeting. The Cost Audit report for the Financial Year 2017-18 will be filed with the Ministry of Corporate Affairs on or before the due date. The Company pursuant to the provisions of Section 148 of the Companies Act, 2013 and applicable rules made thereunder, makes and maintains cost records.

(d) INTERNAL AUDITORS

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

(e) REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

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

(f) CORPORATE GOVERNANCE

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- G**

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

(g) DIRECTORS' RESPONSIBILITY STATEMENT

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

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

2. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4. The Directors had prepared the annual accounts on a going concern basis; and

5. The Directors had laid down internal financial controls to be followed by the Company and such internal controls are adequate and were operating effectively.

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

(h) MATERIAL CHANGES AFTER CLOSE OF FINANCIAL YEAR

- Incorporation of PCL Brasil Automotive LTDA ("PCL Brazil")

Your Company through its Wholly Owned Subsidiary PCL (International) Holding B.V., Netherlands incorporated a Subsidiary Company in Brazil under the name "PCL BRASIL AUTOMOTIVE LTDA" in the state of Sao Paulo, Brazil ("PCL Brazil") on 10th May, 2018 under the number 30.417.283/0001-32.

PCL Brasil to manufacture machined camshafts to cater the needs of customers in Brazil and South America

- Acquisition of EMOSS Mobile Systems B.V., Netherlands ("EMOSS")

Your Company through its Wholly Owned subsidiary PCL (International) Holdings B .V. Netherlands (PCL, Netherlands") acquired 51% Shares of EMOSS Mobile Systems B.V., Netherlands ("EMOSS") on 17th May, 2018 for ₹ 5,800 Lakhs.

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-sale service. EMOSS also provides real time power management and tracking via an integrated cockpit setup. The trucks powered with Electric Drivelines can carry a maximum payload of 50 tons with a mobility of up to 350 km which may be extended beyond 500 km with long range extenders developed by EMOSS. The acquisition will enable the Company to foray into electric mobility a one stop solution for electric powertrains by providing tailor made engineering services on electric vehicles and equipment's. Acquisition to pave access to electrical mobility markets such as Europe, North America and Australasia.

With this acquisition the Company forays into electric mobility a one stop solution for electric powertrains. EMOSS is now a step-down subsidiary of your company.

Other than details specified above, there are no other significant change between closure of the financial year ended on 31st March, 2018 and the date of this report in respect of Company's financial position, profitability, turnover, suspension of any business activity, foreign collaborations, joint ventures etc.

(i) STATEMENT CONTAINING THE SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF SUBSIDARIES / ASSOCIATE COMPANIES / JOINT VENTURES

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

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

Directors' Report

(j) CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

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

(k) COMMITTEES OF BOARD

Details of all the Committees along with their charters, compositions and meetings held during the year are provided in the report on corporate governance which forms part of this Annual Report and also available on the website of the Company (www.pclindia.in).

(l) COMPANY'S POLICY ON DIRECTORS', KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL APPOINTMENT AND REMUNERATION

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration. The Company pays remuneration by way of salary, perquisites, allowances, commission and retirement benefits to its Executive Directors. The remuneration to the Executive Director(s) is in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder and is within the ceiling limits as provided thereunder and approved by the shareholders.

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

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

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

(m) INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee periodically reviews the internal control systems with the management, Internal Auditors and Statutory Auditors test the adequacy of internal audit functions. During the year under review, these controls were tested and the observations of the Auditors were addressed by the Company after taking necessary steps to strengthen the financial controls and improve the systems. Statutory Auditors have also certified adequacy of internal financial controls systems over financial reporting based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

(n) 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. Usually, meetings of the Board are held in Pune. 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 is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings cover items set out as per the guidelines in Listing Regulations 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.

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

During the year 7 (Seven) Board Meetings were convened and held on 26th April, 2017, 22nd May, 2017, 10th August, 2017, 10th October 2017, 13th November 2017, 8th December, 2017 and 12th February 2018.

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

(o) MEETING OF INDEPENDENT DIRECTORS

In compliance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a meeting of Independent Directors was held on 14th March, 2018 to review the performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman of the Company, taking into account the views of Chairman and Managing Director, Executive Directors and Non-Executive Directors.

The Independent Directors of the Company at their meeting held on 14th March, 2018 expressed satisfaction on the quality, quantity and timeliness of flow of information between the Company Management and the Board. Except one Independent Director all other Independent Directors were present at the meeting.

(p) EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE STATUTORY AUDITORS, SECRETARIAL AUDITORS AND COST AUDITORS IN THEIR REPORTS

There were no qualifications, reservations or adverse remarks made either by the Statutory Auditors or by the Secretarial Auditors or by the Cost Auditors in their respective reports and in respect of the Emphasis of Matters the information shared by the auditors is self-explanatory and needs no further explanations from the Board.

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

During the year under review, no instances of frauds were reported by the Statutory Auditors of the Company.

(r) 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.

(s) ACKNOWLEDGEMENTS

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

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

Yatin S. Shah	**Ravindra R. Joshi**
Chairman and Managing Director	Whole-time Director and CFO
Date: 13th August, 2018	Date: 13th August, 2018
Place: Pune	Place: Pune

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure -A

Form No. AOC-2

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

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

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

The Company has not entered in any transaction during the Financial Year 2017-18 which are not at arm's length basis.

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

a.	Name of Related Party and Nature of Relationship	Ningbo Shenglong PCL Camshafts Co. Ltd, China An Associate Company
b.	Nature of Transaction	Sale of goods and tooling income
c.	Duration of Contract	Ongoing contract
d.	Salient terms of the transaction including the value, if any	The transactions are entered into in the ordinary course of business. Sale of Camshafts and Tooling for ₹ 2818.55 lakhs
e.	Date of approval by Members, if any	27th September, 2017
f.	Amount paid as advance, if any	Nil

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

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

Date: 13th August, 2018
Place: Pune

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure-B

The Annual Report on CSR Activities

[Pursuant to clause (o) of sub-section (3) of section 134 and section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

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

Weblink: www.pclindia.in

2. Composition of CSR Committee.

Sr. No.	Name of the Member	Category
1.	Mr. Yatin S. Shah	Chairman of Committee
2.	Dr. Mrs. Suhasini Y. Shah	Member of the Committee
3.	Mr. Vedant V. Pujari	Member of the Committee
4.	Mr. Vaibhav S. Mahajani	Member of the Committee

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

Sr. No.	Financial Year	Amount of Profit (₹) in lakhs
1	2014-15	9866.31
2	2015-16	8680.72
3	2016-17	8657.97
Average Net Profit		**9068.33**

4. Prescribed CSR Expenditure (2% percent of the amount as in item 3 above) ₹ 181.36 lakhs

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: ₹ 181.36 lakhs

(b) Amount unspent, if any: ₹ 45.78 lakhs

(c) Manner in which the amount spent during the financial year is detailed below

(₹ in lakhs)

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Backward Class Girls Hostel Vocational Training - Nursing & OT Assistant courses	Education	Solapur District	5.0	5.0	5.0	Direct
2	Upkeep of Sonamata High School, Ramwadi	Education	Solapur District	5.0	0.69	0.69	Through Classmate Venture

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
3	Interactive e-Learning Kits to 49 Additional Schools	Education	Solapur District	71.31	58.80	58.80	Fourtech Computers
4	Solar Panel Installation in 49 Additional Schools	Sustainability	Solapur District	28.30	26.95	26.95	Jogeshwari Services
5	Social Work Recognition Awards	Social	Maharogi Seva Samiti Varoda	2.00	2.00	2.00	Direct
6	Scholarships to children of journalists - at Shramik Patrakar Sangh	Education	Solapur District	1.70	1.70	1.70	Mahavir General Stores
7	Pune Film foundation	Education	Pune Maharashtra	5.00	5.00	5.00	Direct
8	Saral Designs and Sukhibhava Menstrual Hygiene Awareness Program	Health	Solapur District	3.86	3.86	3.86	Direct
9	Hunger Eradication - Paradhi Vikas Pratishthan, Mohol	Social	Mohol	2.64	2.64	2.64	Saikrupa Super Market
10	Green Sole - Foot ware for 1200 children	Health	Solapur District	2.71	2.71	2.71	Direct
11	Social Work Recognition Awards	Welfare	Jeevanjyoti Mahila Vikas Bachat Gat - Jeur (Akkalkot)	3.00	3.00	3.00	Direct
12	Swadhar - Manav Vedna Mukti Kendra, Budhoda - Skill Enhancement	Social	Grameen Shramik Pratishthan - Budhoda	22.50	22.50	22.50	Direct
13	Arogya Jagar Health Awarness Program On Solapur Aakashwani	Health	Solapur District	0.75	0.74	0.74	Murli Ads For Solapur Akashwani
Total					**135.58**	**135.58**	

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

The Company has spent an amount of ₹ 135.58 Lakhs which is 75% of the Average net profit. The CSR committee is continuously looking for new and suitable projects for fulfilling the CSR commitments.

(d) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

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

Date: 13th August, 2018
Place: Pune

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure-C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31st March, 2018

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

I. REGISTRATION & OTHER DETAILS:

1	CIN	L24231PN1992PLC067126
2	Registration Date	08th June 1992
3	Name of the Company	PRECISION CAMSHAFTS LIMITED
4	Category/Sub-category of the Company	Company Limited by shares
		Indian Non-Government Company
5	Address of the Registered office & contact details	E 102/103, MIDC Akkalkot Road, Solapur 413006 Maharashtra, India Phone: +91 9168646536/37
6	Whether listed company	Yes Listed on BSE and NSE
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Block No 202, Akshay Complex, 2nd floor, Near Ganesh Temple, Off Dhole -Patil Road, Pune 411 001 Tel. No. 91-020-26161629, 020-26160084 Email: pune@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of parts for motor vehicle	2930	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name of the Company	Address of the Companies	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	PCL (Shanghai) Co. Limited		--	Wholly owned Subsidiary Company	100	2(87)
2	PCL (International) Holding B. V. Netherlands	Prinses Margrietplantsoen 33, 2595AM, The Hague, The Netherlands	--	Wholly owned Subsidiary Company	100	2(87)
3	MEMCO Engineering Private Limited	Plot No. F-05, MIDC, Satpur, Nashik 422 007	U29199MH2006PTC162658	Subsidiary Company	95	2(87)
4	MFT, Motoren und Fahrzeugtechnik GmbH, Germany	Cunawalde, Germany	--	Step Subsidiary (Subsidiary of PCL (International) Holdings B.V., Netherlands	76	2(87)
5	Ningbo Shenglong PCL Camshafts Company Limited		--	Associate Company	22.5	2(6)
6	PCL Shenglong (Huzhou) Specialized Castings Co. Ltd		--	Associate Company	40	2(6)

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01/04/2017)				No. of Shares held at the end of the year (as on 31/03/2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	4,80,41,540	-	4,80,41,540	50.68%	4,80,42,540	-	4,80,42,540	50.64%	(0.04)
b) Central Government	-	-	-		-	-	-		
c) State Government.	-	-	-		-	-	-		
d) Bodies Corporates	1,25,14,860		1,25,14,860	13.20%	1,25,14,860		1,25,14,860	13.19%	(0.01)
e) Banks / Financial Institutions	-	-	-		-	-	-		
f) Any other	-	-	-		-	-	-		
Sub Total (A) (1)	6,05,56,400		6,05,56,400	63.88%	6,05,57,400		6,05,57,400	63.83%	(0.05)
(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	-	-
b) Other Individuals	-	-	-	0.00%	-	-	-	-	-
c) Bodies Corporate	-	-	-	0.00%	-	-	-	-	-
d) Any other	-	-	-	0.00%	-	-	-	-	-
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	-	-
TOTAL (A)	6,05,56,400	-	6,05,56,400	63.88%	6,05,57,400	-	6,05,57,400	63.83%	(0.054)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1,49,74,103		1,49,74,103	15.80%	1,22,12,242		1,22,12,242	12.87%	(2.92)
b) Banks / FI	3,302		3,302	0.00%	84,898		84,898	0.09%	0.09
c) Central Government	-	-	-	0.00%	-	-	-	0.00%	0.00
d) State Government(s)	-	-	-	0.00%	-	-	-	0.00%	0.00
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00
g) FIIs		-	-	0.00%		-	-	0.00%	0.00
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00
i) Others (FPI)	8,15,186		8,15,186	0.86%	11,50,235		11,50,235	1.21%	0.35
Sub-total (B)(1):-	1,57,92,591		1,57,92,591	16.66%	1,34,47,375		1,34,47,375	14.17%	(2.49)
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	10,63,805	-	10,63,805	1.12%	14,72,828	-	14,72,828	1.55%	0.43
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,081,446	22	4,081,468	4.30%	5,636,042	22	56,36,064	5.94%	1.638
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12,715,924	-	12,715,924	13.41%	1,29,60,469	-	1,29,60,469	13.66%	0.24
c) Others (specify)									
Non Resident Indians	1,16,857	-	1,16,857	0.12%	198,671	-	198,671	0.20%	0.09
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1st April 2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	1,45,213	-	1,45,213	0.15%	1,61,096	-	1,61,096	0.17%	0.02
Trusts				0.00%				0.00%	
HUF	3,22,272		3,22,272	0.34%	4,42,382		4,42,382	0.47%	0.13
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	-	0.00
Sub-total (B)(2):-	1,8445,517	22	1,84,45,539	19.46%	20,871,838	22	20,871,860	22.00%	2.54
Total Public (B)=(B)(1)+(B)(2)	34,238,108	22	3,42,38,130	36.12%	34,319,213	22	3,43,19,235	36.17%	0.05
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	94,794,508	22	9,47,94,530	100.00%	9,4876,613	22	9,48,76,635	100.00%	

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year 2017			Shareholding at the end of the year 2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Yatin S. Shah	3,73,40,000	39.41%	0	3,73,40,000	39.35%	0	Nil
2	Dr. Mrs. Suhasini Y. Shah	1,04,05,540	10.98%	0	1,04,05,540	10.96%	0	Nil
	Total	477,455,540			477,455,540			

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Name of the Promoter- Mr. Yatin S. Shah

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	01/04/2017		3,73,40,000	39.41%	3,73,40,000	39.41%
	Changes during the year			-	-		Nil
	At the end of the year	31/03/2018		3,73,40,000	39.35%	3,73,40,000	39.39%
2	At the beginning of the year	01/04/2017		1,04,05,540	10.98%	1,04,05,540	10.98%
	Changes during the year			-	-		Nil
	At the end of the year	31/03/2018		1,04,05,540	10.96%	1,04,05,540	10.96%

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters & Holders of GDRs and ADRs)

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year 2017		Transactions during the year		Cumulative Shareholding at the end of the year 31/03/2018	
		No.of Shares Held At Beginning (01/04/2017 / End Of The Year 31/03/2018	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
1	Jayant Vasudeo Aradhye	8202000	8.6449			8202000	8.6449
	At The End Of The Year					8202000	8.6449
2	Sbi Magnum Balanced Fund	6822999	7.1914			6822999	7.1914
	Transfer			21 Apr 2017	(25000)	6797999	7.1651
	Transfer			19 Jan 2018	(6572)	6791427	7.1582
	At The End Of The Year					6791427	7.1582
3	Idfc Premier Equity Fund	3414732	3.5991			3414732	3.5991
	Transfer			29 Dec 2017	(59410)	3355322	3.5365
	Transfer			12 Jan 2018	(105322)	3250000	3.4255
	At The End Of The Year					3250000	3.4255
4	Maneesh Jayant Aradhye	1635800	1.7241			1635800	1.7241
	At The End Of The Year					1635800	1.7241
5	ICICI Prudential Midcap Fund	1645569	1.7344			1645569	1.7344
	Transfer			07 Apr 2017	(30981)	1614588	1.7018
	Transfer			14 Apr 2017	(229579)	1385009	1.4598
	Transfer			21 Apr 2017	(250620)	1134389	1.1956
	Transfer			28 Apr 2017	(42776)	1091613	1.1506
	Transfer			19 May 2017	(9604)	1082009	1.1404
	Transfer			26 May 2017	(90532)	991477	1.0450
	Transfer			02 Jun 2017	(84917)	906560	0.9555
	At The End Of The Year					906560	0.9555
6	Sunita Jayant Aradhye	817000	0.8611			817000	0.8611
	At The End Of The Year					817000	0.8611
7	Kuwait Investment Authority Fund 225	724597	0.7637			724597	0.7637
	At The End Of The Year					724597	0.7637
8	Rama Manish Aradhye	696000	0.7336			696000	0.7336
	At The End Of The Year					696000	0.7336
9	Reliance Capital Trustee Co. Ltd. - A/C Reliance Tax Saver (Elss) Fund	630000	0.6640			630000	0.6640
	At The End Of The Year					630000	0.6640
10	ICICI Prudential Life Insurance Company Limited	379768	0.4003			379768	0.4003
	Transfer			07 Jul 2017	16817	396585	0.4180
	Transfer			21 Jul 2017	10028	406613	0.4286
	Transfer			28 Jul 2017	3517	410130	0.4323
	Transfer			04 Aug 2017	9650	419780	0.4424
	Transfer			18 Aug 2017	32700	452480	0.4769
	Transfer			25 Aug 2017	16775	469255	0.4946
	Transfer			01 Sep 2017	13833	483088	0.5092
	Transfer			08 Sep 2017	42170	525258	0.5536
	Transfer			29 Sep 2017	7263	532521	0.5613
	Transfer			06 Oct 2017	8330	540851	0.5701
	Transfer			13 Oct 2017	8771	549622	0.5793
	At The End Of The Year					549622	0.5793

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year 31/03/2018	
		No.of Shares Held At Beginning (01/04/2017 / End Of The Year 31/03/2018	% Of Total Shares Of The Company	Date Of Transaction	No. Of Shares	No Of Shares Held	% Of Total Shares Of The Company
11	Hdfc Trustee Company Ltd Hdfc Mf Monthly Income Plan Long Term Plan	1057700	1.1148			1057700	1.1148
	Transfer			09 Jun 2017	(180300)	877400	0.9248
	Transfer			16 Jun 2017	(70920)	806480	0.8500
	Transfer			04 Aug 2017	(23000)	783480	0.8258
	Transfer			25 Aug 2017	(4200)	779280	0.8214
	Transfer			01 Sep 2017	(25970)	753310	0.7940
	Transfer			08 Sep 2017	(12538)	740772	0.7808
	Transfer			15 Sep 2017	(3000)	737772	0.7776
	Transfer			22 Sep 2017	(9000)	728772	0.7681
	Transfer			29 Sep 2017	(4000)	724772	0.7639
	Transfer			06 Oct 2017	(39000)	685772	0.7228
	Transfer			13 Oct 2017	(92000)	593772	0.6258
	Transfer			03 Nov 2017	(17000)	576772	0.6079
	Transfer			12 Jan 2018	(50000)	526772	0.5552
	At The End Of The Year					526772	0.5552
12	Canara Robeco Mutual Fund A/C Canara Robeco Emerging Equities	1403103	1.4789			1403103	1.4789
	Transfer			05 May 2017	(130411)	1272692	1.3414
	Transfer			12 May 2017	(57118)	1215574	1.2812
	Transfer			19 May 2017	(65334)	1150240	1.2124
	Transfer			26 May 2017	(156756)	993484	1.0471
	Transfer			02 Jun 2017	(566703)	426781	0.4498
	Transfer			09 Jun 2017	(87282)	339499	0.3578
	Transfer			23 Jun 2017	(50000)	289499	0.3051
	Transfer			07 Jul 2017	(98354)	191145	0.2015
	Transfer			14 Jul 2017	(26877)	164268	0.1731
	Transfer			21 Jul 2017	(17205)	147063	0.1550
	Transfer			28 Jul 2017	(147063)	0	0.0000
	At The End Of The Year					0	0.0000

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(iv) Shareholding of Directors and Key Managerial Personnel

Sr No.	Name of the Director/KMP	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01/04/2017 to 31/03/2018)	
		No. of shares at the beginning (01/04/2017) / end of the year (31/03/2018)	% of total shares of the Company				No. of shares	% of total shares
A	**Directors**							
1	Mr. Yatin S. Shah (Chairman and Managing Director)	3,73,40,000	39.41%	01/04/2017	0	Nil movement during the year		
		3,73,40,000	39.35%	31/03/2018	0		3,73,40,000	39.35%
2	Dr. Mrs. Suhasini Y. Shah (Whole-time Director)	1,04,05,540	10.98%	01/04/2017	0	Nil movement during the year		
		1,04,05,540	10.96%	31/03/2018	0		1,04,05,540	10.96%
3	Mr. Ravindra R. Joshi (Whole-time Director and Chief Financial Officer)	1120	0.00%	01/04/2017	0	Nil movement during the year		
		1120	0.00%	31/03/2018	0		1120	0.00%
4	Mr. Jayant Aradhye Non-Executive Director	8,202,000	8.65%	01/04/2017	0	Nil movement during the year		
		8,202,000	8.64%	31/03/2018	0		8,202,000	8.64%
5	Mr. Pramod Mehendale Independent Director	80	0.00%	01/04/2017	0	Nil movement during the year		
		80	0.00%	31/03/2018	0		80	0.00%
6	Mr. Sarvesh N. Joshi – Independent Director	0	0.00%	01/04/2017	0	Nil movement during the year		
		0	0.00%	31/03/2018	0		0	0.00%
7	Mr. Vedant Pujari – Independent Director	0	0.00%	01/04/2017	0	Nil movement during the year		
		0	0.00%	31/03/2018	0		0	0.00%
8	Mr. Vaibhav Mahajani – Independent Direector	50	0.00%	01/04/2017	0	Nil movement during the year		
		50	0.00%	31/03/2018	0		50	0.00%
B	**Key Managerial Personnel**							
1	Mahesh Kulkarni Company Secretary (w.e.f. 8th December 2017)	0	0.00%	01/04/2017		Nil movement during the year		
		0	0.00%	31/03/2018			0	0.00%

Note: The percentile change in shareholding without any change in number of shares is due to increase in Paid up Share Capital during the year on account of exercise of ESOPs

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

V. Indebtedness

(₹ in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,018.77	-		11,018.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	63.52	-	-	63.52
Total (i+ii+iii)	**11,082.29**	**-**	**-**	**11,082.29**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	6,356.47	-		6,356.47
Net Change	6,356.47	-	-	6,356.47
Indebtedness at the end of the financial year				
i) Principal Amount	4,699.48	-	-	4,699.48
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	26.35	-	-	26.35
Total (i+ii+iii)	4,725.82	-	-	4,725.82

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

(₹in lakhs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (₹)
	Name	**Mr. Yatin Shah**	**Mrs. Suhasini Shah**	**Mr. Ravindra Joshi**	
	Designation	**Chairman and Managing Director**	**Whole-time Director**	**Whole-time Director and Chief Financial Officer**	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	260.13	31.85	245.27	537.24
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-		
5	Others, please specify	-	-		
	Total (A)	260.13	31.85	245.27	537.24
	Ceiling as per Act (10%)				538.00

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

B. Remuneration to other Directors

(₹in lakhs)

SN	Particulars of Remuneration	Name of Directors					
		Jayant Aradhye	**Sarvesh Joshi**	**Pramod Mehendale**	**Vedant Pujari**	**Vaibhav Mahajani**	**Total Amount (₹)**
1	Independent Directors						
	(a) Fee for attending board committee meetings						
	(b) Commission	-	5.00	5.00	5.00	5.00	20.00
	(c) Others, please specify						
	Total (1)	-	5.00	5.00	5.00	5.00	20.00
2	Other Non-Executive Directors						
	Fee for attending board committee meetings						
	Commission	5.00	-	-	-	-	5.00
	Others, please specify						
	Total (2)	5.00	-	-	-	-	-
	Total (B)=(1+2)	5.00	5.00	5.00	5.00	5.00	25.00
	Total Managerial Remuneration						25.00

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel				Total Amount (₹)
	Name		**Mr. Ravindra Joshi**	**Mr. Swapneel Kuber (upto 28th September 2017)**	**Mr Mahesh Kulkarni (w.e.f. 8th December 2017)**	
	Designation	**CEO**	**CFO***	**CS**	**CS**	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			2.74	3.53	6.27
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission					
	- as % of profit					
	- others, specify					
5	Others, please specify					
	Total	-	-	2.74	3.53	6.27

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

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure-D

A) CONSERVATION OF ENERGY:

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

B) TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT :

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

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

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

1. Assembled Camshafts are being developed for a European esteemed customer.
2. These are being developed with the help of Technology providers from Germany
3. The development process being lengthy would take close to 6 months

Benefits derived as result of the above R&D

1. Know how for development of a new product required for high performance engines.
2. Development using new technologies.
3. New Business opportunity.
4. Addition of esteemed customers

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Total Foreign Exchange Used and earned:

	(₹ Lakhs)
Used	1,523.24
Earned	22,311.83

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

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

Date: 13th August, 2018
Place: Pune

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure - E

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

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

Sr. No.	Name of the Director	Designation	Ratio of Remuneration of each Director to Median Remuneration of Employees
1	Mr. Yatin S. Shah	Chairman & Managing Director	161.73
2	Dr. Mrs. Suhasini Y. Shah	Whole-time Director	19.80
3	Mr. Ravindra R. Joshi	Whole-time Director & CFO	161.10
4	Mr. Jayant V. Aradhye	Non-Executive Director	3.11
5	Mr. Sarvesh N. Joshi	Independent Director	3.11
6	Mr. Pramod H. Mehendale	Independent Director	3.11
7	Mr. Vedant V. Pujari	Independent Director	3.11
8	Mr. Vaibhav S. Mahajani	Independent Director	3.11

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

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

Sr. No.	Name of the Director	Designation	Percentage increase / (decrease) in Remuneration during FY 2016-17
1	Mr. Yatin S. Shah	Chairman & Managing Director	(47%)
2	Dr. Mrs. Suhasini Y. Shah	Whole-time Director	(23%)
3	Mr. Ravindra R. Joshi	Whole-time Director & CFO	(27%)
4	Mr. Jayant V. Aradhye	Non Executive Non Independent Director	NA
5	Mr. Sarvesh N. Joshi	Independent Director	NA
6	Mr. Pramod H. Mehendale	Independent Director	NA
7	Mr. Vedant V. Pujari	Independent Director	NA
8	Mr. Vaibhav S. Mahajani	Independent Director	NA

Mr. Swapneel S. Kuber resigned as Company Secretary & Compliance Officer on 28th September 2017 and Mr. Mahesh A. Kulkarni joined as Company Secretary & Compliance Officer with effect from 8th December 2017 hence not comparable

3) The percentage increase in the median remuneration of employees in the financial year	During Financial Year 2017-18, the percentage increase in remuneration of employees as compared to previous year was approximately 4.69%
4) The number of permanent employees on the rolls of company as at 31st March, 2018	1292 (including Whole-time Directors)

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

5)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average increase in remuneration of the employees other than managerial personnel was 6.12% as compared to the decrease in the managerial remuneration by 49.93%.
The remuneration includes wages, salary to on-roll employees and directors and variable pay to executive directors.		
6)	Affirmation that the remuneration is as per the remuneration policy of the company.	Yes

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

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

Date: 13th August, 2018
Place: Pune

Directors' Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure - E

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

(₹ in lakhs)

Employee Name	Designation	Education	Age	Experience	Date of joining	Gross Remu-neration	No. of Equity Share held	Relative of Director/ Manager	Previous employment and Designation
Yatin Shah	Chairman & Managing Director	B.com, MBA	56	31	Sep. 01, 1994	260.13	37,340,000	Spouse of Dr. Suhasini Shah	Chetan Foundries, CEO
Ravindra Joshi	Director & CFO	B.com, DBM	53	30	May 11 2000	245.27	1,120	NA	Chetan Foundries, Manager Finance
Dr. Suhasini Shah	Director	MBBS, LLB	52	29	Apr 01, 1994	31.85	10,405,540	Spouse of Mr. Yatin Shah	Chetan Foundries
Ajit Jain	GM	BE	45	24	Feb 06, 2004	32.42	80	NA	Bajaj Auto Ltd., AM Projects
Karan Shah	Business Development & Growth Strategy	BE, MBA	28	3	Feb 02, 2017	30.29	2,000	Son of Mr. Yatin Shah and Dr. Mrs. Suhasini Shah	Cummins, USA
A V Gadre	GM	B.Sc	48	29	Aug 12, 1995	30.69	0	NA	Garware Wall Ropes Ltd. Pune
R K Kashid	GM, HR	MSW, LLB	52	28	Sep. 21, 2006	30.04	1,000	NA	Wheels India Pvt Ltd, Pune
M G Valase	GM	DME	55	33	Aug. 01, 2000	13.84	1,000	NA	Shivaji Works Ltd., AM-Maintenance
R V Sakat	AGM	DME	44	24	Jan 15, 2013	13.35	0	NA	Laxmi Hydraulics Private Limited
D P Kulkarni	AGM	DME	48	29	Jan 11, 1990	12.62	750	NA	First Employment

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

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

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

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

Date: 13th August, 2018
Place: Pune

Annexure – F

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

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

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

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 year from 1st April 2017 to 31st March 2018, 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 authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of the following list of laws and regulations:

(i) The Companies Act, 2013 (the Act) and the rules made there under;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;
   e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the Audit Period]

Directors' Report

f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the Audit Period]

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

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the Audit Period]

(vi) OTHER APPLICABLE LAWS:

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

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) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange Limited and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015

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

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.

Directors' Report

I further report that during the audit period –

1. The company has allotted 82,105 equity shares of ₹ 10 each under PCL ESOS Scheme 2015 to eligible employees of the company.
2. The company has acquired 95% of the shareholding of Memco Engineering Private Limited; by virtue of which said company has become a subsidiary company of the company.
3. The company had made Equity Investments in PCL (International) Holding B. V., Netherlands which is a Wholly Owned Subsidiary of the Company.
4. PCL (International) Holding B. V., Netherlands a Wholly Owned Subsidiary of Precision Camshafts Limited ("PCL") acquired 76% Equity Shares in MFT Motoren und Fahrzeutechnik GmbH, Germany in March 2018.

FOR J B BHAVE & CO.
COMPANY SECRETARIES

JAYAVANT BHAVE
PROPRIETOR
FCS No. 4266
CP No. 3068

Place: Pune
Date: 24th May 2018

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure – G

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

At Precision Camshafts Limited, the goal of Corporate Governance is to ensure fairness to every stakeholder. Company believes that sound corporate governance is important in order to enhance stakeholder's trust. Company believes that compliances with the requirements of the applicable regulations, including the Companies Act, 2013, SEBI Listing Regulations and SEBI ICDR Regulations forms the part and parcel of Sound Corporate Governance. Company's corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of the committees of our Board, as required under law. Our Board is constituted in compliance with the provisions of the Companies Act and the SEBI Listing Regulations, as applicable. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

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

2. Board of directors

a) Composition and category of directors

The composition of the Board of your company is a fair mix of executive, non-executive and Independent Directors which is appropriate for the size of operations of your Company and is compliant with the applicable rules, guidelines.

The strength of the Board was eight Directors as on 31st March 2018. The Chairman of the Board of Directors is an Executive Director. Out of eight directors, there is one Promoter Executive Director, one Promoter Executive Woman Director, one Non-Promoter Executive Director, Four Independent Directors and One Non-Executive Non Independent Director

b) Attendance of each Directors at the meeting of the Board of Directors and the last Annual General Meeting and details of membership of Directors in other Companies Boards and their Committees is set out below:-

Sr. no.	Name of Director	Category	No. of Board Meeting held and attended during FY 2017-18		Whether attended last AGM held on 27th September 2017	No. of directorship in other Companies as on 31.03.2018**		No. of Membership(s) / Chairmanship(s) of Board Committees as on 31.03.2018***	
			Held	Attended		Public Companies	Private Companies	As Member	As Chairman
1	Mr. Yatin S. Shah	Promoter Director-Chairman & Managing Director	7	6	Yes	1	1	Nil	Nil
2	Dr. (Mrs.) Suhasini Y. Shah Whole-time Director	Promoter Executive Woman Director- Whole-time Director	7	6	Yes	2	2	Nil	Nil

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Sr. no.	Name of Director	Category	No. of Board Meeting held and attended during FY 2017-18		Whether attended last AGM held on 27th September 2017	No. of directorship in other Companies as on 31.03.2018		No. of Membership(s) / Chairmanship(s) of Board Committees as on 31.03.2018	
			Held	Attended		Public Companies	Private Companies	As Member	As Chairman
3	Mr. Ravindra R. Joshi Whole-time Director & CFO	Non Promoter Executive Director-Whole-time Director and Chief Financial Officer	7	7	Yes	1	1	Nil	Nil
4	Mr. Jayant V. Aradhye Director*	Non-Executive Non Independent Director	7	1	Yes	0	2	Nil	Nil
5	Mr. Pramod H. Mehendale Independent Director	Independent Director	7	7	Yes	0	0	Nil	Nil
6	Mr. Vaibhav S. Mahajani Independent Director	Independent Director	7	5	Yes	0	1	Nil	Nil
7	Mr. Vedant V. Pujari Independent Director	Independent Director	7	3	No	0	1	Nil	Nil
8	Mr. Sarvesh N. Joshi Independent Director	Independent Director	7	3	No	0	0	Nil	Nil

* Ceased to be Director with effect from 28th May, 2018 Due to resignation
** Excludes foreign companies and Section 8 Companies
*** Membership / Chairmanship of only Audit Committee and Stakeholders Relationship Committee have been considered for this purpose

In accordance with the provisions of Regulation 26(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 membership/chairmanship of only Audit Committees and Share Transfer/Stakeholder Relationship Committee of all public limited companies whether listed or not have been considered.

c) Number of Board Meetings

Seven Board Meetings were held during the year ended 31st March 2018. The dates are 26th April, 2017, 22nd May, 2017, 10th August, 2017, 10th October, 2017, 13th November, 2017, 08th December, 2017, 12th February, 2018

Attendance of the Board of Directors in Board meeting and Annual General meeting held during the FY 2016-17

Sr. no.	Name of Director	BM 26.04.2017	BM 22.05.2017	BM 10.08.2017	BM 10.10.2017	BM 13.11.2017	BM 08.12.2017	BM 12.02.2018	AGM 27.09.2017
1	Mr. Yatin S. Shah	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
2	Dr. Mrs. Suhasini Y. Shah	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes
3	Mr. Ravindra R. Joshi	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Mr. Jayant V. Aradhye*	No	No	No	No	No	No	Yes	Yes
5	Mr.Pramod H. Mehendale	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Mr. Vaibhav S. Mahajani	Yes	Yes	Yes	No	Yes	No	Yes	Yes
7	Mr. Vedant V. Pujari	No	No	Yes	Yes	No	No	Yes	No
8	Mr. Sarvesh N. Joshi	No	No	No	No	Yes	Yes	Yes	No

* Ceased to be Director with effect from 28th May, 2018

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

d) Disclosure of relationships between Directors inter-se

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

e) Number of shares and convertible instruments held by Non- Executive Directors as on 31st March, 2018

Sr. No.	Name of Director	No. shares held
1	Mr. Jayant V. Aradhye	82,02,000 Equity Shares
2	Mr. Pramod H. Mehendale	80 Equity Shares
3	Mr. Vaibhav S. Mahajani	50 Equity Shares
4	Mr. Vedant V. Pujari	Nil
5	Mr. Sarvesh N. Joshi	Nil

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

3. Audit committee

(a) Brief description of terms of reference:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- Approval of payment to Statutory Auditors for any services rendered by statutory auditors
- Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with reference particular reference to:-

(i) Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies, Act, 2013;

(ii) Changes, if any, in accounting policies and practices and reasons for the same;

(iii) Major accounting entries involving estimates based on the exercise of judgement by management

(iv) Significant adjustments made in the financial statements arising out of audit findings

(v) Compliance with listing and other legal requirements relating to financial statements

(vi) Disclosures of any related party transactions and

(vii) Qualification in the draft audit report

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing with the management statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.) the statement of funds utilized for purposes other than those stated in offer document/prospectus/ notice and the report submitted by the monitoring agency the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing and monitoring auditors independence and performance and effectiveness of audit process;

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Report On Corporate Governance

- Approval of any subsequent modification of transactions of the Company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of internal financial controls and risk management systems
- Reviewing with the management performance of statutory auditors, internal auditors and adequacy of internal control systems
- Reviewing the adequacy of internal audit function, if any, including the structure of internal audit department, staffing, seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussion with the internal auditors of any significant findings and follow-up thereon
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- Looking into the reasons for substantial defaults in the payment of depositors, debenture holders, shareholders (in case of payment of declared dividends) and creditors
- Reviewing the functioning of the whistleblower mechanism
- Approval of appointment of CFO after accessing the qualifications, experience and background etc., of the candidate
- Review Management Discussion and analysis of financial condition and results of operations
- Statement of significant related party transactions (as defined by the audit Committee) submitted by the Management
- Management letter/letters of internal control weaknesses issued by the statutory auditors
- Internal Audit reports relating to internal control weaknesses
- The appointment, removal and terms of remuneration of the Chief Internal Auditor
- Carrying out any other function as is mentioned in terms of reference of the Audit Committee
- Recommendations made by the Audit Committee during the year were accepted by the Board.

(b) Composition, name of members and chairperson;

1. Mr. Ravindra R. Joshi, Whole-time Director & Chief Financial Officer (Member)
2. Mr. Pramod H. Mehendale, Independent Director (Chairman);
3. Mr. Sarvesh N. Joshi, Independent Director (Member); and
4. Mr. Vaibhav S. Mahajani, Independent Director (Member)

(c) Meetings and attendance during the year.

The Committee meet five times i.e. on 22nd May, 2017, 10th August, 2017, 13th November, 2017, 8th December, 2017 and 12th February, 2018. Attendance of each member at the Audit Committee is as follows:

Sr. no.	Name of member	Category	No. of Meeting held during FY 2016-17	
			Held	Attended
1	Mr. Ravindra R. Joshi	Member	5	5
2	Mr. Pramod H. Mehendale	Chairman	5	5
3	Mr. Sarvesh N. Joshi	Member	5	4
4	Mr Vaibhav Mahajani	Member	5	4

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

In addition to the members of Audit Committee, Executives of Finance and Accounts, Representatives of Statutory Auditors, Internal Auditors, Secretarial Auditors attended the Audit Committee Meeting as and when required to provide necessary inputs to the Committee. The Company Secretary act as the Secretary to the Audit Committee

4. Nomination and Remuneration Committee:

(a) Brief description of terms of reference:

- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of independent directors on the Board
- Devising a policy on Board diversity
- Identifying a person 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
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or Overseas, including:
    - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation 1992 or
    - The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2013
- 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

The recommendations made by the Nomination and Remuneration Committee is accepted by the Board of Directors of the Company.

(b) Composition, name of members and chairperson;

1. Mr. Vedant V. Pujari, Independent Director (Chairman);
2. Mr. Sarvesh N. Joshi, Independent Director (Member); and
3. Mr. Pramod H. Mehendale, Independent Director (Member) and
4. Mr. Vaibhav S. Mahajani, Independent Director (Member)

(c) Meeting and attendance during the year;

The Committee meet five times i.e. on 26th April, 2017, 10th August, 2017, 13th November, 2017, 8th December, 2017 and 12th February, 2018. Attendance of each member at the Nomination and Remuneration Committee is as follows:-

Sr. no	Name of member	Category	No. of Meeting held during FY 2016-17	
			Held	Attended
1	Mr. Vedant V. Pujari	Chairman	5	2
2	Mr. Pramod H. Mehendale	Member	5	5
3	Mr. Sarvesh N. Joshi	Member	5	5
4	Mr Vaibhav Mahajani	Member	5	3

(d) Performance evaluation criteria for independent directors.

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

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

5.Remuneration of Directors

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

The Company does not pay sitting fees to the Directors for attending the meetings. The commission on profits is payable to Non-Executive Directors on the basis of time and contribution. The Shareholders of the Company had, in 25th Annual General Meeting approved payment of commission on profits to Non-Executive Directors for a sum not exceeding 1% of the annual net profits of the Company in accordance with the provisions the Companies Act, 2013. The Board of Directors is authorized within the limits to decide the quantum.

During the year 2017-18, commission of ₹ 5,00,000/- each to its Non-Executive Directors for their contribution in the growth journey of the Company is payable. The said commission is decided on the basis of the contribution made by the Non – Executive Directors of the Company for overwhelming efforts made during the year under review.

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

Sr. No.	Name of Director	Relationship
1	Mr. Pramod H. Mehendale	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of ₹ 5 Lakhs for the Financial year 2017-18
2	Mr. Vaibhav S. Mahajani	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of ₹ 5 Lakhs for the Financial year 2017-18
3	Mr. Vedant V. Pujari	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of ₹ 5 Lakhs for the Financial year 2017-18
4	Mr. Sarvesh N. Joshi	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of ₹ 5 Lakhs for the Financial year 2017-18
5	Mr. Jayant V. Aradhye	There is no pecuniary relationship with the Company and have not entered into any transaction with the Company except payment of Commission of ₹ 5 Lakhs for the Financial year 2017-18

Sr. No.	Name of Director with term	Salary	Commission	ESPS
1	Mr. Yatin S. Shah Chairman and Managing Director (up to 31st March 2022	₹ 260.13	0	0
2	Dr. Mrs. Suhasini Y. Shah, Whole-time Director (upto 31st March, 2019)	₹ 31.85	0	0
3	Mr. Ravindra R. Joshi Whole-time Director and Chief Financial Officer (upto 31st March, 2019)	₹ 245.27	0	0

6. Stakeholders' Grievance Committee:

(a) Brief description of terms of reference:

The Committee was constituted vide Board Meeting held on 27th January 2015 to:-

i. Consider and resolve grievances of shareholder's, debenture holders and other security holders
ii. Redressal of grievances of the security holders of the company, including complaints in respect of allotment of Equity Shares, transfer of Equity Shares, non-receipt of declared dividend, balancesheets of the Company etc.

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

iii. Allotment of Equity Shares, approval of transfer or transmission of Equity Shares, debentures or any other securities

iv. Issue of duplicate certificate and new certificates on split/consolidation/renewal etc.

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

b.) Composition:-

The Stakeholders Grievance Committee comprised of following members:

1. Mr. Vedant V. Pujari, Non-Executive Director (Chairman);
2. Dr. Mrs. Suhasini Y. Shah, (Member);
3. Mr. Pramod H. Mehendale, (Member) and
4. Mr. Vaibhav S. Mahajani, Member

c.) Meetings:-

The Committee meet four times i.e. on 22nd May, 2017, 10th August, 2017, 13th November, 2017 and 12th February, 2018. Attendance of each member at the Stakeholders Grievance Committee is as follows:-

Sr. no	Name of member	Category	No. of Meeting held during FY 2017-18	
			Held	Attended
1	Mr. Vedant V. Pujari	Independent Director	4	2
2	Dr. Mrs. Suhasini Y. Shah	Whole-time Director	4	4
3	Mr. Pramod H. Mehendale	Whole-time Director	4	4
4	Mr Vaibhav Mahajani	Independent Director	4	4

(a) Name and designation of compliance officer;
Mr. Swapneel S. Kuber – Company Secretary & Compliance Officer (upto 28th September, 2017)
Mr. Mahesh A. Kulkarni- Company Secretary & Compliance Officer (w.e.f. 8th December, 2017)

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

Sr. no	Opening balance	Received	Resolved	Closing balance
1	0	0	0	0

7. Corporate Social Responsibility Committee

a) Terms of Reference:

The Committee was constituted vide Board Meeting held on 9th January 2015 to:

i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013

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

iii. Monitoring the corporate social responsibility policy of the Company

b) Composition:-

The Corporate Social Responsibility Committee comprised of following members:

1. Mr. Yatin S. Shah, Chairman and Managing Director
2. Dr. (Mrs.) Suhasini Y. Shah – Whole-time Director
3. Mr. Vedant Pujari – Independent Director
4. Mr. Vaibhav S. Mahajani, Independent Director

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

c) Meetings:-
The Committee meet four times i.e. on 22nd May, 2017, 10th August, 2017, 13th November, 2017 and 12th February, 2018. Attendance of each member at the Corporate Social Responsibility Committee is as follows:-

Sr. no	Name of member	Category	No. of Meeting held during FY 2017-18	
			Held	Attended
1	Mr. Yatin S. Shah, Chairman	Chairman and Managing Director	4	4
2	Dr. Mrs. Suhasini Y. Shah	Whole-time Director	4	4
3	Mr. Vedant Pujari	Whole-time Director	4	2
4	Mr Vaibhav Mahajani	Independent Director	4	4

8. General body meetings:

(a) location and time, where last three annual general meetings held

Sr. No	Financial Year	Date	Time	Venue
1	2016-17	27th September, 2017	03.00 p.m	D-5, Chincholi MIDC, Solapur
2	2015-16	28th September, 2016	03.00 p.m	D-5, Chincholi MIDC, Solapur
3	2014-15	30th September, 2015	11.30 a.m.	D-5, Chincholi MIDC, Solapur

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

Sr. No.	Date of AGM	Relevant Section	Details
1	27th September. 2017	Section 149, 150, 152 of the Companies Act 2013	Re-Appointment of Independent Director
2	28th September. 2016	Section 149, 150, 152 of the Companies Act 2013	Appointment of Independent Directors
		Section 62 of the Companies Act, 2013	Approval of PCL ESOS 2015
3	30th September 2015	NA	NA

(c) Whether any special resolution passed last year through postal ballot – details of voting pattern; **No**
(d) Person who conducted the postal ballot exercise; **NA**
(e) Whether any special resolution is proposed to be conducted through postal ballot; **NA**
(f) Procedure for postal ballot. **NA**

9. Means of communication:

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

- The quarterly, half-yearly and annual financial results: Quarterly/half yearly financial results are published are published in leading newspapers in India viz. Business Standard and Tarun Bharat (Solapur edition).
- Website: The results are also displayed on the Company's website www.pclindia.in. The Company's website contains a dedicated section "Investor Relations" where information for shareholders is available
- News Release, Presentations: Press Releases made by the Company from time to time and the presentations, if any, made to the institutional investors / analysts are also displayed on the website.
- The Financial Results, Press Releases and various compliance reports / information:- In accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are made available on the websites of the Stock Exchanges i.e. BSE Limited (www.bseindia.com) and the National Stock Exchange of India Limited (www.nseindia.com).

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

10. General shareholder information:

(a) Annual General Meeting –

Date and Timing	**Wednesday, 26th September, 2018 at 3.00 p.m.**
Venue	**Precision Camshafts Limited, D-5, Chincholi MIDC, Solapur- 413255**

(b) Financial year: 01st April, 2017 to 31st March, 2018

(c) Dividend payment date: 9th October, 2018

(d) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);

i) BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

ii) National Stock Exchange of India Limited
Exchange Plaza, Bandra kurla Complex,
Bandra (E) Mumbai 400051

Listing fees for the FY 2017-18 have been paid for both the exchanges.

(e) stock code: **BSE: 539636 | NSE: PRECAM | ISIN: INE484I01029**

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

	BSE		NSE	
Month	**High Price**	**Low Price**	**High Price**	**Low Price**
Apr-17	156.00	134.05	151.06	134.35
May-17	139.00	121.05	139.75	121.07
Jun-17	140.95	113.05	141.05	111.05
Jul-17	144.45	124.00	145.00	124.05
Aug-17	130.85	103.85	130.09	95.04
Sep-17	128.85	105.00	125.05	104.06
Oct-17	121.00	107.07	120.09	107.06
Nov-17	126.07	106.07	126.06	106.00
Dec-17	140.00	106.07	139.95	107.00
Jan-18	145.01	115.45	145.00	115.00
Feb-18	122.85	102.95	122.04	106.00
Mar-18	115.00	95.05	111.07	94.05

(g) Performance in comparison to broad-based indices such as BSE Sensex, NSE Index etc - **NA**

(h) In case the securities are suspended from trading, the Directors' report shall explain there as on thereof; **NA**

(i) Registrar to an issue and share transfer agents

Link Intime India Private Limited
Block No 202, Akshay Complex, 2nd floor,
Near Ganesh Temple,
Off Dhole Patil Road,
Pune 411 001
Tel: - +91 20 2616 0084, 2616 1629 Fax: - +91 20 2616 3503
Contact Person: Bhagavant Sawant , pune@linkintime.co.in

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(j) Share transfer system;

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

(k) Distribution of shareholding;

No. of Shares	No. of Shareholders	Percentage to total shareholders	Shares	Percentage to Capital
1-500	39,016	95.6110	3,85,91,070	4.0675
501-1000	935	2.2913	76,35,430	0.8048
1001-2000	412	1.0096	62,53,030	0.6591
2001-3000	144	0.3529	36,81,960	0.3881
3001-4000	74	0.1813	26,58,160	0.2802
4001-5000	58	0.1421	27,74,080	0.2924
5001-10000	67	0.1642	50,22,110	0.5293
10001- above	101	0.2475	88,21,50,510	92.9787
Total	**40,807**	**100.00**	**94,87,66,350**	**100.00**

(l) Dematerialization of shares and liquidity: As on 31st of March, 2018, except 22 shares all the shares were under the demat mode.

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

(n) Commodity price risk or foreign exchange risk and hedging activities:
Appropriate disclosure is given in Note 40 of the Notes to the Standalone Financial Statements

(o) Plant locations

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

(p) Address for correspondence

Precision Camshafts Limited
501-502, Kanchanban, B wing,
Senapati Bapat Road,
Pune – 411016
Tel. No. 020 - 69401114

11. Transfer of Unclaimed Dividend to IEPF

Pursuant to Section 124 and 125 and other applicable provisions, if any, of the Companies Act 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 ("IEPF Rules") which are applicable with effect from 7th September 2016 contain provisions for transfer of such amounts to IEPF.

Members who have not yet encashed their dividend warrants are requested to make their claims without any delay to the Company's Registrar and Transfer Agent, i.e. Link Intime Private Limited. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid or unclaimed amounts lying with the Company as on 27th September, 2017 (date of last Annual General Meeting) on the website of the company (www.pclindia.in) as also on website of the Ministry of Corporate Affairs.

Calender for transfer of unclaimed dividend to IEPF

Financial Year	Type of Dividend	Date of Declaration	Due for Transfer to IEPF
2015-16	Interim Dividend	30th March 2016	29th April 2023

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

12. Other Disclosures:

(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large: NA

(b) Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years: NA

(c) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee: NA

(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements The Company has complied with all the mandatory requirements.

(e) Web link where policy for determining material subsidiaries is disclosed: http://www.pclindia.in/investor-relations/corporate-governance/policies.html

(f) Web link where policy on dealing with related party transactions: as per 12 (e)

(g) Disclosure of commodity price risks and commodity hedging activities: Refer Note 40 of the Notes to Standalone Financial Statements

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

14. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report - Yes

15. Discretionary Requirements

a) The Company has moved towards a regime of financial statements with unmodified audit opinion.

b) The internal auditor reports directly to the Audit Committee

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

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

Date: 13th August, 2018
Place: Pune

Annexure - H

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

To
The Members of PRECISION CAMSHAFTS LIMITED

I have examined the compliance of conditions of Corporate Governance by Precision Camshafts Limited, for the year ended on March 31st, 2018, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

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

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

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

For J B Bhave & Co.
Company Secretaries

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068

Date: 24th May 2018
Place: Pune

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure - I

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

Pursuant to Section 129(3) of the Companies Act 2013, read with Rules of the Companies (Accounts) Rules 2014
AOC-1

Part A – Subsidiary Companies of Precision Camshafts Limited

(Amount in ₹ lakhs)

Particulars	**Name of Subsidiaries**			
	PCL (Shanghai) Co. Ltd	**PCL (International) Holdings, B.V. Netherlands**	**MFT Motoren, Germany**	**MEMCO Engineering Private Limited**
The date since when subsidiary was acquired	Not applicable	Not applicable	March 23, 2018	October 10, 2017
Reporting period for the subsidiary concerned, if Different from the holding company's reporting period	1st April, 2017 to 31st March 2018	1st April, 2017 to 31st March 2018	1st April, 2017 to 31st March 2018	1st April, 2017 to 31st March 2018
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, 2018	Reporting Currency – RMB or CNY	Currency - Euro Exchange rate - 1 Euro = 80.6222 INR	Currency - Euro Exchange rate - 1 Euro = 80.6222 INR	-
Share Capital	110.48	2,214.00	201.64	300.00
Reserves and Surplus	(49.29)	(403.01)	3,884.24	768.47
Total Assets	450.20	3,739.81	10,174.25	2,821.62
Total Liabilities (excluding share capital, reserves and surplus)	389.00	1,928.83	6,088.38	1,753.16
Investments	Nil	2,044.58	Nil	6.16
Turnover	826.81	-	15,283.30	3,472.44
Profit/(Loss) before Tax	173.11	(398.69)	(420.39)	296.33
Provision for tax	-	-	(0.21)	108.24
Profit after Tax	173.11	(398.69)	(420.18)	188.09
Proposed Dividend	Nill	Nill	Nil	Nill
% of Shareholding	100%	100%	76%	95%

Note: The company, through it's 100% subsidiary PCL (International) Holding B.V. , Netherlands has formed a subsidiary on 10th May 2018 in the name of PCL Brasil Automotive LTDA, in Brazil making it a step-down subsidiary company and not consolidated in the financial statements of the Company. The PCL Brasil Automotive LTDA, is yet to commence its operation.

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

(Amount in ₹ lakhs)

Particulars	**Names of Joint Ventures**	
	Ningbo Shenglong PCL Camshafts Co Ltd	**PCL Shenglong (Huzhou) Specialised Casting Co Ltd.**
1. Latest audited Balance Sheet Date	31st December, 2017	31st December, 2017
2. Shares of Associate/Joint Ventures held by the company on the year end		
a) Amount of Investment in Associates/Joint Venture	202.13	1,101.22
b) Extend of Holding%	22.50%	40.00%
3. Description of how there is significant Influence	Equity Holding	Equity Holding
4. Reason why the associate/joint venture is not consolidated	N.A	N.A
5. Net worth attributable to shareholding as per latest audited Balance Sheet*	18,657.98	350.98
6. Profit/(Loss) for the year		
a) Considered in Consolidation	128,642.42	22.47
b) Not Considered in Consolidation	4,431.00	33.70

* Net worth attributable to shareholding disclosed above is as on December 31, 2017, since the latest available audited balance sheet is of that date.

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

Yatin S Shah	**Dr. Suhasini Y Shah**	**Ravindra R Joshi**	**Mahesh Kulkarni**
Managing Director	Director	Director	Company Secretary
DIN. 00318140	DIN. 02168705	DIN. 03338134	M. No. 19364

Date: 13th August 2018
Place: Pune

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

COMPLIANCE CERTIFICATE

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

The Board of Directors,
Precision Camshafts Limited,
Solapur,

Dear members of the Board,

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

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. We have indicated to the Auditors and the Audit committee
   a) significant changes in internal control over financial reporting during the year;
   b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of Board of Directors
Precision Camshafts Limited

Yatin S. Shah	**Ravindra R. Joshi**
(Chairman &Managing Director)	(Director & CFO)

Date: 13th August 2018
Place: Pune

Report On Corporate Governance

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

Pursuant to the regulation 26 (3) read with part D of the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 I hereby declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the Financial Year ended March 31st, 2018.

For Precision Camshafts Limited

Yatin S. Shah
Chairman and Managing Director

Date: 13th August 2018
Place: Pune

Independent Auditor’s Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

TO THE MEMBERS OF
PRECISION CAMSHAFTS LIMITED

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

We have audited the accompanying Standalone Ind AS Financial Statements of Precision Camshafts Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information hereinafter referred to as (“the Standalone Ind AS Financial Statements”).

Management’s Responsibility for the Standalone Ind AS Financial Statements

The Company’s Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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 Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

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

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

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at 31st March 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April, 2015 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the Standalone Ind AS Financial Statements for the respective years. The predecessor auditor has expressed an unmodified opinion on the comparative financial information and the transition date opening balance sheet vide report dated 22nd May 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", 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 Statement, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

   (e) On the basis of the written representations received from the directors as on 31st March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) For our opinion on the internal financial controls with reference to Standalone Ind AS Financial Statements of the Company 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 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 pending litigations and the impact on its financial position - refer note 33 (b) to the Standalone Ind AS Financial Statements.

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place of Signature: Pune
Date: 28th May 2018

Independent Auditor's Report

Annexure A to the Independent Auditors' Report

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

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

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

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

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

(iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 in the current year. Accordingly, clauses (iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) According to the information and explanation provided to us, there are no loans, guarantees and security given by the Company, to Directors, covered under the provisions of section 185 of the Companies Act, 2013. According to the information and explanations provided to us, provisions of section 186 of the Companies Act, 2013 have been complied with respect to loans, guarantees, investment and security.

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

(vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (l) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.

(vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanation provided to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31st March 2018, for a period more than six months from the date they became.

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

As certified by the management and according to the information and explanation provided to us, previously reported undisputed amount of excise of ₹ 55.77 lakhs pertaining to the period beginning 1st April 2015 to 30th September 2016 has been settled for ₹ 12.43 lakhs during excise audit in December 2017 and the same has been discharged.

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

Name of the statute	Nature of the dues	Amount (₹) In Lakhs	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	20.76	2006-07	Commissioner
Finance Act, 1994	Service Tax on outward transport	11.83	2011-15	CESTAT
Finance Act, 1994	Service Tax	53.36	2012-14	CESTAT
Income Tax Act, 1961	Income tax on ESOP expenses and other disallowances	1597.12*	2013-14	CIT (A)*

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

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

(ix) In our opinion and according to the information and explanations given by the management, we report that monies raised by way of initial public offer in the nature of equity shares were applied for the purposes for which those were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in demand deposits with banks. The maximum amount of idle/surplus funds invested during the year was ₹ 17,480.68 Lakhs out of which ₹ 12,428.19 Lakhs was outstanding at the end of the year. According to the information and explanation provided to us, term loans availed by the Company were, prima facie applied for the purpose for which the loans were obtained.

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

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

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

(xiii) According to the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

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

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place of Signature: Pune
Date: 28th May 2018

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure B to the Independent Auditors' Report

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

Report on the Internal Financial Controls with reference to Standalone Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone Ind AS Financial Statements of Precision Camshafts Limited ("the Company") as at 31st March 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Ind AS Financials Statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control with reference to financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financials Reporting

Because of the inherent limitations of internal financial controls over financials reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to Standalone Ind AS Financials Statements and such internal financial controls with reference to Standalone Ind AS Financial Statements were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place of Signature: Pune
Date: 28th May 2018

Standalone Balance sheet
as at March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	24,186.80	21,528.97
(b) Capital work-in-progress	3	857.38	890.17
(c) Intangible assets	4	19.71	30.57
(d) Financial assets			
(i) Investments	5A	7,339.85	1,304.65
(ii) Loans	5B	189.31	189.99
(iii) Other financial assets	5C	199.93	1,174.82
(e) Other non-current assets	6	1,080.57	802.30
Total non-current assets		**33,873.55**	**25,921.47**
II. Current assets			
(a) Inventories	7	2,699.63	3,132.80
(b) Financial assets			
(i) Investments	5A	11,022.52	8,914.80
(ii) Trade receivables	8	8,255.15	11,105.22
(iii) Cash and cash equivalents	9	821.76	1,605.94
(iv) Bank balance other than (iii) above	9	14,174.52	24,087.87
(v) Loans	5B	2.17	2.13
(vi) Others financial assets	5C	611.92	539.05
(c) Other current assets	6	1,108.18	1,687.01
Total current assets		**38,695.85**	**51,074.82**
Total Assets		**72,569.40**	**76,996.29**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	9,487.66	9,479.45
(b) Other equity			
Securities premium account	11	21,671.58	21,583.12
General reserve	11	472.21	472.21
Share based payments	11	206.38	260.42
Retained earnings	11	25,173.99	23,399.78
Total Equity Attributable to the equity shareholders of the company		**57,011.82**	**55,194.98**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	-	2,486.11
(c) Deferred tax liabilities (net)	27	1,149.15	1,011.21
(d) Provisions	16	593.35	437.65
Total non-current liabilities		**1,742.50**	**3,934.97**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	2,198.08	4,237.91
(ii) Trade and other payables	14	6,434.04	7,034.36
(iii) Other financial liabilities	13	4,599.57	5,779.59
(b) Other current liabilities	15	99.48	195.20
(c) Provisions	16	97.54	313.13
(d) Current tax liabilities (net)	17	386.37	306.15
Total current liabilities		**13,815.08**	**17,866.34**
Total liabilities		**15,557.58**	**21,801.31**
Total Equity and Liabilities		**72,569.40**	**76,996.29**
Summary of significant accounting policies	2		

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

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place: Pune
Date: May 28, 2018

Yatin S Shah
Managing Director
DIN. 00318140
Place: Pune
Date: May 28, 2018

Dr. Suhasini Y Shah
Director
DIN. 02168705
Place: Pune
Date: May 28, 2018

Ravindra R Joshi
Director
DIN. 03338134
Place: Pune
Date: May 28, 2018

Mahesh A Kulkarni
Company Secretary
M. No. 19364
Place: Pune
Date: May 28, 2018

Standalone Statement of Profit & Loss
for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	Year ended March 31, 2018 Rupees	Year ended March 31, 2017 Rupees
Income			
Revenue from operations	18	40,787.24	46,700.86
Other income	19	1,131.64	917.00
Total Revenue (I)		**41,918.88**	**47,617.86**
Expenses			
Cost of raw materials and components consumed	20	12,248.99	12,951.15
Excise duty on sale of goods		732.00	2,402.99
(Increase) / decrease in inventories of finished goods, work-in-progress	21	531.00	823.72
Employee benefits expense	22	5,234.95	6,313.57
Other Expenses	23	14,376.38	14,153.77
Total expenses (II)		**33,123.32**	**36,645.20**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**8,795.56**	**10,972.66**
Finance costs	24	470.77	713.36
Finance income	25	(1,328.01)	(2,218.40)
Depreciation and amortisation expense	26	4,276.65	3,735.93
Profit before tax		**5,376.15**	**8,741.77**
Tax expense			
Current tax	27	1,775.28	3,351.78
Deferred tax	27	125.24	(695.37)
Total tax expense		**1,900.52**	**2,656.41**
Profit for the year (A)		**3,475.63**	**6,085.36**
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains on defined benefit plans	28	15.47	22.29
Income tax effect		(5.35)	(7.72)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**10.12**	**14.57**
Total other comprehensive income for the year, net of tax [B]		**10.12**	**14.57**
Total comprehensive income for the year, net of tax (A+B)		**3,485.75**	**6,099.93**
Profit for the year attributable to equity share holders of the Company		**3,475.63**	**6,085.36**
Total Comprehensive Income for the year attributable to equity share holders of the Company		**3,485.75**	**6,099.93**
Earning per share [nominal value per share ₹ 10/- (March 31, 2017: ₹ 10/-)	29		
Basic, computed on the basis of profit attributable to equity share holders of the Company		3.67	6.42
Diluted, computed on the basis of profit attributable to equity share holders of the Company		3.66	6.41
Summary of significant accounting policies	2		

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

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place: Pune
Date: May 28, 2018

Yatin S Shah
Managing Director
DIN. 00318140
Place: Pune
Date: May 28, 2018

Dr. Suhasini Y Shah
Director
DIN. 02168705
Place: Pune
Date: May 28, 2018

Ravindra R Joshi
Director
DIN. 03338134
Place: Pune
Date: May 28, 2018

Mahesh A Kulkarni
Company Secretary
M. No. 19364
Place: Pune
Date: May 28, 2018

Standalone Statement of changes in equity

for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

A. Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid (Refer Note 10)	Number	In ₹ Lakhs
At 31 March 2016	**9,47,44,825**	**9,474.48**
Issued during the year -Employee Share Option Scheme	49,705	4.97
At 31 March 2017	**9,47,94,530**	**9,479.45**
Issued during the year -Employee Share Option Scheme	82,105	8.21
At 31 March 2018	**9,48,76,635**	**9,487.66**

B. Other Equity

Attributable to the owners of the Company (refer note 11)

Particulars	Reserves and Surplus				Total equity
	Securities premium account	General Reserve	Retained Earnings	Share based payments	
As at April 1, 2016	**21,528.89**	**472.21**	**17,299.80**	**231.43**	**39,532.33**
Profit for the year	-	-	6,085.36	-	6,085.36
Securities premium on ESOPs excercised	57.84	-	-	-	57.84
Deferred tax charge on share issue expenses	(3.61)	-	-	-	(3.61)
Other comprehensive income for the year	-	-	14.57	-	14.57
Share based payments (refer note 32)	-	-	-	86.84	86.84
Transferred to securities premium on account of exercise of stock options	-	-	-	(57.84)	(57.84)
Total Comprehensive income for the year	**54.23**	**-**	**6,099.92**	**29.00**	**6,183.15**
Final dividend for year ended March 31, 2016	-	-	-	-	-
Tax on final dividend for the year ended March 31, 2016	-	-	-	-	-
	-	-	-	-	-
As at March 31, 2017	**21,583.12**	**472.21**	**23,399.72**	**260.43**	**45,715.48**
As at April 1, 2017	**21,583.12**	**472.21**	**23,399.72**	**260.43**	**45,715.48**
Profit for the year	-	-	3,475.63	-	3,475.63
Securities premium on ESOPs excercised	95.81	-	-	-	95.81
Deferred tax charge on share issue expenses	(7.35)	-	-	-	(7.35)
Other comprehensive income for the year	-	-	10.12	-	10.12
Share based payments (refer note 32)	-	-	-	41.76	41.76
Transferred to securities premium on account of exercise of stock options	-	-	-	(95.81)	(95.81)
Total Comprehensive income for the year	**88.46**	**-**	**3,485.75**	**(54.05)**	**3,520.16**
Final dividend for year ended March 31, 2017	-	-	(1,422.03)	-	(1,422.03)
Tax on final dividend for the year ended March 31, 2017	-	-	(289.49)	-	(289.49)
As at March 31, 2018	**21,671.58**	**472.21**	**25,173.95**	**206.38**	**47,524.16**
Summary of significant accounting policies	2				

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

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place: Pune
Date: May 28, 2018

Yatin S Shah
Managing Director
DIN. 00318140
Place: Pune
Date: May 28, 2018

Dr. Suhasini Y Shah
Director
DIN. 02168705
Place: Pune
Date: May 28, 2018

Ravindra R Joshi
Director
DIN. 03338134
Place: Pune
Date: May 28, 2018

Mahesh A Kulkarni
Company Secretary
M. No. 19364
Place: Pune
Date: May 28, 2018

Standalone Statement of Cash Flows

for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	March 31, 2018 In ₹	March 31, 2017 In ₹
Operating activities			
Profit before tax		**5,376.14**	**8,741.80**
Adjustments to reconcile profit before tax to net cash flows:		-	-
Depreciation and impairment of property, plant	26	4,250.15	3,705.24
and equipment		-	-
Amortisation and impairment of intangible assets	26	26.50	30.69
Share-based payment expense	22	41.76	86.84
Net foreign exchange differences (unrealised)		29.01	153.17
Bad debt		268.79	-
Sundry creditors written back	19	(5.65)	(3.03)
Impairment of investment in PCL (Shanghai) Co Ltd	23	-	110.48
Provision for doubtful debts written back	23	(24.91)	14.02
Loss on disposal of property, plant and equipment	23	4.67	24.56
Finance income (including fair value change in financial instruments)	19	(1,860.32)	(3,096.08)
Finance costs (including fair value change in financial instruments)	24	321.46	569.88
Working capital adjustments:		-	-
Movements in provisions, gratuity and government grants	15	(78.00)	178.70
Movement in other current assets	6	594.29	(512.87)
Movement in other Financial assets	5	217.32	196.17
Movement in Long term loans and advances	5	0.68	5.39
Movement in short term loans and advances	5	(0.04)	203.87
Movement in other current liabilities	16	(95.72)	(25.01)
Movement in other Financial Liabilities	13	(145.72)	71.94
Movement in trade and other receivables and prepayments	8	2,886.90	(1,664.03)
Movement in inventories	7	433.17	792.63
Movement in trade and other payables	14	(602.75)	702.06
		11,637.73	**10,286.43**
Income tax paid	17,27	1,695.07	3,774.24
Net cash flows from operating activities		**9,942.66**	**6,512.19**
Investing activities			
Proceeds from sale of property, plant and equipment	3	6.38	12.94
Purchase of property, plant and equipment		(6,469.75)	(4,462.38)
Purchase of financial instruments		(27,455.91)	(11,492.74)
Proceeds from sale of financial instruments		30,779.35	13,474.09
Interest received (finance income)		986.03	1,987.08
Dividend Received		5.98	247.48
Net cash flows used in investing activities		**(2,147.92)**	**(233.53)**
Financing activities			
Proceeds from exercise of share options		8.21	4.97
Interest paid		(349.71)	(573.46)
Repayment of borrowings		(4,217.99)	(3,821.49)
Repayment/Proceeds of short term borrowings (net)		(2,334.03)	(2,286.36)
Final dividend paid on shares		(1,422.03)	-
Tax on final dividend paid		(289.49)	-
Net cash flows from/(used in) financing activities		(8,605.04)	(6,676.34)
Net decrease in cash and cash equivalents		**(810.30)**	**(397.68)**
Net foreign exchange difference		26.12	7.57
Cash and cash equivalents at the beginning of the year		1,605.94	1,996.04
Cash and cash equivalents as at year end		**821.76**	**1,605.93**

Standalone Statement of Cash Flows
for the year ended March 31, 2018 (Contd..)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	March 31, 2018 In ₹	March 31, 2017 In ₹
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts	9	548.42	1,549.43
Deposit with original maturity of less than 3 months	9	270.01	50.35
Cash in hand	9	3.33	6.15
Cash and cash equivalents at year end		**821.76**	**1,605.93**

Change in Liability arising from Financing Activities

Particulars	1st April, 2017	Non cash transactions Cash flows (Repayment)	Foreign Exchange Movement -(gain)/loss	Interest Accrued	ECB Amortisation	31st March, 2018
Borrowing -Non current (refer note 12)	6,844.38	(4,217.99)	(70.40)	(37.17)	8.93	2,527.75
Borrowing -Current (refer note 12)	4,237.91	(2,334.03)	294.20	-	-	2,198.08

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

Summary of significant accounting policies 2

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

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place: Pune
Date: May 28, 2018

Yatin S Shah
Managing Director
DIN. 00318140
Place: Pune
Date: May 28, 2018

Dr. Suhasini Y Shah
Director
DIN. 02168705
Place: Pune
Date: May 28, 2018

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Director
DIN. 03338134
Place: Pune
Date: May 28, 2018

Mahesh A Kulkarni
Company Secretary
M. No. 19364
Place: Pune
Date: May 28, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 1. Corporate Information

The financial statements comprise of financial statements of Precision Camshafts Limited ('the Company') for the year ended 31 March 2018. 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 28 May 2018.

Note 2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended thereafter. ("the Rules")

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

> Derivative financial instruments,

> Certain financial assets and liabilities measured at fair value (refer accounting policy Note 'o' of summary of significant accounting policies regarding financial instruments).
The financial statements are presented in INR and all values are rounded to Rupees in Lakhs, except when otherwise indicated.

Disclosure of EBITDA

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position or performance or to cater to industry/sector-specific disclosure requirements. For example, a Company may present EBITDA as a separate line item on the face of the tatement of profit and loss.

Measurement of EBITDA

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

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

> Expected to be realised or intended to be sold or consumed in normal operating cycle

> Expected to be realised within twelve months after the reporting period, or

> Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

All other assets are classified as non-current.

A liability is current when:

> It is expected to be settled in normal operating cycle
> It is due to be settled within twelve months after the reporting period, or
> There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Foreign currencies

The Company's financial statements are presented in INR which is the Company's presentation currency and functional currency of the company.

i) Initial recognition

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

ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.(i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The Company has continued the accounting policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items (paragraph 46A of AS 11 under previous GAAP) recognised in the previous GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

c) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability, or
> In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Notes

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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)

Contingent consideration (refer note 33)

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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. During the current year, these adjustments are made for the period April 1, 2017 to

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June 30, 2017. W.e.f. July 1, 2017; Goods & Service Tax (GST). The GST is the Tax collected by seller on behalf of government. Hence the same is excluded from the revenue for the period July 1, 2017 to March 31, 2018.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Income from services

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

Tooling Income

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

Interest

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividends

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

Export Incentives

Refer accounting policy under government grants for export incentives

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

> When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

> In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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

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

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

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

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

Description of asset group	Useful lives as per management's estimate
Buildings	30 - 60 years
Internal roads	5 - 10 years
Plant & equipment	3 - 7.5 years
Office equipment	5 years
Furniture & fixture	5 years
Vehicles	8 years
Computers	3 years

Cost of leasehold land is amortised over the period of lease i.e, 80 years to 99 years

The Company believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in profit or loss in

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the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. The useful life of the computer software has been assessed at 2 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset. Computer Software are amortized over a period of two years on a straight line basis from the date the asset is available to the Company for its use.

Intangible assets 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

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

Company as a lessee

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

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease

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are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Inventories

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

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

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

Finished goods and semi finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.

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

k) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset

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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 Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan , which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

I The date of the plan amendment or curtailment, and

II The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

II Net interest expense or income

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTPL

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

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

However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The 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 recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

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If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to 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 recognized 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 18;

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.

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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) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for

> ECL on financial assets measured at amortised cost is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss; loans and borrowings; payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

p) 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.

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q) 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.

r) 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.

s) Export incentives

Export incentives under various schemes notified by government are accounted for in the year of exports as grant related to income and is recognized as other operating income in the profit or loss if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

t) Segment reporting

Operating segments are reporting in a manner consistent with the internal reporting to the chief operating decision maker (CODM) The board of directors of the Group assess the financial performance and position of the group and makes strategic decisions. The Board of Directors, which are identified as a CODM, consists of chief executive officer, chief financial officer and all other executive directors.

The Group is engaged in manufacturing of autocomponents (camshafts.& others) Based on similarity of activities/ products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment ; however based on the geographic distribution of activities, the CODM has identified India and outside India as two reportable geographical segments. Refer note 34 for segment information presented.

u) Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the parent company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements, if any, in equity shares issued during the year and excluding treasury shares.Diluted EPS adjusts the figures used in the determination of basic EPS to consider :

> The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

> The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. A contingent liability can arise for obligations that are possible, but it is yet to be confirmed whether there is present obligation that could lead to an outflow of resources embodying economic benefits.

The Group does not recognise a contingent liability but only makes disclosures for the same in the financial statements when the company has:

> a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; or

> present obligation arising from past events, when no reliable estimate is possible; or

> a possible obligation arising from past events where the probability of outflow of resources is not remote

Contingent liabilities are reviewed at each Balance Sheet date.

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Leasehold land	Buildings	Plants and machinery	Office equipment	Furniture and fixtures	Vehicles	Capital work in progress	Total
At Cost								
As at April 1, 2016	**354.12**	**6,045.37**	**15,458.50**	**164.48**	**127.86**	**317.37**	**1,443.33**	**23,911.03**
Additions	-	2,587.84	3,596.44	52.72	37.41	86.56	5,836.15	12,197.12
Disposals	-	-	(308.57)	(1.74)	(0.37)	(58.29)	-	(368.97)
Capitalised during year	-	-	-	-	-	-	(6,389.31)	(6,389.31)
Other adjustment	-	-	-	-	-	-	-	-
- Exchange differences		(33.16)	(108.16)					(141.33)
At 31 March 2017	**354.12**	**8,600.05**	**18,638.21**	**215.46**	**164.90**	**345.64**	**890.17**	**29,208.54**
Additions	-	191.61	6,690.86	33.04	46.52	27.40	-	6,989.43
Disposals	-	-	(75.29)	-	(0.02)	(23.18)	-	(98.49)
Capitalised during year	-	-	-	-	-	-	(32.79)	(32.79)
Other Adjustment								
- Exchange Differences	-	(16.52)	(53.88)	-	-	-	-	(70.40)
At 31 March 2018	**354.12**	**8,775.14**	**25,199.90**	**248.50**	**211.40**	**349.86**	**857.38**	**35,996.29**
Depreciation/ amortisation								
As at April 1, 2016	**3.10**	**273.03**	**3,005.23**	**42.68**	**44.14**	**47.46**	**-**	**3,415.63**
Charge for the year	4.09	280.14	3,288.16	48.91	32.08	51.86	-	3,705.24
Disposals	-	-	(290.03)	(1.74)	(0.28)	(39.43)	-	(331.47)
At 31 March 2017	**7.19**	**553.17**	**6,003.36**	**89.85**	**75.94**	**59.89**	**-**	**6,789.40**
Charge for the year	4.09	349.74	3,742.48	61.71	38.42	53.71	-	4,250.15
Disposals	-	-	(69.65)	-	-	(17.79)	-	(87.44)
At 31 March 2018	**11.28**	**902.91**	**9,676.19**	**151.56**	**114.36**	**95.81**	**-**	**10,952.11**
Net book value								
At 31 March 2018	**342.84**	**7,872.23**	**15,523.71**	**96.94**	**97.04**	**254.05**	**857.38**	**25,044.18**
At 31 March 2017	**346.93**	**8,046.88**	**12,634.85**	**125.61**	**88.96**	**285.75**	**890.17**	**22,419.14**

Net Book Value	31 March 2018	31 March 2017
Plant, property and equipment	24,186.80	21,528.97
Capital work in progress	857.38	890.17

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 31 March 2018 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at March 31,2018 amounts to ₹ 857.38 Lakhs (31 March 2017: ₹ 890.20 Lakhs)

Property, plant and equipment

The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of ₹ 8,215.06 Lakhs (31 March, 2017: ₹ 8,393.81 Lakhs) and movable assets with a carrying amount of ₹ 15,989.45 Lakhs (31 March, 2017: ₹ 13,165.72 Lakhs) are subject to first charge to secure the Company's foreign currency term loan. (Refer Note No. 12)

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 4: Intangible assets

Particulars	Computer software In ₹
At Cost	
As at April 1, 2016	**45.96**
Additions	28.31
Disposals	-
At 31 March 2017	**74.27**
Additions	15.64
Disposals	-
At 31 March 2018	**89.91**
Depreciation/ amortisation	
As at April 1, 2016	**13.01**
Charge for the year	30.69
Disposals	-
At 31 March 2017	**43.70**
Charge for the year	26.50
Disposals	-
At 31 March 2018	**70.20**
Net book value	
At 31 March 2018	**19.71**
At 31 March 2017	**30.57**

Note 5: Financial Assets

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
5A) Investments		
(i) At cost		
Investments in Equity Instruments		
Investment in subsidiary		
> PCL (Shanghai) Co. Ltd.	-	-
USD 230,000 (March 31, 2017: USD 230,000) (100%)		
(Impaired fully in FY 2016-17)		
> PCL International Holding B V	2,214.00	-
EUR 27,74,800 as paid up capital (100%)		
> Memco Engineering Private Limited	3,804.35	-
2,85,000 Equity Shares of ₹ 10 each fully paid-up (95%)		
Deemed investments in Subsidiary		
Memco Engineering Private Limited	16.84	-
(6% cumulative Non Convertible Pref Shares of ₹ 100 each Net Present Value)		
Investments in Joint venture		
> Ningbo Shenglong PCL Camshafts Co. Ltd.	202.13	202.13
USD 375,000 as paid up capital (March 31, 2017: USD 375,000) (22.5%)		
> PCL Shenglong (Huzhou) Specialised Casting Co. Ltd.	1,101.22	1,101.22
USD 1,760,000 as paid up capital (March 31, 2017: USD 1,760,000) (40%)		
	7,338.54	**1,303.35**
(ii) At fair value through Profit or Loss (FVTPL)		
a) Investments in Equity Instruments		
> Shares of Laxmi Co-op. Bank Limited	1.25	1.25
5000 Equity shares of ₹ 25 each fully paid-up (March 31, 2017: 5,000 equity shares)		
> Shares of Solapur Janata Sahakari Bank Limited	0.05	0.05
500 Equity shares of ₹ 10 each fully paid-up (March 31, 2017: 500 equity shares)		

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
b) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Floating Rate Income Fund A/C	447.72	418.50
ICICI Prudential Mutual Fund Collection	609.20	572.03
BOI Axa Short Term Income Fund Account	305.50	209.34
Reliance Banking & PSU Debt Fund-Growth Plan	534.43	502.48
Reliance Corporate Bond Fund-Growth Plan	214.00	201.06
Reliance Medium Term Fund-Growth Plan-Growth option	324.16	303.56
Reliance Arbitage Advantage Fund	102.79	-
Reliance Short Term Fund	135.41	127.79
Franklin India Low duration Fund	894.50	826.76
Franklin India Short Term Income Plan	550.41	507.80
BSL Short Term Fund-Growth	537.82	504.03
BSL Treasury Optimiser Plan-Growth	319.38	300.09
BSL Medium Term Fund-Growth	215.31	199.95
Axis Liquid Fund-Daily Dividend	589.72	706.56
Axis Short Term Fund-Growth	533.99	503.75
IDFC Corporate Bond Fund Regular Plan-Growth	213.08	200.24
IDFC Ultra Short Term Fund-Growth(Reg Plan)	542.23	507.08
IDFC Super Saver income Fund-Short Term	321.35	303.18
Tata Liquid Fund Regular Plan-Daily Dividend	520.83	303.36
Tata Short Term Bond Fund Reg Plan-Growth	533.00	504.59
Tata Ultra Short Term Fund Reg Plan-Growth	215.86	202.02
Tata Balance Fund	147.62	-
Kotak Low Duration Fund Std Growth(Regular Plan)	542.66	506.74
Kotak banking & PSU Debt fund-Growth(Regular plan)	215.38	202.05
Kotak Income opp Fund-Growth(Regular Plan)	321.71	301.84
Kotak Equity Arbitrage	198.49	-
Bnp Paribas Dividend Yield Fund	245.52	-
Sbi Ultra Short Term Fund	50.98	-
Sbi Balance Fund	147.08	-
Baroda Pioneer Credit Opportunities Fund	100.44	-
Edelweiss Equity Saving Fund	123.40	-
Principal Emerging Bluechip Fund	79.87	-
Principal Cash Management Fund	18.20	-
Motilal Oswal Most Ultra Short Term Bond Fund	18.20	-
Motilal Oswal Most Focused Multicap 35 Fund	82.28	-
Canara Robeco Force Collection A/C	70.00	-
Total Investments at FVTPL	**11,023.82**	**8,916.10**
Non-current	**7,339.85**	**1,304.65**
Current	**11,022.52**	**8,914.80**
	18,362.37	**10,219.45**

Aggregate book value of quoted investments	11,022.52	8,914.80
Aggregate market value of quoted investments (refer note 36 fair value)	11,022.52	8,914.80
Aggregate book value of unquoted investments	7,339.84	1,304.65
Aggregate amount of impairment in value of investments.	-	110.48

The amount of investment in subsidiary PCL (Shanghai) Co. Ltd has been impaired in 2017 due the fact that the net worth of the subsidiary has been eroded . The impairment amounting to ₹ 110.48 Lakhs has been shown under the head 'other expenses'. During the year 2018 there is no such transactions for impairment.

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The company has acquired 95% Equity shares of Memco Engineering Pvt. Ltd.,Nashik On 10 Oct 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 will be acquired in September 2018 based on audited financials of March 2018. The entire funding for the above has been done through internally generated profits of the company.

The company has contributed as equity since 06 May 2017 to its wholly owned subsidary in PCL International Holding BV. The equity contribution has been done solely for acquiring the companies in Europe. On 23 March 2018 PCL International Holding BV has acquired MFT Motoren und Fahrzeugtechnik GmbH (MFT) - Germany's 76% shares by combination of equity & loan. The loan is taken from Bank of Baroda London. The total cost of acquisition is ₹ 2,044.57 Lakhs based on a projected EBITA multiple and remaining 24% will be acquired in 2021 based on financial performance of the year 2021.

The company has contributed ₹ 100 lakhs as 6% cumulative non-convertible preference shares to Memco Engineering Pvt. Ltd.,Nashik. Considering the present lending rates for similar companies, the 6% dividend is not at fair value. The difference between the present lending rate i.e 10.5% and the fixed dividend rate i.e 6% which has given to Memco Engineering Pvt. Ltd. has been derived based on the Net present value for 5 years. The difference between the rates has been considered as Deemed Investment as equity.

5B) Loans

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
(a) Security Deposits	191.48	192.11
Total Security Deposits	**191.48**	**192.11**
Non-current	189.31	189.99
Current	2.17	2.13
	191.48	**192.11**
Break-up for security details:		
- Unsecured, considered good	191.48	192.11
- Doubtful	-	-
Total	**191.48**	**192.11**

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

5C) Other Financial Assets

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
(i) Derivative instruments		
Foreign-exchange forward contracts	-	63.04
(ii) Others		
(a) Bank deposits with more than 12 months maturity	116.38	1,174.82
(b) Interest accrued on Fixed deposits	377.80	88.47
(c) Income accrued on Export incentives	233.26	367.54
(d) Income accrued on Insurance Claim	-	20.00

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(e) Dividend receivable on Preference Shares of Memco Engineering Pvt. Ltd.	0.87	-
(f) Preference Shares of Memco Engineering Pvt. Ltd.	83.55	-
(1,00,000 Cumulative Non-Convertible Redeemable Preference Shares at 6% of ₹ 100 each)		
Total Other Financial Assets	**811.86**	**1,713.87**
Non-current	199.93	1,174.82
Current	611.92	539.05
	811.86	**1,713.87**
Break-up for security details:		
- Secured, considered good		
- Unsecured, considered good	611.92	539.05
- Doubtful	-	-
Total	**611.92**	**539.05**
Total Financial assets	**19,365.69**	**12,125.43**
Total Non-current	**7,729.08**	**2,669.46**
Total Current	**11,636.61**	**9,455.97**
	19,365.69	**12,125.43**

Break up of financial assets carried at amortised cost

Particulars	**As at March 31, 2018 In ₹**	**As at March 31, 2017 In ₹**
Loans	191.48	192.11
Trade receivables (refer note 8)	8,255.15	11,105.22
Cash and Cash equivalents (refer note 9)	821.76	1,605.94
Other Bank balances (refer note 9)	14,174.52	24,087.87
Other financial assets	811.86	1,650.83
Total financial assets carried at amortised cost	**24,254.77**	**38,641.97**

Note 6: Other Assets

Particulars	**As at March 31, 2018 In ₹**	**As at March 31, 2017 In ₹**
Capital advances	824.07	530.34
Prepaid expense	142.89	225.54
Advance for purchase of materials	61.24	80.14
Income tax deposited with tax authorities (Under Protest)	228.90	228.90
Other Advances	12.12	12.12
(Amount deposited under protest against the claim made under		
Employees provident Funds and Miscellaneous Provision Act, 1952)		
Balances with statutory/government authorities	919.53	1,412.28
Total other assets	**2,188.75**	**2,489.31**
Non-current	**1,080.57**	**802.30**
Current	**1,108.18**	**1,687.01**
	2,188.75	**2,489.31**

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 7: Inventories

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Raw materials and components	347.89	301.70
Stores, spares and packing materials	485.64	434.00
Semi-finished goods	609.10	585.73
Finished goods	1,257.00	1,811.37
Total inventories at the lower of cost and net realisable value	**2,699.63**	**3,132.80**

During the year ended March 31, 2018 ₹ 44.42 Lakhs (March 31, 2017 ₹ 49.94 Lakhs) was written down as an expense for inventories.

Note 8: Trade Receivables

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Trade receivables	7,507.00	8,118.74
Receivables from subsidiary (refer note 34)	329.15	926.02
Receivables from joint venture (refer note 34)	419.00	2,060.46
Total	**8,255.15**	**11,105.22**
Break-up for security details:		
- Unsecured, considered good	8,255.15	11,105.22
- Doubtful	2.96	27.87
Total	**8,258.11**	**11,133.09**
Impairment allowance (allowance for bad and doubtful debts)		
- Doubtful	2.96	27.87
	2.96	**27.87**
Total Trade receivables	**8,255.15**	**11,105.22**

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.

Note 9: Cash and bank balances

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Cash and cash equivalents		
Balance with Banks		
Current accounts	548.42	1,549.43
Deposits with original maturity of less than three months	270.01	50.35
Cash on hand	3.33	6.15
Total cash and cash equivalents	**821.76**	**1,605.94**
Other bank balances		
Deposits with remaining maturity for less than 12 months	14,021.99	24,086.42
Unclaimed Dividend Accounts	2.53	1.45
Earmarked balance (refer note 33a(ii))	150.00	-
Total	**14,174.52**	**24,087.87**
Total cash and bank balances	**14,996.28**	**25,693.81**

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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.
As at 31st March 2018 the Company had available ₹ 4945.78 Lakhs (31st March 2017 ₹ 1032.11 Lakhs) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Cash and cash equivalents		
Balance with Banks		
Current accounts	548.42	1,549.43
Deposits with original maturity of less than three months	270.01	50.35
Cash on hand	3.33	6.15
Total cash and cash equivalents	**821.76**	**1,605.93**

Note 10: Share Capital

Authorised Share Capital	Equity Shares	
Particulars	**Number**	**In ₹**
At 1 April 2016	**10,00,00,000**	**10,000.00**
Increase/ (decrease) during the year	-	-
At 31 March 2017	**10,00,00,000**	**10,000.00**
Increase/ (decrease) during the year	-	-
At 31 March 2018	**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 (31 March 2017: ₹ 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31st Mar 2018 , the amount of per share dividend proposed by Board of Directors in the board meeting held on 28th May 2018 as distribution to equity share holders amounted to ₹ 1 (31 March 2017: ₹ 1.5) per equity share. Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as liability (including dividend distribution tax thereon) as on 31st Mar 2018.

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 equity capital

Particulars	Number	In ₹
At 1 April 2016	**9,47,44,825**	**9,474.48**
Issued during the year under the ESOP scheme	49,705	4.97
At 31 March 2017	**9,47,94,530**	**9,479.45**
Issued during the year under the ESOP scheme	82,105	8.21
At 31 March 2018	**9,48,76,635**	**9,487.66**

Pursuant to the Initial Public Offering (IPO) on 08 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

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to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 08 February 2016.

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

	31 March 2018		31 March 2017	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of ₹ 10 each fully paid				
Yatin Subhash Shah	2,45,11,200	25.83%	2,45,11,200	25.86%
Cams Technology Limited	1,25,14,860	13.19%	1,25,14,860	13.20%
Yatin Subhash Shah jointly with Dr. Suhasini Yatin Shah	1,28,28,800	13.52%	1,28,28,800	13.53%
Dr. Suhasini Yatin Shah	1,04,05,540	10.97%	1,04,05,540	10.98%
Jayant Vasudeo Aradhye	82,02,000	8.64%	82,02,000	8.65%
SBI Magnum Balanced Fund	67,91,427	7.16%	-	-
	7,52,53,827	**79.32%**	**6,84,62,400**	**72.22%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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

Particulars	Year ended				
	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Equity shares allotted as fully paid bonus shares by capitalization of securities premium or capital redemption reserve	-	-	7,77,49,520	-	-
Shares reserved for issue under options					
For details of shares reserved for issue under the share based payment plan of the Company, refer note 32.					

Note 11: Other Equity

a)	**Securities premium account**	**In ₹**
	At 1 April 2016	**21,528.89**
	Add:	
	Increase pursuant to premium on issue of shares on account of employee stock option exercised	57.84
	Reversal of tax benefit (deferred tax)	(3.61)
	At 31 March 2017	**21,583.12**
	Add:	
	Increase pursuant to premium on issue of shares on account of employee stock option exercised	95.81
	Reversal of tax benefit (deferred tax)	(7.35)
	At 31 March 2018	**21,671.58**
b)	**General reserve**	**In ₹**
	At 1 April 2016	**472.21**
	Increase/ (decrease) during the year	-
	At 31 March 2017	**472.21**

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to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Increase/ (decrease) during the year	-
	At 31 March 2018	**472.21**

c)	**Share based payments**	**In ₹**
	At 1 April 2016	**231.43**
	Increase/ (decrease) during the year	
	Add: compensation for options granted as per vesting during the year (net)	86.84
	Less: transferred to securities premium on account of exercise of stock options	(57.84)
	At 31 March 2017	**260.42**
	Increase/ (decrease) during the year	
	Add: compensation for options granted as per vesting during the year (net)	41.76
	Less: transferred to securities premium on account of exercise of stock options	(95.81)
	At 31 March 2018	**206.38**

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

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

Refer to note 32 for further details of these plans.

d)	**Retained earnings**	**In ₹**
	At 1 April 2016	**17,299.80**
	Add: Profit for the year	6,085.36
	Add: Other comprehensive income for the year	14.57
	At 31 March 2017	**23,399.78**
	Add: Profit for the year	3,475.63
	Add: Other comprehensive income for the year	10.12
	Less: Final equity dividend at ₹ 1.50 per share paid	(1,422.03)
	Less: Tax on final dividend paid	(289.49)
	At 31 March 2018	**25,173.99**

Notes

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 12: Borrowings

Particulars	Rate of interest	Maturity	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Non Current borrowings				
Term Loan				
From Bank				
Foreign currency loan 1 (secured)	LIBOR + 330 bps	Aug-18	0.00	2,147.40
Foreign currency loan 2 (secured)	LIBOR + 295 bps	Aug-18	0.00	338.71
Total Non Current borrowings			**0.00**	**2,486.11**
Current maturity of long term loans				
Foreign currency loan 1 (secured)	LIBOR + 330 bps	Aug-18	2,180.73	3,752.91
Foreign currency loan 2 (secured)	LIBOR + 295 bps	Aug-18	347.01	605.36
Loan repayable on Demand				
From Bank				
Cash credit from banks (secured)	9.50%	On Demand	23.68	252.10
Packing credit in foreign currency (secured)	EUROBOR + 150bps	On Demand	436.35	3,985.81
Packing credit in INR (Secured)	5.40%	On Demand	1,738.05	-
Total current Borrowings			**4,725.82**	**8,596.18**
Less: amount clubbed under "Other Financial liabilities"			2,527.74	4,358.27
Net Current Borrowings			**2,198.08**	**4,237.91**
Aggregate Secured loans			**4,725.82**	**11,082.29**

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

2 Foreign currency loan 2 carries interest at the rate of LIBOR plus 295 bps p.a. The tenure of the loan is 5 years and 2 months and the loan is repayable in 20 quarterly instalments commencing after 7 months from the sanction of the loan by the bank. viz., 2 November 2013. The loan is secured by pari passu charge on all movable and immovable PPE created by the loan and also includes mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loan has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah. The Company does not have any continuing defaults in repayment of loans and interest during the year and as at the reporting date.

3 Cash credit and packing credit in foreign currency 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

4 The carrying amounts of PPE pledged as security for non-current borrowings are disclosed in note 3. And carrying amount of inventories, trade receivables and fixed deposits are pledged as security for short term borrowings

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

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5 Term loan from banks contain certain covenants relating to debt service coverage ratio, total debt gearing ratio, interest Coverage ratio and Fixed asset coverage ratio. All the ratios mentioned above are within the level stipulated by the banks in its prescribed sanctions. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

Note 13: Other Financial Liabilities

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Financial liability at FVTPL		
Foreign-exchange forward contracts	104.33	
Other financial liabilities at amortised cost		
Current maturity of long term loans (refer note 12)	2,527.74	4,358.27
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	560.87	811.36
Sundry payables for capital goods purchased	1,266.81	470.58
Foreign-exchange forward contracts	104.33	-
Unclaimed Dividend	2.53	2.08
Total	**4,599.57**	**5,779.59**
Non - Current	**-**	**-**
Current	**4,599.57**	**5,779.59**
	4,599.57	**5,779.59**

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Borrowings (non-current) (refer note 12)	-	2,486.11
Borrowings (current) (refer note 12)	2,198.08	4,237.91
Current maturity of long term loans (refer note 13)	2,527.74	4,358.27
Trade payables (refer note 14)	6,434.04	7,034.36
Other financial liabilities (refer note 13)	2,071.83	1,421.32
Total	**13,231.69**	**19,537.97**

Note 14: Trade and other payables

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Trade Payables		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	1,207.20	1,096.35
- total outstanding dues of creditors other than micro enterprises and small enterprises	5,195.23	5,926.00
Trade payables to related parties	31.61	12.01
Total trade payables	**6,434.04**	**7,034.36**
Non-current	**-**	**-**
Current	**6,434.04**	**7,034.36**
	6,434.04	**7,034.36**

Terms & conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 90 days terms.
For terms and conditions with related parties, refer to note 34

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

For explanation on the Company's credit risk management process refer Note 40

Details of dues to Micro and small as defined under MSMED Act, 2006

	Particulars	As at March 31, 2018	As at March 31, 2017
(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	1,207.20	1,096.35
	Interest due on above	10.43	9.58
(ii)	The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006.		
	The amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	111.39	90.49
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	446.17	346.10

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 is ₹ 568.00 Lakhs (31 March 2017 : ₹ 446.17 Lakhs) and same is not accrued in the books of accounts.

Note 15: Other current Liabilities

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Advances from customers	67.80	36.69
Tax deducted at source payable	31.68	158.52
Total	**99.48**	**195.20**

Note 16: Provisions

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Employee benefits obligations:		
Gratuity	298.57	350.57
Compensated absences	298.76	340.23
Provision for Doubtful Capital Advance	93.55	60.00
Total	**690.88**	**750.80**
Non-current	593.35	437.65
Current	97.54	313.13
	690.88	**750.80**

Also refer note 31 for detailed disclosure.

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 17: Current tax liabilities (net)

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Provision for income tax (net of advance taxes)	386.37	306.15
Total	**386.37**	**306.15**

Note 18: Revenue from Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)	39,427.90	45,673.14
Sale of services	102.70	166.81
Total sale of products and services	**39,530.60**	**45,839.95**
Other operating income		
Tooling income	594.80	244.14
Scrap sales	33.32	22.65
Export incentives	628.52	594.12
Total other operating income	**1,256.64**	**860.91**
	40,787.24	**46,700.86**

Sale of goods includes excise duty collected from customers of ₹ 732.00 Lakhs for 3 months ended June 17 (31 March 2017: ₹ 2,402.99 Lakhs);Sale of goods net of excise duty is ₹ 38,695.90 Lakhs (31 March 2017: ₹ 43,270.15 Lakhs)

Note 19: Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Trade Payable no longer required written back	5.65	3.03
Exchange differences (net)	247.75	-
Compensation from customer	275.00	-
Fair value gain on financial instruments at fair value through profit or loss	-	773.91
Fair value gain on mutual funds	532.31	103.72
Royalty Income	64.66	-
Miscellaneous income	6.27	36.34
	1,131.63	**917.00**

Note 20: Cost of raw material and components consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventory at the beginning of the year	301.70	237.41
Add: purchases	12,295.18	13,015.44
	12,596.88	**13,252.85**
Less: inventory at the end of the year	347.89	301.70
	12,248.99	**12,951.15**

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 21: (Increase) / Decrease in Inventories

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock:		
Finished goods	1,811.37	2,758.75
Semi-finished goods	585.73	462.07
	2,397.10	**3,220.82**
Closing stock:		
Finished goods	1,262.13	1,811.37
Semi-finished goods	603.97	585.73
	1,866.10	**2,397.10**
	531.00	**823.72**

Note 22: Employee benefit expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages, bonus and commission	4,782.69	5,550.14
Employee stock option scheme	41.76	86.84
Contribution to provident fund and other funds	333.99	345.23
Gratuity expense (refer note 31)	51.66	229.37
Staff welfare expenses	24.85	101.99
	5,234.95	**6,313.57**

Note 23: Other Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of components and spares	3,128.91	3,040.21
Packing materials consumed	596.83	583.61
Power and fuel expenses	4,910.84	4,888.45
Job work expenses	1,078.89	790.27
Freight outward charges	1,229.33	1,422.58
Rent	4.56	16.15
Rates and taxes	124.40	137.29
Insurance	64.49	73.83
Repairs and maintenance		
Plant and machinery	526.77	445.27
Building	128.64	95.43
Others	398.91	382.16
Advertisement and sales promotion	11.36	12.37
CSR expenditure (refer note below)	135.58	152.10
Sales commission	576.38	557.24
Travelling and conveyance	488.25	470.37
Communication costs	31.89	36.15
Legal and professional fees	224.71	201.20
Auditors' remuneration and expenses		
Statutory audit	28.00	40.75

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Out of pocket expenses	4.81	5.27
Bad debts written off	268.79	-
Provision for doubtful debts (net of write backs)	(24.91)	14.02
Exchange differences (net)	-	152.39
Loss on fixed assets sold /discarded	4.67	24.56
Impairment of investment in subsidiary: PCL (Shanghai) Co. Ltd.	-	110.48
Miscellaneous expenses	434.28	501.62
	14,376.38	**14,153.77**

CSR expenditure

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross amount required to be spent during the year	181.22	158.13
Amount spent during the year in cash	135.58	152.10

Payment to Auditors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
Audit Fee	25.00	30.00
Limited review	3.00	9.00
Out of above ₹ 7.81 Lakhs has been paid to previous auditors.		
In other capacity		
Certification fees	-	1.75

Note 24: Finance costs

Particulars	Year ended March 31, 2018 In ₹	Year ended March 31, 2017 In ₹
Interest on borrowings	312.54	553.29
Interest on current tax	4.15	2.35
Bank charges	145.16	141.13
Other finance cost	8.93	16.60
	470.77	**713.36**

Note 25: Finance Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on		
Bank deposits	1,248.49	1,944.33
Others	28.13	14.18
Dividend income on long-term investments	-	241.21
Dividend income on Mutual Funds	51.39	18.68
	1,328.01	**2,218.40**

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 26: Depreciation and amortisation expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets	4,250.15	3,705.24
Amortisation of intangible assets	26.50	30.69
	4,276.65	**3,735.93**

Note 27: Income Tax

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Current income tax:		
Current income tax charge	1,775.28	3,351.78
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	125.24	(695.37)
Income tax expense reported in the statement of profit or loss	**1,900.52**	**2,656.41**

OCI Section

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Net loss/(gain) on remeasurements of defined benefit plans	(5.35)	(7.72)
Income tax expense charged to OCI	**(5.35)**	**(7.72)**

Reconciliation of closing balance of Deferred tax liability

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Deferred tax liability		
Fixed assets: impact of difference between tax depreciation and depreciation / amortization for the financial reporting	1,572.48	1,614.96
Others - Current Investment	222.25	35.89
Gross deferred tax liability	**1,794.73**	**1,650.85**
Deferred tax assets		
Provision for doubtful debts and advances	1.04	4.85
Employee related costs allowed for tax purposes on payment basis	313.45	347.35
VRS compensation	234.05	207.16
Share issue expenses adjusted to securities premium account	60.59	67.95
Others	36.46	12.34
Gross deferred tax assets	**645.59**	**639.65**
Net deferred tax liability	**1,149.14**	**1,011.20**
Deferred tax credit for the year		
Closing deferred tax liability (net)	1,149.15	1,011.21
Less: opening deferred tax liability (net)	1,011.21	1,695.25
Deferred tax movement for the year	137.94	(684.04)
Deferred tax credit recorded in securities premium account (refer note 11)	7.35	3.61

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Deferred tax (credit) / charge recorded in statement of profit and loss	130.59	(688.64)
Deferred tax charge recorded in OCI (refer note 28)	(5.35)	(7.72)
Deferred tax credit recorded in reserves and surplus	-	-
Deferred tax credit for the year	**125.24**	**(695.37)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2017 and and 31 March 2018

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Accounting profit before tax	5,376.15	8,741.77
Accounting profit before income tax	**5,376.15**	**8,741.77**
At India's statutory tax rate 34.608% (31 March 2017 34.608%)	1,860.58	3,025.35
Finance income on restatement of Investment in CAMS Technology Ltd. not chargeable to tax	-	(267.84)
Dividend income accrued in current year exempt from tax	(17.78)	(89.94)
Deduction allowed u/s 32AC	-	(184.94)
Non-deductible expenses for tax purposes:		
Donations made disallowed as deductions	50.90	59.39
Interest u/s 234 B & C	1.44	2.27
Provision for expenses not allowed in tax	(8.62)	7.50
Provision for Capital advances (Marvel Edge)	11.61	21.28
Penalty paid during the year	-	1.73
Impairment loss of investment in subsidiary: PCL (Shanghai) Co. Ltd.	-	38.24
Previous year 43A reversed in current period	-	29.12
Loss on sale of asset	1.62	8.50
Disallowance under section 14A	0.35	-
Difference on account of other items	0.44	5.73
At the effective income tax rate of 35.35% (31 March 2017 30.39%)	**1,900.53**	**2,656.41**
Income tax reported in the statement of profit and loss	1,900.52	2,656.41

Reconciliation of deferred tax liabilities (net):

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Opening balance as of 1 April	1,011.21	1,695.25
Tax income/(expense) during the period recognised in profit or loss	125.24	(695.37)
Tax income/(expense) during the period recognised in equity	7.35	3.61
Tax income/(expense) during the periodrecognised in OCI	5.35	7.72
Closing Balance as at 31 March	**1,149.15**	**1,011.21**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Deferred tax
Deferred tax relates to the following

Particulars	Balance sheet		Statement of Profit & Loss	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Accelerated depreciation for tax purposes	(1,794.73)	(1,650.85)	143.88	(426.40)
Voluntary retirement scheme allowed as deduction over a period of five years	234.05	207.16	(26.89)	(157.13)
Preliminary expenses incurred on initial public offering, allowed as deduction over a period of 5 years	60.59	67.95	-	-
Employee benefit expenses allowed on payment basis under Sec 43B	313.45	347.35	33.90	(97.24)
Forward contracts	36.46	12.34	(24.11)	(6.82)
Provision for doubtful debts and advances	1.04	4.85	3.82	(0.06)
Amount to be charged in Statement of OCI	-		(5.35)	(7.72)
Amount to be charged in Statement of OCI	(1,149.14)	(1,011.20)	125.25	(695.37)

Note 28: Components of OCI

During the year ended 31 March 2018

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

During the year ended 31 March 2017

Particulars	Retained earnings In ₹	Total In ₹
Re-measurement gains (losses) on defined benefit plans	22.29	22.29
Income tax effect	(7.72)	(7.72)
	14.57	**14.57**

Note 29: Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profits for the year attributable to equity share holders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into equity shares.

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit attributable to Equity shareholders of the company	3,475.63	6,085.36
Weighted average number of equity shares in calculating basic EPS	9,48,10,633	9,47,55,365
Effect of dilution:	1,60,951	1,99,334
Weighted average number of equity shares in calculating diluted EPS	9,49,71,584	9,49,54,699
Earnings per share (basic) (Rupees/share)	3.67	6.42
Earnings per share (diluted) (Rupees/share)	3.66	6.41

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 30: Dividend Distribution made and proposed

Particulars	31 March 2018 In ₹	31 March 2017 In ₹
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2017 : INR 1.50 per share	1,422.03	-
Tax on final dividend	289.49	-
	1,711.52	**-**
Cash dividends on equity shares proposed		
Final dividend for the year ended on 31 March 2018 : INR 1.00 per share (31 March 2017: ₹ 1.50 per share)	948.77	1,421.92
Tax on proposed dividend	195.02	289.47
	1,143.79	**1,711.39**

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

Note 31: Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 333.99 Lakhs (March 31, 2017: ₹ 345.23 Lakhs) is recognised as expenses and included in note no. 22 "Employee benefit expense"

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company has a defined benefit gratuity plan in India (funded). The Company's defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit.

The level of benefits provided depends on the member's length of service and salary at retirement age.

Plan assets - Gratuity Fund ₹ 437.54 Lakhs

Net benefit expense 31 March 2018 (recognised in statement of profit or loss)	31 March 2018	31 March 2017
Current service cost	111.78	84.29
Interest cost on benefit	13.13	12.70
	124.91	**96.99**

* The amount debited to statement of profit and loss includes gratuity expenses on account of full and final settlement of left employees whose gratuity payments have not been considered for actuarial valuation amounting to ₹ 4.85 Lakhs and ₹ 132.39 Lakhs for the year ended March 31, 2018 and March 31, 2017 respectively. For the year ended March 31, 2018; the amount debited to statement of profit and loss also includes gratuity expenses of ₹ 40 Lakhs provided for promoter director whose gratuity payments have not been considered for actuarial valuation.

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

(₹ In lakhs)

	01-Apr-17	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-18
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (refer note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	(696.54)	(111.78)	(43.28)	(155.06)	151.21		-	68.93	(59.80)	9.13	-	(691.26)
Fair value of plan assets	464.18	-	30.15	30.15	(151.21)	6.34	-	-	-	6.34	88.08	437.54
Benefit liability	(232.36)	(111.78)	(13.13)	(124.91)	-	6.34	-	68.93	(59.80)	15.47	88.08	(253.72)

March 31, 2017 : Changes in defined benefit obligation and plan assets

(₹ In lakhs)

	01-Apr-16	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	31-Mar-17
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (refer note 22)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity												
Defined benefit obligation	(660.06)	(84.29)	(46.31)	(130.60)	78.63		-	(46.50)	61.99	15.49	-	(696.54)
Fair value of plan assets	469.28	-	33.61	33.61	(78.63)	6.80	-	-	-	6.80	41.26	472.33
Benefit liability	(190.78)	(84.29)	(12.70)	(96.99)	-	6.80	-	(46.50)	61.99	22.29	41.26	(224.21)

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, 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 March 31, 2018 In ₹	Year ended March 31, 2017 In ₹
Type of asset: Group Gratuity scheme of		
LIC of India		
Fair Value of total plan assets	437.54	472.33
(%) 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 March 31, 2018 In ₹	Year ended March 31, 2017 In ₹
Discount rate	7.68%	6.97%
Future salary increase	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Expected average remaining working lives (in years)	16.45%	16.87%

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

Gratuity

Particulars	Effect on defined benefit obligation (Impact)		
	Sensitivity level	Year ended March 31, 2018 In ₹	Year ended March 31, 2017 In ₹
Discount rate	1% increase	608.58	606.19
	1% decrease	791.18	807.00
Future salary increase	1% increase	786.11	799.17
	1% decrease	610.94	610.30

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Within the next 12 months (next annual reporting period)	29.04	26.84
Between 2 and 5 years	155.80	118.13
Beyond 5 years	187.09	818.62
Total expected payments	**371.93**	**963.59**

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

Particulars	Year ended March 31, 2018 Years	Year ended March 31, 2017 Years
Gratuity	13.58	14.36

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

Particulars	Year ended March 31, 2018 Years	Year ended March 31, 2017 Years
Gratuity	74.49	88.19

Note 32: Share Based Payments

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2018, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 6 February 2015,the board of directors approved the PCL Employee Stock Option Scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of the Company. According to the PCL ESOS 2015,the employee selected by the remuneration committee from time to time will be entitled to options. The contractual life (comprising the vesting period and the exercise period) of options granted under PCL ESOS 2015 is 6 years.

The 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.

	31 March 2018	31 March 2017
Expense arising from equity-settled share-based payment transactions	41.76	86.84
Total expense arising from share-based payment transactions	**41.76**	**86.84**

There were no cancellations or modifications to the awards in 31 March 2018 or 31 March 2017.

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

	31 March 2018		31 March 2017	
	Number	WAEP	Number	WAEP
Outstanding at 1 April	2,65,445	₹ 10	3,33,850	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	6,550	₹ 10	18,700	₹ 10
Exercised during the year	82,105	₹ 10	49,705	₹ 10
Expired during the year	-	-	-	-
Outstanding at 31 March	**1,76,790**	**₹ 10**	**2,65,445**	**₹ 10**
Exercisable at 31 March	1,76,790	₹ 10	2,65,445	₹ 10

The weighted average share price at the date of exercise of these options was ₹ 10
The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was one Month (31 March 2017: One year).

The Following table list the inputs to the models used for the plans:

Dividend yield (%)	0.00%
Expected voilatility (%)	56.25%
Risk-Free interest rate (%)	7.82%
Expectd Life of share options (years)	3
Weighted Average Share Price (₹)	10
Model used	Black Scholes

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The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 33: Commitments and contingencies

a. Commitments

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances): At 31 March 2018, the Company had commitments of ₹ 3,806.92 Lakhs (31 March 2017: ₹ 556.97 Lakhs)

(ii) The company has a commitment to purchase 5% equity shares of Memco Engineering Pvt. Ltd., Nashik for which it has earmarked bank balance of ₹ 150 Lakhs.

b. Contingent liabilities

(i) Claims against the company not acknowledged as debts (Legal claims)

a. The Collector of Stamps, Solapur has demanded payment of stamp duty of ₹ 31.79 Lakhs (March 31, 2017: ₹ 31.79 Lakhs) for cancellation and issue of equity shares after amalgamation of Precision Valvetrain Components Limited (PVPL) with the Company in year 2007-2008. The Company has filed an appeal against demand made by the Collector of Stamps, Solapur with Controlling Revenue Authority, Pune.

b. The Company is in appeal and the application is pending with "Hon'ble High Court of Judicature Appellate" against the claim made under Employees provident Funds and Miscellaneous Provision Act, 1952 for ₹ 24.23 Lakhs (March 31, 2017: ₹ 24.23Lakhs). The Company has deposited an amount of ₹ 12.12 Lakhs (March 31, 2017: ₹ 12.12 Lakhs) under protest which has been shown under 'Other Assets'.

c. The Company has received an order from the Commissioner of Central Excise Pune for the year 2002-03, 2003-04 and 2004-05 demanding excise duty amounting to ₹ 20.76 Lakhs (March 31, 2017: ₹ 20.76 Lakhs) on sales tax retained under sales tax deferral scheme. The Company has deposited an amount of ₹ 1.56 Lakhs (March 31, 2017: 1.56 Lakhs) under protest.

d. The Company has filled an appeal to CESTAT during the year against the order of service tax appeals for inadmissible cenvat credit amounting to ₹ 11.83 Lakhs on outward transportation for the financial years 2011-12 to 2014-15.

e. The Company has received order from Commissioner of Central Excise for demand of service Tax and interest on payment of bank charges, facilities fees, and legal expenses paid during the year 2011-12 for the availment of ECB loan amounting to ₹ 26.16 Lakhs.

f. The Company has received order from Assessing Officer for demand of income tax amounting to ₹ 1,597.17 Lakhs towards disallowance of ESOP expenditures and other disallowances. The Company has filed appeal against the above order with Commissioner of Income Tax (Appeals) and has paid ₹ 200.00 Lakhs under protest and has adjusted refund due of ₹ 39.60 Lakhs with respect to FY 2006-07.

In all cases the cases mentioned above outflow is not probable, and hence not provided by the Company.

(ii) Corporate Guarantees

Company has given corporate guarantee of ₹ 14,900 Lakhs (approx) on behalf of PCL (International) Holdings B.V. (Netherlands) to the lender bank.

c. Leases

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

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The Company has paid ₹ 4.56 Lakhs (31 march 2017: ₹ 16.15 Lakhs) during the year towards minimum lease payment. Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	31 March 2018	31 March 2017
Within one year	1.21	8.50
After one year but not more than five years	-	1.27
More than five years	-	-
	1.21	**9.77**

Note 34: Related party transactions

A Names of the related party and related party relationship:

a) Related party where control exists

i) Subsidiary

PCL (Shanghai) Co. Ltd (China)
PCL (International) Holdings B.V. (Netherlands) (W.e.f. 06-05-2017)
Memco Engineering Pvt. Ltd. (Nashik) (W.e.f. 10-10-2017)

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

MFT Motoren Und Fahrzeughecnik GMBH (Germany) (W.e.f. 23-03-2018)

b) Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the period

PCL (Shanghai) Co. Ltd (China)
PCL (International) Holdings B.V. (Netherlands)
Memco Engineering Pvt Ltd (Nashik)
Chitale Clinic Private Limited
Cams Technology Limited
Ningbo Shenglong PCL Camshaft Co Ltd, China.
PCL Shenglong (Huzhou) Specialized Casting Co Ltd, China.

i) Key management personnel (KMP)

Mr. Yatin S Shah , Managing Director
Dr. Suhasini Y Shah, Director
Mr. Ravindra R. Joshi, Director
Mr. Mahesh A Kulkarni (W.e.f. 08-12-2017)
Mr. Swapnil S Kuber (upto 28.09.2017)
Mr. Jayant V Aradhye
Mr. Sarvesh N Joshi, Independent Director
Mr. Pramod H Mehendale, Independent Director
Mr. Vedant V Pujari, Independent Director
Mr. Vaibhav S Mahajani, Independent Director

ii) Relatives of key management personnel (RKMP)

Mr. Karan Y Shah, son of Mr. Yatin S Shah
Ms. Tanvi Y Shah, daughter of Mr. Yatin S Shah
Dr. Manjiri Chitale, mother of Dr. Suhasini Y Shah
Mr. Maneesh Aradhye, son of Mr. Jayant Aradhye
Dr. Sunita Aradhye, wife of Mr. Jayant Aradhye
Mrs. Rama Aradhye, wife of Mr. Maneesh Aradhye
Mr. Vijay Aradhye, brother of Mr. Jayant Aradhye

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

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iv) Joint venture

Ningbo Shenglong PCL Camshaft Co Ltd, China.
PCL Shenglong (Huzhou) Specialized Casting Co Ltd, China.

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

i) Company secretary

Mr. Swapnil S Kuber (upto 28.09.2017)
Mr. Mahesh A Kulkarni (W.e.f. 08-12-2017)

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

Sr. No.	Particulars	Key management personnel		Relatives of key management personnel		Entities where KMP / RKMP have significant influence		Subsidiary		Joint venture	
	Transactions	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
1	Remuneration* (including commission)	651.04	998.59	30.29	4.96	-	-	-	-	-	-
2	Final dividend paid on equity shares	839.22	-	54.67	-	187.72	-	-	-	-	-
3	Sale of goods	-	-	-	-	-	-	619.07	1,552.39	2,820.37	6,468.60
4	Tooling income	-	-	-	-	-	-	-	-	-	105.61
5	Royalty Income									64.66	-
6	Donation Paid	-	-	-	-	21.00	17.00	-	-	-	-
7	Purchases of goods, material or services	-	-	-	-	77.36	60.72	-	-	-	-
8	Bad Debts	-	-	-	-	268.79	-	-	-	-	-
9	Dividend income	-	-	-	-	-	241.21	-	-	-	-
10	Investment in equity shares	-	-	-	-	-	-	6,018.35	-	-	-
11	Investment in Preference Share	-	-	-	-	-	-	100.00	-	-	-
	Balances outstanding										
1	Remuneration payable	79.37	161.16	1.59	-	-	-	-	-	-	-
2	Trade receivables	-	-	-	-	-	-	329.15	926.02	399.28	2,060.46
3	Royalty Income	-	-	-	-	-	-	-	-	19.72	-
4	Trade and other payables	-	-	-	-	31.61	12.01	-	-	-	-
5	Investment in equity shares	-	-	-	-	-	-	6,018.35	-	1,303.35	1,303.35
6	Investment in preference shares	-	-	-	-	-	-	100	-	-	-

During the year the company has given Corporate Guarantee of Rs 14,900 Lakhs (Approx) on behalf of its Wholly Owned Subsidiary PCL (International) Holdings B.V., Netherlands to the lender Bank.
The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

* The remuneration does not include Gratuity & Leave Encashment.

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

Sr. No.	Particulars	Relationship	31 March 2018	31 March 2017
1	**Remuneration***			
	Mr.Yatin S. Shah	Key management personnel	293.01	554.05
	Dr. Suhasini Y. Shah	Key management personnel	35.69	46.67
	Mr. Ravindra Joshi	Key management personnel	290.63	366.65
	Mr. Swapnil S Kuber	Key management personnel	2.89	6.22
	Mr. Karan Shah	Relatives of Key management personnel	30.29	4.96
	Mr M A Kulkarni	Key management personnel	3.84	-
	Mr. Jayant V Aradhye	Key management personnel	5.00	5.00
	Mr. Sarvesh N Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H Mehendale	Key management personnel	5.00	5.00
	Mr. Vedant V Pujari	Key management personnel	5.00	5.00
	Mr. Vaibhav S Mahajani	Key management personnel	5.00	5.00
2	**Final dividend paid on equity shares**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	187.72	-
	Mr.Yatin S. Shah	Key management personnel	367.67	-
	Mr. Jayant V Aradhye	Key management personnel	123.03	-
	Mr Yatin Shah Jointly held with Dr. Suhasini Y. Shah)	Key management personnel	192.43	-
	Dr. Suhasini Y. Shah	Key management personnel	156.08	-
	Maneesh Jayant Aradhye	Relatives of Key management personnel	24.54	-
	Dr Sunita Jayant Aradhye	Relatives of Key management personnel	12.26	-
	Rama Maneesh Aradhye	Relatives of Key management personnel	10.44	-
	Vijay Vasudeo Aradhye	Relatives of Key management personnel	3.00	-
	Dr Manjiri Vinayak Chitale	Relatives of Key management personnel	4.38	-
	Karan Yatin Shah	Relatives of Key management personnel	0.03	-
	Tanvi Yatin Shah	Relatives of Key management personnel	0.03	-
	Mr. Pramod H Mehendale	Key management personnel	0.00	-
	Mr. Vaibhav S Mahajani	Key management personnel	0.00	-
3	**Sale of goods**			
	PCL (Shanghai) Co. Ltd.	Subsidiary	619.07	1,552.39
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint Venture	2,820.37	6,468.60
4	**Tooling Income**			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint Venture	-	82.51
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Joint Venture	-	23.10
5	**Royalty Income**			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Joint Venture	64.66	-
6	**Donation Paid**			
	Precision Foundation & Medical Research Trust	Entities where KMP / RKMP have significant influence	21.00	17.00
7	**Purchases of goods, material or Services**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	76.43	59.61
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	0.92	1.10
8	**Bad Debts**			
	PCL (Shanghai) Co. Ltd.	Subsidiary	268.79	-

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Sr. No.	Particulars	Relationship	31 March 2018	31 March 2017
9	**Dividend income**			
	Cams Technology Ltd	Entities where KMP / RKMP have significant influence	-	241.21
10	**Investment in equity shares**			
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	2,214.00	-
	Memco Engineering Pvt Ltd (Nashik)	Subsidiary	3,804.35	-
11	**Investment in Preference Share**			
	Memco Engineering Pvt Ltd (Nashik)	Subsidiary	100.00	-
	Balances outstanding			
1	**Remuneration payable**			
	Mr. Ravindra Joshi	Key management personnel	35.96	161.16
	Mr.Yatin Shah	Key management personnel	13.94	-
	Dr.Suhasini Shah	Key management personnel	3.73	-
	Mr. Karan Shah	Relatives of Key management personnel	1.59	-
	Mr M A Kulkarni	Key management personnel	0.75	-
	Mr. Jayant V Aradhye	Key management personnel	5.00	-
	Mr. Sarvesh N Joshi	Key management personnel	5.00	-
	Mr. Pramod H Mehendale	Key management personnel	5.00	-
	Mr. Vedant V Pujari	Key management personnel	5.00	-
	Mr. Vaibhav S Mahajani	Key management personnel	5.00	-
2	**Trade receivables**			
	PCL (Shanghai) Co. Ltd.	Subsidiary	329.15	926.02
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint venture	399.28	2,060.46
3	**Royalty Income**			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Joint venture	19.72	-
4	**Trade and other payables**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	31.61	10.91
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	-	1.10
5	**Investment in equity shares**			
	PCL (Shanghai) Co. Ltd.	Subsidiary	-	-
	Ningbo Shenglong PCL Camshaft Co Ltd.	Joint Venture	202.13	202.13
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint Venture	1,101.22	1,101.22
	PCL (International) Holdings B.V. (Netherlands)	Subsidiary	2,214.00	-
	Memco Engineering Pvt Ltd (Nashik)	Subsidiary	3,804.35	-
6	**Investment in preference shares**			
	Memco Engineering Pvt Ltd (Nashik)	Subsidiary	100.00	-

* The remuneration does not include Gratuity & Leave Encashment.
Commitment for Purchase of 5% Equity Shares of Memco engineering Pvt. Ltd. (Nashik)

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During the year the company has given Corporate Guarantee of Rs 14,900 Lakhs (Approx) on behalf of its Wholly Owned Subsidiary PCL (International) Holdings Netherlands to Lender Bank.
Terms and conditions of transactions with related parties.
The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for or from any related party trade receivables or trade payables.

Compensation of Key managerial personnel of the Company

Particulars	31 March 2018	31 March 2017
Short term employee benefits(Gross salary)	582.36	915.84
Post employment benefits(PF+Superannuation+Gratuity)	108.68	82.74
Total compensation paid to key management personnel	**691.04**	**998.58**

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

Note 35: Segment information

The Company is engaged in manufacturing of Camshafts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into a single operating segment ; however based on the geographic distribution of activities, the chief operating decision make identified India and outside India as two reportable geographical segments.

Revenue from Customers	31 March 2018	31 March 2017
Within India	**18,270.23**	**16,910.72**
Outside India		
Asia (other than China)	8,377.09	11,478.35
China	3,475.08	8,092.75
Europe	10,191.92	5,380.43
Others	472.92	4,838.61
	22,517.01	**29,790.14**
Total revenue	**40,787.24**	**46,700.86**

The revenue information above is based on the locations of the customers.

Non-current operating assets*	31 March 2018	31 March 2017
Within India	**30,356.20**	**24,434.00**
Outside India		
Investment in subsidiary and joint ventures		
China	1,303.35	1,303.35
Europe	2,214.00	-
Capital advances		
Europe	-	-
Others	-	184.15
	3,517.35	1,487.50
Total	**33,873.55**	**25,921.50**

* As defined in paragraph 33 (b) of Ind AS 108 "Operating segments" non current assets excludes financial instruments, deferred tax assets and post-employment benefit assets.

Note 36: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

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	Carrying Value		Fair value	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Financial assets				
Investments	11,023.82	8,916.10	11,023.82	8,916.10
Foreign exchange forward contracts	-	63.04	-	63.04
Total	**11,023.82**	**8,979.14**	**11,023.82**	**8,979.14**
Financial Liabilities				
Foreign exchange forward contracts	104.33	-	104.33	-
	104.33	**-**	**104.33**	**-**

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

Note 37: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

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

	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	31-Mar-18	11,023.82	11,022.52	1.30	-
Foreign exchange forward contracts	31-Mar-18	-	-	-	-

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

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value:					
Foreign exchange forward contracts	31-Mar-18	104.33	-	104.33	-

Quantitative disclosures fair value measurement hierarchy for assets as at 31st March 2017:

	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	31-Mar-17	8,916.10	8,914.80	1.30	-
Foreign exchange forward contracts	31-Mar-17	63.04	-	63.04	-

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:

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- 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.

Note 38: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders and borrowings. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments for compliance with the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company had issued equity shares in the financial year 2015-16 in order to raise funds for the purpose of building an additional machine shop for machining of various types of camshafts. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company's policy is to keep the gearing ratio within 60%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	31 March 2018 In ₹	31 March 2017 In ₹
Borrowings other than non convertible preference shares (refer note 12)	4,725.82	11,082.29
Trade payables (refer note 14)	6,434.04	7,034.36
Less: cash and cash equivalent (refer note 9)	821.76	1,605.94
Net debt	**10,338.10**	**16,510.71**
Equity	57,011.82	55,194.98
Total Capital	**57,011.82**	**55,194.98**
Gearing ratio	**18%**	**30%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

Note 39: Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an Black and Scholes valuation model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 32.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase 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.

Note 40: Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings; and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, investments in mutual funds and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31st March 2018 and 31st March 2017.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations and provisions

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations with floating interest rates.

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Sensitivity

Year	Increase/ (decrease) in basis points	Effect on profit before tax In ₹
31-Mar-18	50	39.81
	(50)	-39.81
31-Mar-17	50	43.06
	(50)	-43.06

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and borrowings of the Company.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Company's exposure to foreign currency changes for all other currencies is not material.

Sensitivity

Year	Change in USD rate	Effect on profit before tax In ₹
31-Mar-18	5%	229.28
	-5%	(229.28)
31-Mar-17	5%	261.15
	-5%	(261.15)

Year	Change in EUR rate	Effect on profit before tax In ₹
31-Mar-18	5%	(213.20)
	-5%	213.20
31-Mar-17	5%	(42.16)
	-5%	42.16

Notes
to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Year	Change in GBP rate	Effect on profit before tax In ₹
31-Mar-18	5%	52.79
	-5%	(52.79)
31-Mar-17	5%	56.52
	-5%	(56.52)

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 March 31, 2018, there were no open purchase commitments/ pending material purchase order in respect of key raw materials. Accordingly, no sensitivity analysis have been performed by the management.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The 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 31 March 2018 and 31 March 2017 is the carrying amounts as illustrated in note 9.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans, . The Company's policy is that not more than ₹ 3,500 Lakhs of borrowings should mature in the next 12-month period.

Approximately 100% of the Company's debt will mature in less than one year at 31 March 2018 (31 March 2017: 63%) based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31 March 2018						
Non-Current Borrowings	-	-	-	-	-	-
Current Borrowings	2,198.08	-	-	-	-	2,198.08
Other financial liabilities	139.82	2,895.70	1,564.05			4,599.57
Trade payables	-	6,434.04	-	-	-	6,434.04
	2,337.90	**9,329.74**	**1,564.05**	**-**	**-**	**13,231.69**

Particulars	On Demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31 March 2017						
Non-Current Borrowings	-	-	-	2,486.11	-	2,486.11
Current Borrowings	4,237.91	-	-	-	-	4,237.91
Other financial liabilities	139.37	2,047.69	3,592.52			5,779.59
Trade payables	-	7,034.36	-	-	-	7,034.36
	4,377.28	**9,082.05**	**3,592.52**	**2,486.11**	**-**	**19,537.97**

Note 41: Utilisation of money raised through public issue

During the year ended 31 March 2016,the Company had raised ₹ 24,000.00 Lakhs through public issue of fresh equity shares (refer note 10), mainly with an objective of setting-up a new machining facility of ductile Iron and other Camshafts at Solapur and for general corporate purposes. The Company had incurred expenses aggregating ₹ 2,387.33 Lakhs towards the initial public offering which included both issue of fresh equity shares as well as offer for sale of equity shares by existing share 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 31 March 2017, the Company has transferred an amount equivalent to the recovery from selling share holders from IPO account to the normal bank accounts since the same was spent by the Company before such recovery.

Particulars	31 March 2018 In ₹	31 March 2017 In ₹
Unutilized amount at the beginning of the year	17,621.25	22,468.39
Amount raised through public issue	-	-
Amounts recovered from existing share holders towards share issue expenses including taxes	-	-
Interest received on fixed deposits matured during the year	1,302.01	266.49
Less: amount utilized during the year		
Payment towards share issue expenses	-	157.12
Payment towards project expenditure relating to new manufacturing facility	6,431.50	4,015.50
Amount partially transferred from recoveries from selling share holders towards IPO expenses	-	902.27
Excess issue expenses recovered refunded to selling share holders	-	38.74
Unutilized amount at the end of the year	**12,491.76**	**17,621.25**

Cumulative amount utilized is ₹ 13,076.75 Lakhs

Details of short-term investments made from unutilized portion of public issue raised during the year ended 31 March 2018

	31 March 2018 In ₹	31 March 2017 In ₹
Balance amount in current account	63.54	140.56
Investment in fixed deposits of banks	12,428.20	17,480.68

Notes

to the Standalone Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The Company has setup a building for new machine shop and started setting up line of machines for machining of ductile iron camshafts from IPO proceeds. Due to delay in OEMS project the schedule of order has been delayed, hence the Company has deferred the purchase of requisite machines as stated in the offer document. As such, the utilisation of IPO Proceeds will get deployed accordingly to the confirmation of schedule from the OEMs.

Note 42: Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2018 amending Ind AS 115 Revenue from Contracts with Customers, Appendix D to Ind AS 115 Service Concession Arrangements and Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration (corresponding to IFRIC 22). Ind AS 11 Construction Contracts and Ind AS 18 Revenue will be omitted.

Note 43: Previous year comparatives

Previous year's figures have been regrouped/reclassified to correspond with the current year's classification/disclosure.

The accompanying notes are an integral part of the financial statements

As per our report attached of even date

For M/s. P G Bhagwat Chartered Accountants Firm Regn. Number: 101118W	**For and on behalf of the Board of Directors of** **Precision Camshafts Limited**			
Abhijeet Bhagwat Partner Membership Number: 136835 Place: Pune Date: May 28, 2018 2018	**Yatin S Shah** Managing Director DIN. 00318140 Place: Pune Date: May 28, 2018	**Dr. Suhasini Y Shah** Director DIN. 02168705 Place: Pune Date: May 28, 2018	**Ravindra R Joshi** Director DIN. 03338134 Place: Pune Date: May 28, 2018	**Mahesh A Kulkarni** Company Secretary M. No. 19364 Place: Pune Date: May 28,

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

TO THE MEMBERS OF
PRECISION CAMSHAFTS LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Precision Camshafts Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the Consolidated financial position, Consolidated financial performance including Other Comprehensive Income, Consolidated cash flows and changes in equity of the of the Group and its jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

The respective Boards of Directors of the Companies included in the Group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Companies included in the Group and its jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS financial statements

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports as referred to in sub paragraph (a), (b) & (d) of the Other Matters paragraph below a is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Group and its jointly controlled entities as at 31st March, 2018, its Consolidated profit (financial performance including other comprehensive income), its Consolidated cash flows and the Consolidated changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to matter stated in Note 39 (2) to the consolidated Ind AS financial statements wherein the management has described the basis on which it has consolidated a Subsidiary Company and its step-down Subsidiary Company it acquired in the current year. Our opinion is not modified with respective to this matter.

Other matters

a. We did not audit the financial statements, in respect of a subsidiary, whose Ind AS Financials Statements include total assets of Rs 450.20 lakhs and net assets of Rs 61.20 lakhs as at 31st March 2018 and total revenue of Rs 1,106.09 lakhs and net cash inflows of Rs 90.99 lakhs for the year ended on that date. The subsidiary referred above is located outside India whose financials statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country in which the subsidiary is situated and which have been audited by other auditors under generally accepted auditing standards applicable in its respective country as on 31st December 2017. The Holding Company's management has prepared and converted the financial statements of such subsidiary located outside India into Accounting Standards applicable in India namely Indian Accounting Standards (Ind AS) for the year ended 31st March 2018. We have audited such conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the amounts and disclosures of such subsidiary located outside India is based on the report of other auditors, the financial statements prepared by the Holding Company's management for the year ended 31st March 2018 and conversion adjustments prepared by the management of the Holding Company.

b. We did not audit the financial statements, in respect of a subsidiary, whose Ind AS Financials Statements include total assets of Rs 2,821.62 lakhs and net assets of Rs 1,068.47 lakhs as at 31st March 2018 and total revenue of Rs 1,869.20 and net cash outflows of Rs 1.09 lakhs for the year ended on that date. The subsidiary referred to above is located in India and these financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary Company and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary Company, is based solely on the reports of the other auditors.

c. We did not audit the consolidated financial statements, in respect of wholly owned subsidiary and its step-down subsidiary, whose financials statements include total assets of Rs 11,869.49 lakhs and net assets of Rs 963.57 lakhs as at 31st March 2018 and net cash inflows of Rs 1,721.67 lakhs for the year ended on that date. The subsidiaries referred above are located outside India whose financials statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries in which the subsidiaries are situated and which have not been audited. The Holding Company's management has certified such consolidated financial statements.

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

d. The consolidated Ind AS financials statements also include the Group's share of profit of Rs 1,508.74 lakhs for the year ended 31st March 2018, as considered in the consolidated Ind AS Financial Statements, in respect of two joint ventures (jointly controlled entities), whose financials statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country in which the joint ventures (jointly controlled entities) are situated and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country as on 31st December 2017. The Holding Company's management has prepared and converted the financial statements of such joint ventures (jointly controlled entities) located outside India into Accounting Standards applicable in India namely Indian Accounting Standards (Ind AS) for the year ended 31st March 2018. We have audited such conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the amounts and disclosures of such joint ventures (jointly controlled entities) located outside India is based on the report of other auditors, the financial statements prepared by the Holding Company's management for the year ended 31st March 2018 and conversion adjustments prepared by the management of the Holding Company.

e. The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April, 2015 prepared in accordance with Ind AS included in these Consolidated Ind AS Financial Statements have been audited by the predecessor auditor who had audited the Consolidated Ind AS Financial Statements for the respective years. The predecessor auditor has expressed an unmodified opinion on the comparative financial information and the transition opening balance sheet vide report dated 22nd May 2017.

   Our opinion is not modified with respective to matters described in the Other Matters paragraph.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the Other Matters paragraph, 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 Ind AS financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

   (d) In our opinion read with the Emphasis of Matter para, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Holding Company and its Indian subsidiary as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the respective companies is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(f) For our opinion on the internal financial controls with reference to Consolidated Financial Statements of the Holding Company and its Indian subsidiary and the operating effectiveness of such controls, refer to our separate Report in "Annexure I".

(g) 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 Ind AS Financial Statements disclose the impact of pending litigations on the Consolidated financial position of the Group – refer note 32 (b) to the Consolidated Ind AS financial statements.

ii. The Group and its jointly controlled entities did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place of Signature: Pune
Date: 28th May 2018

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Annexure I to the Independent Auditors' Report

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

Report on the Internal Financial Controls
with reference to Consolidated Ind AS Financial Statements
under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Consolidated Ind AS Financial Statements of Precision Camshafts Limited ("the Holding Company") as of 31st March 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Holding Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to Consolidated Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls over financial reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to Consolidated Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the Indian subsidiary company in terms of their reports referred to in other matters para below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its Indian subsidiary company's internal financial controls with reference to Consolidated Ind AS financials statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2)

Independent Auditor's Report

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and based on the reports of other auditor, the Holding Company and its Indian subsidiary company has, in all material respects, internal financial controls with reference to Consolidated Ind AS Financials Statements and such internal financial controls with reference to Ind AS Consolidated Financial Statements were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other Matters

We did not audit internal financial controls with respect to Ind AS Financial Statements of the Indian Subsidiary Company. Our aforesaid opinion under section 143 (3)(i) of the Act on the internal financial controls with respect to Ind AS Financial Statements of the Indian Subsidiary Company and operating effectiveness of the internal financial controls with reference to the Ind AS financial statements in so far as it relates to the Indian Subsidiary Company, is based on the corresponding report of the auditor of the said Company

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place of Signature: Pune
Date: 28th May 2018

Consolidated Balance sheet

as at March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	3	31,425.63	21,528.97
(b) Capital work-in-progress	3	860.47	890.17
(c) Goodwill on consolidation	4	2,096.25	-
(d) Other intangible assets	4	55.84	30.80
(e) Financial assets			
(i) Investments	5B	7.46	1.30
(ii) Loans	5C	206.21	189.99
(iii) Other financial assets	5D	116.38	1,174.82
(f) Investment in Joint Ventures	5A	4,417.47	2,745.28
(g) Deferred tax assets (net)	29	119.19	-
(h) Other non-current assets	6	1,113.37	802.30
Total non-current assets		**40,418.27**	**27,363.63**
II.Current assets			
(a) Inventories	7	5,892.39	3,340.41
(b) Financial assets			
(i) Investments	5B	11,022.52	8,914.80
(ii) Trade receivables	8	11,138.19	10,523.34
(iii) Cash and cash equivalents	9	2,640.15	1,610.45
(iv) Bank balances other than (iii) above	9	14,194.64	24,087.87
(v) Loans	5C	2.85	2.13
(vi) Other financial assets	5D	692.06	539.05
(c) Current tax assets (net)			
(d) Other current assets	6	1,311.92	1,746.53
Total current assets		**46,894.72**	**50,764.58**
Total Assets		**87,312.99**	**78,128.21**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	9,487.66	9,479.45
(b) Other equity			
(i) Securities premium account	11	21,671.58	21,583.12
(ii) General reserve	11	472.21	472.21
(iii) Share based payments	11	206.38	260.42
(iv) Retained earnings	11	24,790.95	24,385.36
(v) Capital reserve	11	585.00	-
(vi) Other reserves	11	31.24	(327.73)
Total Equity attributable to equity holders of Holding company		**57,245.02**	**55,852.83**
Non controlling interest		**1,077.85**	**-**
Total equity		**58,322.87**	**55,852.83**
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	5,293.95	2,486.11
(ii) Other financial liabilities	13	3,316.39	-
(b) Deferred tax liabilities (net)	29	1,729.32	1,476.66
(c) Provisions	16	847.90	437.66
Total non-current liabilities		**11,187.56**	**4,400.43**
II.Current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	2,292.56	4,237.91
(ii) Trade payables	14	8,022.58	7,042.98
(iii) Other financial liabilities	13	6,700.87	5,779.58
(b) Other current liabilities	15	242.15	195.20
(c) Provisions	16	115.86	313.13
(d) Current tax liabilities (net)	17	428.54	306.15
Total current liabilities		**17,802.56**	**17,873.95**
Total liabilities		**28,990.12**	**22,274.38**
Total Equity and Liabilities		**87,312.99**	**78,128.21**
Summary of significant accounting policies	2		

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

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place: Pune
Date: May 28, 2018

Yatin S Shah
Managing Director
DIN. 00318140
Place: Pune
Date: May 28, 2018

Dr. Suhasini Y Shah
Director
DIN. 02168705
Place: Pune
Date: May 28, 2018

Ravindra R Joshi
Director
DIN. 03338134
Place: Pune
Date: May 28, 2018

Mahesh A Kulkarni
Company Secretary
M. No. 19364
Place: Pune
Date: May 28, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Income			
Revenue from operations	18	42,861.33	46,632.96
Other income	19	1,143.05	927.72
Total Revenue (I)		**44,004.37**	**47,560.68**
Expenses			
Cost of raw materials and components consumed	21	12,790.71	13,060.36
Excise duty on sale of goods		732.00	2,402.99
(Increase) / decrease in inventories of finished goods and work-in-progress	22	550.09	721.93
Employee benefits expenses	23	5,816.77	6,326.36
Other expenses	24	14,999.06	14,198.92
Total expenses (II)		**34,888.64**	**36,710.56**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**9,115.74**	**10,850.13**
Finance costs	25	518.49	715.16
Finance Income	20	(1,329.20)	(2,218.59)
Depreciation and amortisation expense	26	4,421.96	3,736.02
Profit before tax and share of profits from joint ventures		**5,504.49**	**8,617.54**
Share of profits from joint ventures	41	1,508.74	1,099.10
Profit before tax		**7,013.22**	**9,716.64**
Tax expense			
Current tax	29	2,053.08	3,554.06
Deferred tax	29	227.49	(496.22)
Total tax expenses		**2,280.57**	**3,057.84**
Profit for the year [i]		**4,732.65**	**6,658.80**
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans	27	23.02	22.29
Income tax effect		(7.44)	(7.72)
		15.58	**14.57**
B. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	27	358.97	(297.80)
Provisional bargain purchase gain on acquisition		585.00	-
		943.97	**(297.80)**
Total other comprehensive income for the year, net of tax [ii=A+B]		**959.55**	**(283.23)**
Total comprehensive income for the year, net of tax [i+ii]		**5,692.20**	**6,375.57**
Profit for the year Attributable to:		**4,732.65**	**6,658.80**
Equity holders of the Holding Company		4,725.59	6,658.80
Non Controlling interests		7.06	-
		4,732.65	**6,658.80**
Total other comprehensive income for the year Attributable to:		**959.55**	**(283.23)**
Equity holders of the Holding Company		959.28	(283.23)
Non Controlling interests		0.27	-
		959.55	**(283.23)**
Total Comprehensive Income for the year Attributable to:		**5,692.20**	**6,375.57**
Equity holders of the Holding Company		5,684.87	6,375.57
Non Controlling interests		7.34	-
		5,692.20	**6,375.57**
Earning per share [nominal value per share Rs.10 (March 31, 2017: Rs.10)]	28		
Basic, computed on the basis of profit attributable to equity holders of the holding company		4.98	7.03
Diluted, computed on the basis of profit attributable to equity holders of the holding company		4.98	7.01
Summary of significant accounting policies	2		

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

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place: Pune
Date: May 28, 2018

Yatin S Shah
Managing Director
DIN. 00318140
Place: Pune
Date: May 28, 2018

Dr. Suhasini Y Shah
Director
DIN. 02168705
Place: Pune
Date: May 28, 2018

Ravindra R Joshi
Director
DIN. 03338134
Place: Pune
Date: May 28, 2018

Mahesh A Kulkarni
Company Secretary
M. No. 19364
Place: Pune
Date: May 28, 2018

Consolidated Statement of changes in Equity

for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

A. Equity Share Capital

Equity shares of Rs. 10 (refer note 10) each issued, subscribed and fully paid	Number	Rupees
At 31 March 2016	9,47,44,825	9,474.48
Issued during the year under the ESOP scheme	49,705	4.97
At 31 March 2017	9,47,94,530	9,479.45
Issued during the year under the ESOP scheme	82,105	8.21
At 31 March 2018	9,48,76,635	9,487.66

B. Other Equity

Attributable to the equity holders of the Holding Company (refer note 11)

Particulars	Reserves and Surplus				Items of OCI		Total equity	Non-controlling interests	Total equity
	Securities premium account	General Reserve	Retained Earnings	Share based payments	Capital Reserve	Foreign currency translation reserve			
As at April 1, 2016	**21,528.89**	**472.21**	**17,711.97**	**231.43**	**-**	**(29.93)**	**39,914.57**	**-**	**39,914.57**
Profit for the year	-		6,658.80	-	-	-	6,658.80	-	6,658.80
Increase pursuant to premium on issue of Employee stock option scheme	57.84	-	-	-	-	-	57.84	-	57.84
Reversal of tax benefit (deferred tax)	(3.61)	-	-	-	-	-	(3.61)	-	(3.61)
Compensation for options granted as per vesting during the year (net)	-	-	-	86.84	-	-	86.84	-	86.84
Transferred to securities premium account on exercise of stock options	-	-	-	(57.84)	-	-	(57.84)	-	(57.84)
Other comprehensive income for the year, net of tax	-	-	14.59	-	-	(297.80)	(283.22)	-	(283.22)
Total Comprehensive income for the year	**54.23**	**-**	**6,673.39**	**29.00**	**-**	**(297.80)**	**6,458.81**	**-**	**6,458.81**
As at March 31, 2017	**21,583.12**	**472.21**	**24,385.36**	**260.43**	**-**	**(327.73)**	**46,373.38**	**-**	**46,373.38**
Profit for the year	-	-	4,725.59	-	-	-	4,725.59	-	4,725.59
Increase pursuant to premium on issue of Employee stock option scheme	95.81	-	-	41.76	-	-	137.57	-	137.57
Reversal of tax benefit (deferred tax)	(7.35)	-	-	(95.81)	-	-	(103.16)	-	(103.16)
Liability over NCI portion to be aquired	-	-	(2,623.80)	-	-	-	(2,623.80)	-	(2,623.80)
Other comprehensive income for the year, net of tax	-	-	15.32	-	-	358.97	374.29	-	374.29
Bargain purchase gain on acquisition	-	-	-	-	585.00	-	585.00	-	585.00
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	1,077.85	
Total Comprehensive income for the year	**88.46**	**-**	**2,117.11**	**(54.05)**	**585.00**	**358.97**	**3,095.49**	**1,077.85**	**3,095.49**
Final dividend for year ended March 31, 2017	-	-	(1,422.03)	-	-	-	(1,422.03)	-	(1,422.03)
Tax on final dividend for the year ended March 31, 2017	-	-	(289.49)	-	-	-	(289.49)	-	(289.49)
As at March 31, 2018	**21,671.58**	**472.21**	**24,790.95**	**206.38**	**585.00**	**31.24**	**47,757.35**	**1,077.85**	**47,757.35**

Consolidated Statement of Cash flows

for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Cash flows from operating activities			
Profit before tax		**7,013.22**	**9,716.64**
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant and equipment	27	4,395.46	3,705.33
Amortisation and impairment of intangible assets	27	26.50	30.69
Share-based payment expense	24	41.76	86.84
Net foreign exchange differences		24.68	153.17
Sundry creditors written back	20	(5.65)	(13.75)
Fair value changes recognised in statement of profit or loss on redemption			
liability over non controlling interest	25	7.11	-
Provision for doubtful debts written off/ (written back)	25	(24.91)	14.02
Loss on disposal of property, plant and equipment	25	6.29	24.56
Finance and other income (including fair value change in financial instruments)	20, 21	(1,861.50)	(3,096.22)
Finance costs	26	365.17	569.88
Share of profit of joint ventures		(1,508.74)	(1,099.10)
		8,479.41	**10,092.05**
Working capital adjustments:			
Increase / (decrease) in provisions, gratuity and other provisions	16	(63.27)	178.70
(Increase) / decrease in other current assets	6	664.62	(529.32)
Decrease in other financial assets	5	235.73	196.17
Decrease / (increase) in long term loans and advances	5	(3.16)	5.39
Decrease / (increase) in short term loans and advances	5	(0.72)	203.87
Decrease in other current liabilities	15	(84.33)	(25.01)
Increase in other financial liabilities	13	827.32	38.66
(Increase) / decrease in trade receivables and prepayments	8	2,736.18	(1,321.86)
Decrease in inventories	7	403.00	690.84
Increase / (decrease) in trade payables	14	(1,093.97)	668.03
		12,100.80	**10,197.54**
Income taxes paid (net of refunds)	17,30	(1,791.92)	(3,774.24)
Net cash flows generated from operating activities		**10,308.88**	**6,423.30**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	3	13.42	12.94
Purchase of property, plant and equipment		(6,841.18)	(4,462.21)
Purchase of financial instruments		(21,357.67)	(11,492.74)
Proceeds from sale of financial instruments		30,785.78	13,474.09
Interest received (finance income)		988.48	1,987.08
Dividend Received		5.98	247.49
Acquisition of subsidiary, net of cash acquired	40	(5,819.63)	-
Net cash flows used in investing activities		**(2,224.82)**	**(233.35)**
Cash flow from financing activities			
Proceeds from exercise of share options		8.21	4.97
Interest paid		(393.23)	(573.44)
Repayment of borrowings		(2,477.39)	(3,821.49)
Proceeds of short term borrowings (net)		(2,506.55)	(2,286.36)
Final dividend paid on shares		(1,422.03)	-
Tax on final dividend paid		(289.49)	-
Net cash flows used in financing activities		**(7,080.48)**	**(6,676.32)**
Net increase / (decrease) in cash and cash equivalents		1,003.58	(486.37)
Net foreign exchange difference		26.12	7.57
Cash and cash equivalents at the beginning of the year		1,610.45	2,089.26

Consolidated Statement of Cash flows

for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents as at year end		**2,640.14**	**1,610.45**
Components of cash and cash equivalents:			
Balances with banks:			
On current accounts	9	2,365.18	1,553.94
Deposit with original maturity of less than 3 months	9	270.00	50.35
Cash in hand	9	4.96	6.15
Cash and cash equivalents at year end		**2,640.14**	**1,610.45**

Change in Liability arising from Financing Activities

Particulars	1st April, 2017	Cash flows of (Repayment) / Proceeds of Loan	Non cash transactions				31st March, 2018
			Foreign Exchange Movement -(gain)/loss	Interest Accrued	ECB Amortisation	On acquisition	
Non current borrowings - including current maturities (refer note 12	6,844.38	(2,477.40)	(70.40)	(37.16)	8.93	4,182.44	8,450.79
Current Borrowings (refer note 12)	4,237.91	(2,506.55)	294.20	-	-	267.00	2,292.56

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

Summary of significant accounting policies 2

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

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

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

Abhijeet Bhagwat
Partner
Membership Number: 136835
Place: Pune
Date: May 28, 2018

Yatin S Shah
Managing Director
DIN. 00318140
Place: Pune
Date: May 28, 2018

Dr. Suhasini Y Shah
Director
DIN. 02168705
Place: Pune
Date: May 28, 2018

Ravindra R Joshi
Director
DIN. 03338134
Place: Pune
Date: May 28, 2018

Mahesh A Kulkarni
Company Secretary
M. No. 19364
Place: Pune
Date: May 28, 2018

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 1. Corporate Information

The consolidated financial statements comprise of financial statements of Precision Camshafts Limited ("the Company" or 'the Holding Company or "the parent company") and its subsidiaries (collectively, 'the Group') for the year ended 31 March 2018 Precision Camshafts Limited is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of the Company are listed on two stock exchanges in India. The Company is primarily engaged in the manufacture and sale of camshaft castings and machined camshafts to the Auto industry and the Railways. The Company has its office registered at E 102/103 MIDC Akkalkot road Solapur, Maharashtra, 413006.

The Consolidated financial statements were authorised for issue in accordance with the resolution of the Board of Directors of the Company on May 28, 2018.

Note 2. Significant accounting policies

2.1 Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules").

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

> Derivative financial instruments,

> Certain financial assets and liabilities measured at fair value (refer accounting policy Note 'p' of summary of significant accounting policies regarding financial instruments),

The consolidated financial statements are presented in INR and all values are indicated Lakhs , except when otherwise indicated.

Disclosure of EBITDA

Ind AS compliant Schedule III allows line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements. For example, a company may present EBITDA as a separate line item on the face of the statement of profit and loss.

The Group has elected to present EBITDA as a separate line item on the face. The Group has not included its share of profit from joint ventures as part of EBITDA. Ind AS 1.82(c) requires 'share of the profit or loss of associates and joint ventures accounted for using the equity method' to be presented in a separate line item on the face of the statement profit or loss. However, there is no guidance whether it should form part of EBIDTA or not. On absence of the same; the Group has not included its share of profit of an associate and joint venture in EBITDA.

Measurement of EBITDA

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

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 March 2018. 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:

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

> 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 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.

(b) Offset (eliminate) the carrying amount of the parent's investment in subsidiary and the parent's portion of equity of subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Summary of significant accounting policies

a) Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit and loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of these investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint ventures, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

If an entity's share of losses of a joint venture equals or exceeds its interest in the joint venture (which includes any long term interest that, in substance, form part of the Group's net investment in the joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit of joint ventures is shown on the face of the statement of profit and loss.

The financial statements of the joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint ventures is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint ventures and its carrying value, and then recognises the loss as 'Share of profit of joint ventures' in the statement of profit or loss.

Upon loss of joint control over the joint ventures, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint ventures upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Foreign currencies

The Group's financial statements are presented in INR which is the Group's presentation currency and the functional currency.

(i) Initial recognition

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

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(ii) Conversion

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are "reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency" are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the "item.(i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised" in OCI or profit or loss, respectively).

The Group has continued the accounting policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items (paragraph 46A of AS 11 : The Effects of Changes in Foreign Exchange Rates under previous GAAP) in the consolidated financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the Indian GAAP.

d) 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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

Disclosures for valuation methods, significant estimates and assumptions (refer note 40)

Quantitative disclosures of fair value measurement hierarchy (refer note 36)

Financial instruments (including those carried at amortised cost) (refer note 5, 8, 9, 12, 13, 14, 19, 35)

e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/ value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

As the GST is applicable from July 2017 , since the recovery of GST is not received by the group on its own account. Rather it is collected on the comodity on behalf of the government , it is excluded from the revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Income from services

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

Tooling Income

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

Interest

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where

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appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the consolidated statement of profit and loss.

Dividends

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

Export Incentives

Refer accounting policy under government grants for export incentives.

f) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

> When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

> In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

> When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

> 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

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

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

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

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

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

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

g) Property, plant and equipment

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

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

The Group has measured land and buildings of susbidiary Memco Engineering Private Limited classified as property, plant and equipment at fair values as required under Ind AS-103 “Business Combination”. The Group engaged an independent valuation specialist to assess fair value as at October 10, 2017 for land and buildings. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. As at the date of revaluation,

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

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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	8 years
Computers	3 years

Cost of leasehold land is amortised over the period of lease i.e, 80 years to 99 years

The group believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised 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. Computer software are amortized over a period of two years on a straight line basis from the date the asset is available to the Group for its use.

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.

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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.

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Leases

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

Group as a lessee

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

A operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Increment in the lease payments as per agreement is in line with rate of inflation.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Increment in lease income as per agreement is in line with the rate of inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k) Inventories

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

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

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

> Finished goods and semi finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on a weighted average basis.

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Cost of finished goods includes excise duty.

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

l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the consolidated statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan , which requires contributions to be made to a separately administered fund. The subsidiary; Memco Engineering Private Limited, which has been acquired on 10 th Oct 2017 operates gratuity plan which is unfunded . The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

I The date of the plan amendment or curtailment, and

II The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

I Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

II Net interest expense or income

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as a short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method as at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

o) Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

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

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

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

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

p) Financial instruments:

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTPL

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has designated certain investments at FVTPL. (refer note 5).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the consolidated statement of profit and loss.

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 recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit & loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

> The rights to receive cash flows from the asset have expired, or

> The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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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 18

iii) Loan commitments which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.
The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The twelve-month ECL is a portion of the lifetime ECL which results from default events that are possible within twelve months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for ECL on

> Financial assets measured at amortised cost is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

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Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (effective interest rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

q) 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) Export incentives

Export incentives under various schemes notified by government are accounted for in the year of exports as grant related to income and is recognized as other operating income in the profit or loss if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

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 executive officer, chief financial officer and all other executive directors.

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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.

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 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.

x) 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.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 3: Property, plant and equipment

Particulars	Leasehold land	Buildings	Plants and equipment	Office equipment	Furniture and fixtures	Vehicles	Total	Capital work in progress
At Cost								
At 31 March 2016	**354.12**	**6,045.37**	**15,458.50**	**164.69**	**127.86**	**317.37**	**22,467.91**	**1,443.33**
Additions	-	2,587.84	3,596.44	52.72	37.41	86.56	6,360.97	5,836.15
Disposals	-	-	(308.57)	(1.74)	(0.37)	(58.29)	(368.97)	-
Capitalised during year	-	-	-	-	-	-	-	(6,389.31)
Other adjustment								
- Borrowing costs	-	(33.16)	(108.16)	-	-	-	(141.33)	-
- Foreign currency translation reserve	-	-	-	(0.02)	-	-	(0.02)	-
At 31 March 2017	**354.12**	**8,599.05**	**18,638.21**	**214.65**	**163.89**	**345.63**	**28,318.56**	**890.17**
Acquisition of subsidairies (refer note 39)	796.87	893.67	4,872.92	363.44	3.33	97.31	7,027.54	3.10
Additions	-	191.61	7,045.31	42.06	48.33	27.40	7,354.72	-
Disposals	-	-	(86.03)	-	(0.02)	(23.18)	(109.22)	-
Capitalised during year	-	-	-	-	-	-	-	(32.80)
Other adjustment								
- Exchange differences	-	(16.52)	(53.88)	-	-	-	(70.40)	-
- Foreign currency translation reserve	-	-	0.02	-	-	-	0.02	-
At 31 March 2018	**1,150.98**	**9,667.81**	**30,416.55**	**620.16**	**215.54**	**447.16**	**42,521.20**	**860.47**
Depreciation and impairment								
At 31 March 2016	**3.10**	**273.03**	**3,005.23**	**42.80**	**44.14**	**47.46**	**3,415.75**	**-**
Charge for the year	4.09	280.14	3,288.16	49.00	32.08	51.86	3,705.33	-
Disposals	-	-	(290.03)	(1.74)	(0.28)	(39.43)	(331.47)	-
Foreign currency translation reserve	-	-	-	(0.01)	-	-	(0.01)	-
At 31 March 2017	**7.19**	**553.17**	**6,003.36**	**90.04**	**75.94**	**59.89**	**6,789.59**	**-**
Charge for the year	4.09	386.55	3,844.42	65.16	38.85	56.39	4,395.46	-
Disposals	-	-	(71.72)	-	-	(17.79)	(89.51)	-
Foreign currency translation reserve	-	-	-	0.03	-	-	0.03	-
At 31 March 2018	**11.28**	**939.72**	**9,776.06**	**155.23**	**114.79**	**98.49**	**11,095.57**	**-**
Net Block								
At 31 March 2018	**1,139.70**	**8,728.09**	**20,640.49**	**464.93**	**100.75**	**348.67**	**31,425.63**	**860.47**
At 31 March 2017	**346.93**	**8,045.88**	**12,634.85**	**124.61**	**87.95**	**285.74**	**21,528.97**	**890.17**

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to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Net Book Value	31 March 2018	31 March 2017
Plant, property and equipment	31,425.63	21,528.97
Capital work in progress	860.47	890.17

Capitalised Borrowing Cost
The group has continued the policy of capitalising the exchange differences arising from translation of long term foreign currency monetary items as per exemption available under IND AS 101 - first time adoption of Indian Accounting Standards.

Asset under construction
Capital work-in-progress (CWIP) comprises cost of assets that are not yet installed and ready for their intended use as at the balance sheet date. Capital work in progress as at 31 March 2018 comprises expenditure for the plant and machinery in the course of construction. Balance of CWIP as at March 31, 2018 amounts to Rs. 860.47 Lakhs (31 March 2017: Rs. 890.20 Lakhs).

Property, plant and equipment
The entire block of property, plant and equipment comprising of immovable assets with a carrying amount of Rs 9,868.79 Lakhs (31 March, 2017: Rs 8,393.81 Lakhs) and movable assets with a carrying amount of Rs 20,989.16 Lakhs (31 March, 2017: Rs 12,920.59 Lakhs) are subject to first charge to secure the Company's foreign currency term loan. Refer note 12.

Note 4: Intangible assets

Particulars	Corporate Design & New Homepage	Computer software	Total	Provisional goodwill on consolidation
At Cost				
At 31 March 2016	**-**	**46.21**	**46.21**	**-**
Additions	-	28.31	28.31	-
Foreign currency translation reserve	-	(0.02)	(0.02)	-
At 31 March 2017	**-**	**74.50**	**74.50**	**-**
Acquisition of subsidiary (refer note 39)	31.76	4.11	35.87	2096.25*
Additions	-	15.64	15.64	-
Disposals	-	-	-	-
Other adjustment	-	-	-	-
Foreign currency translation reserve	-	0.02	0.02	-
At 31 March 2018	**31.76**	**94.27**	**126.04**	**2,096.25**
Amortisation and impairment	-	13.01	13.01	-
At 31 March 2016				
Charge for the year (refer note 26)	-	30.69	30.69	-
At 31 March 2017	**-**	**43.70**	**43.70**	**-**
Charge for the year (refer note 26)	-	26.50	26.50	-
Disposals	-	-		
At 31 March 2018	**-**	**70.20**	**70.20**	**-**
Net Block				
At 31 March 2018	**31.76**	**24.08**	**55.84**	**2,096.25**
At 31 March 2017	**-**	**30.80**	**30.80**	**-**

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to the Consolidated Financial Statements for the year ended March 31, 2018

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* On October 10, 2017, the holding company acquired Memco Engineering Private Limited, Nasik, which has resulted in provisional goodwill of Rs. 2,096.25 Lakhs. The group has not tested this goodwill as at reporting date March 31, 2018 as the Group expects to finalize identifying and measuring the identifiable assets acquired and liabilities assumed at their acquisition date fair value within the measurement period of 12 months from the date of acquisition as defined in Ind AS 103. (refer note 39 (1) for details)

Note 5: Financial assets

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
5A) Investments in Joint Ventures (Equity method of accounting)		
Ningbo Shenglong PCL Camshafts Co. Ltd.		
USD 375,000 as paid up capital (March 31, 2017: USD 375,000)		
Opening balance	2,643.82	1,747.14
Add: Holding company's share in profit for the year (refer note 42)	1,286.42	1,159.43
Add: Change due Foreign Currency Translation Reserve routed through OCI	352.13	(262.76)
Closing balance	4,282.37	2,643.82
PCL Shenglong (Huzhou) Specialized Casting Co. Ltd.		
USD 1,760,000 as paid up capital (March 31, 2017: USD 1,760,000)		
Opening balance	101.46	382.59
Add: Holding company's share in profit for the year (refer note 41)	22.47	(246.08)
Add: Change due Foreign Currency Translation Reserve routed through OCI	11.17	(35.04)
Closing balance	135.10	101.46
Total Investment in Joint Ventures	**4,417.47**	**2,745.28**
5B) Investments		
(i) At fair value through Profit or Loss (FVTPL)		
a) Investments in Equity Instruments		
Other investments		
Shares of Laxmi Co-op. Bank Limited 5000 Equity shares of Rs. 25 each fully paid-up (March 31, 2017: 5,000 equity shares)	1.25	1.25
Shares of Solapur Janata Sahakari Bank Limited 500 Equity shares of Rs. 10 each fully paid-up (March 31, 2017: 500 equity shares)	0.05	0.05
Shares of Thane Janata Bank 9259 Equity shares of Rs. 50 each fully paid-up (March 31, 2017: 9259 equity shares)	4.63	-
Shares of Janlaxmi Bank 5198 Equity shares of Rs. 25 each fully paid-up (March 31, 2017: 5198 equity shares)	1.30	-
Shares of Mahila Bank 850 Equity shares of Rs. 25 each fully paid-up (March 31, 2017: 850 equity shares)	0.21	-
Shares of Godavari Bank 10 Equity shares of Rs.100 each fully paid-up (March 31, 2017: 10 equity shares)	0.01	-
Shares of NAMCO Bank 28 Equity shares of Rs. 25 each fully paid-up (March 31, 2017: 28 equity shares)	0.01	-
b) Investments in Mutual Funds		
Quoted Mutual Funds		
HDFC Floating Rate Income Fund A/C	447.72	418.50
ICICI Prudential Mutual Fund Collection 1	609.20	572.03
BOI Axa Short Term Income Fund Account	305.50	209.34
Reliance Banking & PSU Debt Fund-Growth Plan	534.43	502.48

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	**As at March 31, 2017 In ₹**	**As at March 31, 2016 In ₹**
Reliance Corporate Bond Fund-Growth Plan	214.00	201.06
Reliance Medium Term Fund-Growth Plan-Growth option	324.16	303.56
Reliance Arbitrage Advantage Fund	102.79	-
Reliance Short Term Fund	135.41	127.79
Franklin India Low duration Fund	894.50	826.76
Franklin India Short Term Income Plan	550.41	507.80
BSL Short Term Fund-Growth	537.82	504.03
BSL Treasury Optimizer Plan-Growth	319.38	300.09
BSL Medium Term Fund-Growth	215.31	199.95
Axis Liquid Fund-Daily Dividend	589.72	706.56
Axis Short Term Fund-Growth	533.99	503.75
IDFC Corporate Bond Fund Regular Plan-Growth	213.08	200.24
IDFC Ultra Short Term Fund-Growth(Reg Plan)	542.23	507.08
IDFC Super Saver income Fund-Short Term	321.35	303.18
Tata Liquid Fund Regular Plan-Daily Dividend	520.83	303.36
Tata Short Term Bond Fund Reg Plan-Growth	533.00	504.59
Tata Ultra Short Term Fund Reg Plan-Growth	215.86	202.02
Tata Balance Fund	147.62	-
Kotak Low Duration Fund Std Growth (Regular Plan)	542.66	506.74
Kotak Banking & PSU Debt fund-Growth (Regular plan)	215.38	202.05
Kotak Income Opportunities Fund-Growth (Regular Plan)	321.71	301.84
Kotak Equity Arbitrage	198.49	-
BNP Paribas Dividend Yield Fund	245.52	-
SBI Ultra Short Term Fund	50.98	-
SBI Balance Fund	147.08	-
Baroda Pioneer Credit Opportunities Fund	100.44	-
Edelweiss Equity Saving Fund	123.40	-
Principal Emerging Bluechip Fund	79.87	-
Principal Cash Management Fund	18.20	-
Motilal Oswal Most Ultra Short Term Bond Fund	18.20	-
Motilal Oswal Most Focused Multicap 35 Fund	82.28	-
Canara Robeco Force Collection A/C	70.00	-
Total Investments at FVTPL	**11,029.98**	**8,916.10**
Non-current	**7.46**	**1.30**
Current	**11,022.52**	**8,914.80**
	11,029.98	**8,916.10**
Total Investments	**11,029.98**	**8,916.10**
Aggregate book value of quoted investments	11,022.52	8,914.80
Aggregate market value of quoted investments (refer note 35)	11,022.52	8,914.80
Aggregate book value of unquoted investments	4,424.93	2,746.58
Aggregate amount of impairment in value of investments	-	-

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to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

5C) Loans

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
(a) Security Deposits	208.38	192.12
(b) Advance to employees	0.68	-
Total Loans	**209.06**	**192.12**
Non-current	**206.21**	**189.99**
Current	**2.85**	**2.13**
	209.06	**192.12**
Break-up for security details:		
- Unsecured, considered good	209.06	192.12
- Doubtful	-	-
Total	**209.06**	**192.12**

Loans mainly include security deposits with State electricity board; which generate interest in the range of 8% to 8.50% for the Company.

5D) Other financial assets

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
(i) Derivatives (at FVTPL)		
Foreign-exchange forward contracts	-	63.04
(ii) Others (at amortized cost)		
(a) Bank deposits with more than 12 months maturity	116.38	1,174.82
(b) Interest accrued on Fixed deposits	377.80	88.47
(c) Income accrued on Export incentives	233.26	367.54
(d) Income accrued on Insurance Claim	-	20.00
(e) Factoring receivable	81.01	-
Total other financial assets	**808.44**	**1,713.87**
Non-current	**116.38**	**1,174.82**
Current	**692.06**	**539.05**
	808.44	**1,713.87**
Break-up for security details:		
- Unsecured, considered good	808.44	1,713.87
- Doubtful	-	-
Total	**808.44**	**1,713.87**
Total Financial assets	**12,047.48**	**10,822.10**
Total Non-current	**330.05**	**1,366.11**
Total Current	**11,717.43**	**9,455.99**
	12,047.48	**10,822.10**

Break up of financial assets carried at amortized cost

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Loans	209.06	192.12
Trade receivables (refer note 8)	11,138.19	10,523.34
Cash and Cash equivalents (refer note 9)	2,640.15	1,610.45

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2017 In ₹	As at March 31, 2016 In ₹
Other Bank balances (refer note 9)	14,194.64	24,087.87
Other financial assets	808.44	1,650.83
Total financial assets carried at amortized cost	**28,990.48**	**38,064.61**

Note 6: Other Assets

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Capital advances	839.55	530.34
Prepaid expense	187.95	225.54
Advances for purchases of materials	84.69	100.94
Income tax deposited with tax authorities (under protest)	228.90	228.90
Other Advances	12.12	12.12
(Amount deposited under protest against the claim made under Employees provident Fund and Miscellaneous Provision Act, 1952) (refer note 32(b))		
Balances with statutory/government authorities	1,004.53	1,450.99
Other receivables	50.23	-
Advance tax (net of provision for taxation)	17.33	-
	2,425.29	**2,548.83**
Non-current	**1,113.37**	**802.30**
Current	**1,311.92**	**1,746.53**
	2,425.29	**2,548.83**

Note 7: Inventories

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Raw materials and components	1,360.35	301.70
Stores, spares and packing materials	1,192.61	434.00
Semi-finished goods	1,647.85	585.73
Finished goods	1,691.59	2,018.98
Total inventories at the lower of cost and net realisable value	**5,892.39**	**3,340.41**

During the year ended March 31, 2018 Rs. 44.42 lakhs (March 31, 2017 Rs. 49.94 lakhs) was written down as an expense for inventories.

Note 8: Trade Receivables

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Trade receivables	10,719.19	8,461.88
Receivables from joint ventures (refer note 33)	419.00	2,060.46
Total	**11,138.19**	**10,522.34**
Break-up for security details:		
- Unsecured, considered good	11,138.19	10,523.34
- Doubtful	2.96	27.87
Total	**11,141.15**	**10,551.21**

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to the Consolidated Financial Statements for the year ended March 31, 2018

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Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Impairment allowance (allowance for bad and doubtful debts)		
- Doubtful	2.96	27.87
	2.96	**27.87**
Total Trade receivables	**11,138.19**	**10,523.34**

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.

Note 9: Cash and Bank Balances

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Balance with Banks		
Current accounts	2,365.18	1,553.94
Deposits with original maturity of less than three months	270.01	50.35
Cash on hand	4.96	6.15
Total cash and cash equivalents	**2,640.15**	**1,610.45**
Other bank balances		
Deposits with remaining maturity for less than 12 months	14,042.11	24,086.42
Unclaimed Dividend Accounts	2.53	1.45
Earmarked balance	150.00	-
Total other bank balances	**14,194.64**	**24,087.87**
Total cash and bank balances	**16,834.79**	**25,698.32**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Balance with Banks		
Current accounts	2,365.18	1,553.94
Deposits with original maturity of less than three months	270.01	50.35
Cash on hand	4.96	6.15
Total cash and cash equivalents	**2,640.15**	**1,610.44**

Note 10: Share Capital
A) Authorised Share Capital

Particulars	Equity Shares	
	Number	In ₹
At 31 March 2016	100,000,000	10,000.00
Increase/ (decrease) during the year		-
At 31 March 2017	100,000,000	10,000.00
Increase/ (decrease) during the year		-
At 31 March 2018	**100,000,000**	**10,000.00**

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share (31 March 2017: Rs. 10 per share). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2018, the amount of per share dividend proposed by board of directors in the board meeting held on May 28, 2018 as distribution to equity share holders amounted to Rs. 1 per equity share. Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including dividend distribution tax (DDT) thereon) as at 31 March 2018

During the year ended 31 March 2017, the amount of per share dividend recognised as distribution to holders amounted to Rs. 1.50 per equity share.equity share

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 equity capital

Equity shares of INR 10 each issued, subscribed and fully paid	Number	In ₹
At 31 March 2016	9,47,44,825	9,474.48
Issued during the year under the ESOP scheme	49,705	4.97
At 31 March 2017	9,47,94,530	9,479.45
Issued during the year under the ESOP scheme	82,105	8.21
At 31 March 2018	9,48,76,635	9,487.66

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

Particulars	31 March 2018		31 March 2017	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of Rs. 10 each fully paid				
Yatin Subhash Shah	2,45,11,200	25.83%	2,45,11,200	25.86%
Cams Technology Limited	1,25,14,860	13.19%	1,25,14,860	13.20%
Yatin Subhash Shah jointly with Dr. Suhasini Yatin Shah	1,28,28,800	13.52%	1,28,28,800	13.53%
Dr. Suhasini Yatin Shah	1,04,05,540	10.97%	1,04,05,540	10.98%
Jayant Vasudeo Aradhye	82,02,000	8.64%	82,02,000	8.65%
Sbi Magnum Balanced Fund	67,91,427	7.16%	-	-
	7,52,53,827	**79.32%**	**6,84,62,400**	**72.22%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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

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to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended				
	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Equity shares allotted as fully paid bonus shares by capitalization of securities premium or capital redemption reserve	-	-	7,77,49,520	-	-

Shares reserved for issue under options
For details of shares reserved for issue under the share based payment plan of the Company, refer note 31.

Note 11: Other Equity

A) Securities premium account	In ₹
At 31 March 2016	**21,528.89**
Increase pursuant to premium on issue of shares on account of employee stock option exercised	57.84
Less: Reversal of tax benefit (deferred tax)	3.61
At 31 March 2017	**21,583.12**
Increase pursuant to premium on issue of shares on account of employee stock option exercised	95.81
Less: Reversal of tax benefit (deferred tax)	7.35
At 31 March 2018	**21,671.58**
B) General reserve	
At 31 March 2016	**472.21**
Increase/ (decrease) during the year	-
At 31 March 2017	**472.21**
Increase/ (decrease) during the year	-
At 31 March 2018	**472.21**
C) Share based payments	
At 31 March 2016	**231.43**
Increase/ (decrease) during the year	
Add: compensation for options granted as per vesting during the year (net)	86.84
Less: transferred to securities premium account on exercise of stock options	57.84
At 31 March 2017	**260.42**
Increase/ (decrease) during the year	
Add: compensation for options granted as per vesting during the year (net)	41.76
Less: transferred to securities premium account on exercise of stock options	95.81
At 31 March 2018	**206.38**

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

Notes

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the IND AS 102 Share based payments, the cost of equity-settled transactions is measured using the fair value method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the consolidated statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. Refer to note 31 for further details of these plans.

D)	Retained earnings	In ₹
	At 31 March 2016	**17,711.97**
	Add: Profit for the year	6,658.80
	Add: Other comprehensive income for the year	14.59
	At 31 March 2017	**24,385.36**
	Add: Profit for the year	4,725.59
	Add: Other comprehensive income for the year attributable to parent	15.32
	Less: Final dividend at Rs.1.50 per share paid	(1,422.03)
	Less: Tax on above final dividend paid	(289.49)
	Liability over NCI portion to be aquired	(2,623.80)
	At 31 March 2018	**24,790.95**

E)	Capital Reserves	In ₹
	At 31 March 2016	**-**
	At 31 March 2017	-
	Add: Provisional bargain purchase gain on acquisition (refer note 39)	585.00
	At 31 March 2018	**585.00**

F)	Other Reserves	In ₹
	Foreign currency translation reserve	
	At 31 March 2016	**(29.93)**
	Add: Movement during the year	(297.80)
	At 31 March 2017	**(327.73)**
	Add: Movement during the year	358.97
	At 31 March 2018	**31.24**

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 12: Financial Liabilities - Borrowings

Particulars	Rate of interest	Maturity	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
a) Non Current borrowings				
Term Loan				
i. From Bank (secured)				
Foreign currency loan 1	LIBOR + 330 bps	Aug-18	-	2,147.40
Foreign currency loan 2	LIBOR + 295 bps	Aug-18	-	338.71
Foreign currency loan 3	EUROBOR + 190 bps		1,485.09	-
Foreign currency loan 4	3 to 6% in Euro		3,124.97	-
Loans for machinery				
Term loan 1	10.50%	Nov-18	-	-
Term loan 2	10.50%	Mar-23	28.12	-
Term loan 3	10.50%	May-23	190.25	-
Term loan 4	10.50%	Jun-22	59.39	-
Term loan 5	10.50%	Dec-24	25.15	-
Term loan 6	10.50%	Jan-25	207.62	-
Term loan 7	10.50%	Jan-25	40.83	-
Working capital loan	10.50%	Dec-19	14.95	-
Loan for car	9.57%	Jul-19	2.56	-
ii. From financial institution (secured)	3 to 6% in Euro		115.02	-
Total Non Current borrowings			**5,293.95**	**2,486.11**
Current maturity of long term loans				
Foreign currency loan 1 (secured)	LIBOR + 330 bps	Aug-18	2,180.73	3,752.91
Foreign currency loan 2 (secured)	LIBOR + 295 bps	Aug-18	347.01	605.36
Foreign currency loan 3 (secured)			34.17	-
Foreign currency loan 4 (secured)			429.03	-
Loan for machinery (secured)				
Term loan 1	10.50%	Nov-18	38.69	-
Term loan 2	10.50%	Mar-23	7.49	-
Term loan 3	10.50%	May-23	53.11	-
Term loan 4	10.50%	Jun-22	19.34	-
Term loan 5	10.50%	Dec-24	1.57	-
Term loan 6	10.50%	Jan-25	16.71	-
Term loan 7	10.50%	Jan-25	3.28	-
Working capital loan	10.50%	Dec-19	20.00	-
Loan for car (secured)	9.57%	Jul-19	5.70	-
b) Loan repayable on Demand				
Cash credit from banks (secured)	11.35%	On Demand	118.16	252.10
Packing credit in foreign currency (secured)	EUROBOR + 150bps	On Demand	436.35	3,985.81
Packing credit in INR (secured)		On Demand	1,738.05	-
Total current Borrowings			**5,449.40**	**8,596.18**
Less: amount clubbed under "Other Financial liabilities"			3,156.84	4,358.27
Net Current Borrowings			**2,292.56**	**4,237.91**
Aggregate value of secured loans			**10,743.35**	**11,082.29**

Foreign currency loan 1 carries interest at the rate of LIBOR plus 330 bps p.a. The tenure of the loan is 7 years and the loan is repayable in 20 quarterly instalments commencing after 24 months of the weighted average draw down date, viz 1 August 2013. The loan is secured by pari passu charge on all movable and immovable Property, plant and equipment

(PPE) created by the loan and also includes mortgage of Plot No. D-7, MIDC Chincholi, Solapur. The loan has been secured by the personal guarantee of directors Mr. Yatin S. Shah and Dr. Suhasini Y. Shah.

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

Foreign currency loan 3 (secured) carries interest at the rate of EUROBOR plus 190 bps p.a . The tenure of the loan is 7 years. The loan is secured by pledging of shares of the target companies in favour of Bank of Baroda London Branch & Corporate Guarantee from PCL India.

Foreign currency loan 4 (secured) carries the rate of interest rate from 3 to 6 % in Euro p.a. The loan is secured by mortgage on commercial property, equipments, machines & inventories, in Cunewalde, Germany . The loan is also secured by the personal guarantee of Mr Guido Glinski (promoter of Motoren und Fahrzeugtechnik GmbH (MFT)).

From Financials Institutions -carries the rate of interest rate from 3 to 6 % in Euro p.a. The loan is secured by mortgage on commercial property , equipments, machines & inventories, in Cunewalde, Germany . The loan is also secured by the personal guarantee of Mr Guido Glinski.

Term loan 1:

Term loan 1 carries interest at the rate of 10.50% p.a. The tenure of the loan is 63 months having 3 months of moratorium period. The loan is repayable in 60 equal monthly instalments commencing from November 2013. The loan is secured by hypothecation of stock and book debts, plant and machinery (existing and future) and equitable mortgage of land and building at plot no F-5, MIDC, Satpur and Plot no H-23, MIDC, Satpur Nashik as collateral security. The loans has been secured by the personal guarantee of promoters and directors Memco Engineering Pvt Ltd, Mr. Rajendra S. Dharkar and Mrs. Vinita R. Dharkar.

Term loan 2:

Term loan 2 carries interest at the rate of 10.50% p.a. The tenure of the loan is 96 months having 12 months of moratorium period. The loan is repayable in 84 equal monthly instalments commencing from April 2016. The loan is secured by hypothecation of plant and machinery (existing and future), recurring deposit and equitable mortgage of land and building at plot no F-5, MIDC, Satpur. The loans has been secured by the personal guarantee of directors Mr. Rajendra S. Dharkar and Mrs. Vinita R. Dharkar.

Term loan 3:

Term loan 3 carries interest at the rate of 10.50% p.a. The tenure of the loan is 96 months having 12 months of moratorium period. The loan is repayable in 84 equal monthly instalments commencing from June 2016. The loan is secured by hypothecation of stock and book debts, plant and machinery (existing and future), recurring deposit and supplementary equitable mortgage of land and building at plot no F-5, MIDC, Satpur. The loans has been secured by the personal guarantee of directors Mr. Rajendra S. Dharkar and Mrs. Vinita R. Dharkar.

Term loan 4:

Term loan 4 carries interest at the rate of 10.50% p.a. The tenure of the loan is 66 months having 6 months of moratorium period. The loan is repayable in 60 equal monthly instalments commencing from August 2017. The loan is secured by hypothecation of plant and machinery purchased and equitable mortgage of land and building at plot no F-5, MIDC, Satpur as collateral security. The loans has been secured by the personal guarantee of directors Mr. Rajendra S. Dharkar and Mrs. Vinita R. Dharkar

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Term loan 5, 6 and 7:

Term loan 5, 6 and 7 carries interest at the rate of 10.50% p.a. The tenure of all the loans is 84 months having 6 months of moratorium period. The loans are repayable in 78 equal monthly instalments commencing from August 2018. The loan is secured by hypothecation of plant and machinery purchased and supplementary equitable mortgage of land and building at plot no F-5, MIDC, Satpur as collateral security.

Working Capital Term Loan:

Working Capital Term Loan carries interest at the rate of 10.50% p.a. The tenure of the loan is 60 months . The loan is repayable in 60 equal monthly instalments commencing from October 2014. The loan is secured by hypothecation of land and building at plot no F-5, MIDC, Satpur.

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:

Cash credit of Rs. 23.68 Lakhs , packing credit Rs. 436.35 Lakhs in foreign currency & packing credit Rs. 1738.05 Lakhs in INR are secured by first pari passu charge by way of hypothecation of current assets including inventories and trade receivables. Further, the facilities are collaterally secured by extension of pari passu charge by way of hypothecation of plant and machinery and equitable mortgage of factory land and building situated at Plot No. D5, MIDC Chincholi, Solapur, Unit I situated at Plot No. E-102, 103, Akkalkot Road, MIDC, Solapur and Unit II situated at Plot No. E-90, Akkalkot road, Solapur

Cash credit of Rs. 94.48 Lakhs is secured by hypothecation of stocks and book debts. Cash credit has also been secured by collateral securities of Pland and machinery (existing and future) and supplementary equitable mortgage of land and building at plot no F-5, MIDC, Satpur Nashik as collateral security. Also the loan has ben secured by the personal guarantee of directors Mr. Yatin S. Shah, Dr. Suhasini Y. Shah, Mr. Rajendra S. Dharkar and Mrs.Vinita R. Dharkar.

The carrying amounts of property, plant and eqiupment pledged as security for non-current borrowings are disclosed in note 3. And carrying amount of inventories, trade receivables and fixed deposits are pledged as security for short term borrowings.

Term loan from banks contain certain covenants relating to debt service coverage ratio, total debt gearing ratio, interest Coverage ratio, Fixed asset coverage ratio. All the ratios mentioned above are within the level stipulated by the banks in its prescribed sanctions. The Company has also satisfied all other debt covenants prescribed in the terms of bank loan.

Note 13: Other Financial Liabilities

Particulars	**As at March 31, 2018 In ₹**	**As at March 31, 2017 In ₹**
Financial liability at FVTPL		
Contract obligation towards take over of NCI of subsidiary (refer note 39)	217.89	-
Contingent consideration towards acquisition of step-down subdiary (refer note 39)	475.69	-
Contract obligation towards Call/put option over NCI (refer note 39)	2,413.02	-
Foreign-exchange forward contracts	104.33	-
Other financial liabilities at amortised cost		
Current maturity of long term loans (refer note 12)	3,156.84	4,358.27
Unpaid matured deposits and interest accrued thereon	137.30	137.30
Employee benefit liabilities	918.10	811.36
Sundry payables for capital goods purchased	1,279.42	470.58

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to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Factoring Payables	446.67	-
Payable towards leasing	79.60	-
Amount due to selling shareholders	667.37	-
Unclaimed Dividend	2.53	2.08
Other payables	118.52	-
Total	**10,017.27**	**5,779.58**
Non - Current	**3,316.39**	**-**
Current	**6,700.87**	**5,779.58**
	10,017.27	**5,779.58**

Break up of financial liabilities carried at amortised cost

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Borrowings (non-current) (refer note 12)	5,293.95	2,486.11
Borrowings (current) (refer note 12)	2,292.56	4,237.91
Current maturity of long term loans (refer note 13)	3,156.84	4,358.27
Trade payables (refer note 14)	8,022.58	7,042.98
Other financial liabilities (refer note 13)	3,649.51	1,421.31
Total	**22,415.44**	**19,546.58**

Note 14: Trade payables

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	1,207.20	1,096.35
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,783.77	5,938.02
- To related parties	31.61	8.62
Total trade payables	**8,022.58**	**7,042.98**
Non-current	**-**	**-**
Current	**8,022.58**	**7,042.98**
Total	**8,022.58**	**7,042.98**

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 90 days term
For terms and conditions with related parties, refer to note 33
For explanations on the Group's credit risk management processes, refer note 43.

Notes

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Details of dues to Micro, small and medium enterprises as defined under MSMED Act, 2006

Particulars	As at March 31, 2018	As at March 31, 2017
(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	1,207.20	1,096.35
Interest due on above	10.43	9.58
(ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006. The amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	111.39	90.49
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	446.17	346.10

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Act, 2006 is Rs.568.00 lakhs (31 March 2017: Rs.446.17 Lakhs and same is not accrued in the books of accounts.

As at March 31, 2018, no supplier has intimated the Indian subsidiary about the status as Micro And Small Enterprises or its registration with the appropriate authority under "Micro, Small Enterprises Development Act, 2006".

Note 15: Other current Liabilities

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Advances from customers	67.80	36.69
Tax deducted at source payable	42.39	158.51
Excise and service tax payable	51.92	-
Sales Tax payable	76.24	-
Other payables	3.81	-
Total	**242.15**	**195.20**

Note 16: Provisions

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Employee Benefit obligations		
Gratuity	491.28	350.57
Compensated absences	370.68	340.23
Provision for tax on interim dividend on preference shares	0.18	-

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Provision for warranty	8.06	-
Provision for doubtful Capital Advance	93.55	60.00
Total	**963.76**	**750.80**
Non - Current	**847.90**	**437.66**
Current	**115.86**	**313.13**
	963.76	**750.79**

Also refer note 30 for detailed disclosure of gratuity.

Note 17: Current tax liabilities (net)

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Provision for income tax (net of advance taxes)	428.54	306.15
Total	**428.54**	**306.15**

Note 18: Revenue from Operations

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)	41,311.55	45,605.24
Sale of services	238.69	166.81
Total sale of products and services	**41,550.24**	**45,772.05**
Other operating income		
Tooling income	594.80	244.14
Scrap sales	87.77	22.65
Export incentives	628.52	594.12
Total other operating income	**1,311.09**	**860.91**
Total revenue from operations	**42,861.33**	**46,632.96**

Sale of goods from Indian companies includes excise duty collected from customers of ₹ 732.00 lakhs for 3 months ended June 2017, (31 March 2017: ₹ 2402.99 lakhs). Sale of goods net of excise duty is ₹ 40,579.54 lakhs (31 March 2017: ₹ 43,202.24 lakhs)

Note 19: Other Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Fair value gain on financial instruments at fair value through profit or loss	-	773.91
Fair value gain on mutual funds	532.31	103.72
Exchange differences (net)	259.16	-
Compensation from customer	275.00	-
Sundry creditors written back	5.65	13.75
Royalty Income	64.66	-
Miscellaneous income	6.27	36.34
Total other income	**1,143.05**	**927.72**

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 20: Finance Income

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on		
Bank deposits	1,249.53	1,944.38
Others	28.28	14.18
Dividend income on long-term investments	-	241.35
Dividend income on mutual funds	51.39	18.68
Total finance income	**1,329.20**	**2,218.59**

Note 21: Cost of raw materials and components consumed

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventory at the beginning of the year	301.70	237.41
Add: purchases	12,847.68	13,124.65
	13,149.38	13,362.06
Less: inventory at the end of the year	358.67	301.70
Cost of raw materials and components consumed	**12,790.71**	**13,060.36**

Note 22: (Increase) / decrease in inventories

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock:		
Finished goods	2,018.98	2,864.57
Semi-finished goods	585.73	462.07
	2,604.71	**3,326.64**
Closing stock:		
Finished goods	1,418.58	2,018.98
Semi-finished goods	636.04	585.73
	2,054.62	**2,604.71**
(Increase)/decrease in inventories	**550.09**	**721.93**

Note 23: Employee benefit expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages, bonus and commission	5,309.94	5,562.93
Employee stock option scheme	41.76	86.84
Contribution to provident fund and other funds	364.70	345.23
Gratuity expense (refer note 30)	66.86	229.37
Staff welfare expenses	33.51	101.99
Total employee benefit expenses	**5,816.77**	**6,326.36**

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to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 24: Other Expenses

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of components and spares	3,223.79	3,040.21
Packing materials consumed	605.61	583.61
Power and fuel expenses	4,984.55	4,888.60
Job work expenses	1,200.06	790.27
Freight outward charges	1,301.87	1,490.31
Rent	11.95	22.31
Rates and taxes	150.03	137.29
Insurance	65.27	73.83
Repairs and maintenance		
Plant and machinery	542.60	445.27
Building	128.64	95.43
Others	399.55	382.16
Advertisement and sales promotion	13.04	12.37
CSR expenditure (refer note below)	135.58	152.10
Sales commission	588.07	562.25
Travelling and conveyance	499.35	477.62
Communication costs	34.89	36.32
Legal and professional fees	621.14	208.48
Auditors' remuneration and expenses (refer note below)		
Statutory audit	29.72	41.75
Out of pocket expenses	4.81	5.27
Bad debts written off	-	23.60
Provision for doubtful debts (net of reversals)	(24.91)	14.02
Exchange differences (net)	-	188.84
Loss on fixed assets sold /discarded (net)	6.29	24.56
Miscellaneous expenses	477.16	502.45
Total Other expenses	**14,999.06**	**14,198.92**

CSR expenditure

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gross amount required to be spent during the year	181.22	158.13
Amount spent during the year in cash	135.58	152.10

Payment to Auditors

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
Audit Fee	26.72	31.00
Limited review	3.00	9.00
In other capacity		
Certification fees	-	1.75

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Note 25: Finance costs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest on borrowings	356.06	553.29
Interest on current tax	4.24	2.35
Bank charges	149.08	142.92
Other finance costs	9.11	16.60
Total finance costs	**518.49**	**715.16**

Note 26: Depreciation and amortisation expense

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	4,395.46	3,705.33
Amortisation of intangible assets	26.50	30.69
	4,421.96	**3,736.02**

Note 27: Components of Other comprehensive income (OCI)
During the year ended 31 March 2018

Particulars	Foreign currency translation reserve ₹	Retained earnings ₹	Bargain purchase gain acquisition	Total ₹
Re-measurement gains (losses) on defined benefit plans	-	23.02		23.02
Income tax effect	-	(7.44)	-	(7.44)
Foreign exchange translation differences	358.97	-	-	358.97
Provisional bargain purchase gain on acquisition of subsidairy(refer note 39)	-	-	585.00	585.00
Total	**358.97**	**15.59**	**585.00**	**959.55**

During the year ended 31 March 2017

Particulars	Foreign currency translation reserve ₹	Retained earnings ₹	Total ₹
Re-measurement gains (losses) on defined benefit plans	-	22.29	22.29
Income tax effect	-	(7.72)	(7.72)
Foreign exchange translation differences	(297.80)	-	(297.80)
Total	**(297.80)**	**14.57**	**(283.23)**

Note 28: Earnings per share (EPS)
Basic EPS amounts are calculated by dividing the profits for the year attributable to equity holders of the Holding Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

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to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit attributable to equity holders of Holding Company for basic EPS	4,725.59	6,658.80
Profit attributable to equity holders of Holding company for diluted EPS	4,725.59	6,658.80
Weighted average number of equity shares in calculating basic EPS	9,48,10,633	9,47,55,365
Effect of dilution on account of options outstanding under ESOP Scheme:	1,60,951	1,99,334
Weighted average number of equity shares in calculating diluted EPS	9,49,71,584	9,49,54,699
Earnings per share (basic) (Rupees/share)	4.98	7.03
Earnings per share (diluted) (Rupees/share)	4.98	7.01

Note 29: Income Tax

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Current income tax:		
Current income tax charge	2,053.08	3,554.06
Deferred tax:		
Relating to origination and reversal of temporary differences	227.49	(496.22)
Income tax expense reported in the statement of profit or loss	**2,280.57**	**3,057.84**

OCI Section

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Net loss/(gain) on remeasurements of defined benefit plans	(7.44)	(7.72)
Income tax expense charged to OCI	**(7.44)**	**(7.72)**

Reconciliation of closing balance of Deferred tax liability

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
PPE: impact of difference between tax depreciation and depreciation / amortization for the financial reporting	1,572.48	1,614.96
Deferred tax on consolidation related adjustments	580.17	465.46
Others	222.25	35.89
Gross deferred tax liability	**2,374.90**	**2,116.32**
Deferred tax assets		
Provision for doubtful debts and advances	1.04	4.85
Employee related costs allowed for tax purposes on payment basis	313.45	347.35
VRS compensation	234.05	207.16
Share issue expenses adjusted to securities premium account	60.59	67.95
Others	36.45	12.34

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Gross deferred tax assets	**645.58**	**639.65**
Net deferred tax liability	**1,729.32**	**1,476.66**
Deferred tax assets		
PPE: impact of difference between tax depreciation and depreciation / amortization for the financial reporting	19.30	-
Employee related costs allowed for tax purposes on payment basis	80.27	-
Expenses allowed for tax purposes on 5 years basis	10.37	-
Deferred tax on consolidation related adjustments	9.25	-
Net Deferred tax assets (II)	**119.19**	**-**

Reconciliation of deferred tax assets

Deferred tax assets are not offset with above deferred tax liability since the Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities (deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority)

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Total (I+II)	**1,610.13**	**1,476.66**
Closing deferred tax liability (net)	1,729.32	1,476.66
Less: opening deferred tax liability (net)	1,476.66	1,945.03
Deferred tax movement for the year (a)	133.47	(468.37)
Deferred tax credit recorded in securities premium account (b)	7.35	3.61
(refer note 11)		
Deferred tax (credit) / charge for the year (c = a-b)	126.12	(471.97)
Deferred tax charge considered in OCI (d)	(7.44)	(7.72)
Deferred tax charge/ (credit) on Share of profit in Joint venture (e)	5.76	(16.53)
Deferred taxes acquired in business combinations (f)	103.05	-
Deferred tax credit for the year to be charged to statement of profit or loss (Rs.) (c+d+e+f)	227.49	(496.22)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 Mar'18 and 31 Mar'17

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Accounting profit before tax	7,013.21	9,716.64
Accounting profit before income tax	**7,013.21**	**9,716.64**
At India's statutory tax rate 34.608% (31 March 2016 - 34.608%)	2,427.13	3,362.74
Incomes not chargeable to tax	(17.78)	(267.84)
Dividend exempt from tax	-	(89.94)
Deduction allowed under Income tax Act, 1961	-	(184.94)
Non-deductible expenses for tax purposes:		
Donations disallowed	50.90	59.39

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Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Interest u/s 234 B & C	1.44	2.27
Provision for expenses not allowed in tax	(8.62)	7.50
Provision for Capital advances	11.61	21.28
Deferred tax on consolidation	105.47	215.68
Effect of differential tax rate in China	(322.30)	(242.82)
Effect of differential tax rate of subsidiary	2.45	-
Loss on sale of asset	1.62	8.50
Disallowance under section 14A	0.35	-
Deferred tax reduction due to difference in tax rate of subsidiary	18.83	-
EPCG penalty expenses	6.75	-
Difference on account of other items	2.73	166.02
At the effective income tax rate of 32.51% (31 March 2017 - 31.48%)	**2,280.56**	**3,057.84**
Income tax reported in the consolidated statement of profit and loss	2,280.57	3,057.84

Reconciliation of deferred tax liabilities (net):

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Opening balance as of 1 April	1,476.67	1,945.03
Tax income/(expense) during the period recognized in profit or loss	221.73	(479.69)
Tax income/(expense) during the period recognized in Equity	7.35	3.61
Tax income/(expense) during the period recognized in OCI	7.44	7.72
Deferred taxes acquired in business combinations	(103.05)	-
Closing Balance as at 31 March	**1,610.14**	**1,476.67**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Deferred tax relates to the following

Particulars	Balance sheet		Consolidated Statement of Profit & Loss	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Accelerated depreciation for tax purposes	(1,553.18)	(1,614.96)	(61.78)	(462.30)
Fair value of mutual fund	(222.25)	(35.89)	186.36	35.89
Voluntary retirement scheme allowed as deduction over a period of five years	234.05	207.16	(26.89)	(157.13)
Preliminary expenses incurred on initial public offering, allowed as deduction over a period of five years	60.59	67.95	-	-
Employee benefit expenses allowed on payment basis under Sec 43B	393.72	347.35	(46.37)	(97.24)

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to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Balance sheet		Consolidated Statement of Profit & Loss	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Forward contracts	36.46	12.34	(24.11)	(6.82)
Expenses allowed for tax purposes on 5 years basis	10.37	-	(10.37)	-
Provision for doubtful debts and advances	1.04	4.85	3.82	(0.06)
Deferred tax on consolidation	(570.92)	(465.46)	105.47	215.68
Amount to be charged in Statement of OCI	-	-	(7.44)	(7.72)
Deferred tax on grossing of share of profit on JV	-	-	5.76	(16.53)
Deferred taxes acquired in business combinations	-	-	103.05	-
	(1,610.13)	**(1,476.66)**	**227.49**	**(496.22)**

Note 30: Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 364.70 lakhs (March 31, 2017: ₹ 345.23 lakhs) is recognized as expenses and included in Note No. 23 “Employee benefit expense”

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Holding Company has a defined benefit gratuity plan in India (funded). The Company’s defined benefit gratuity plan is a final salary plan for India employees, which requires contributions to be made to a separately administered fund. The gratuity plan governed by the Payment of Gratuity Act, 1972. As per the Payment of Gratuity Act, 1972, an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member’s length of service and salary at retirement age.

The Indian Subsidiary has a defined benefit gratuity plan in India and the same is unfunded.

Plan assets - Gratuity Fund of holding company is ` 437.54 lakhs

The following table summarize the components of net benefit expense recognized in the statement of consolidated profit or loss and the funded status and amounts recognized in the consolidated balance sheet for the respective plans.

Net benefit expense 31 March 2018 (recognized in profit or loss) *

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Current service cost	120.48	84.29
Interest cost on benefit	19.64	12.69
	140.12	**96.99**

* The amount debited to consolidated statement of profit and loss includes gratuity expenses on account of full and final settlement of left employees whose gratuity payments have not been considered for actuarial valuation amounting to ₹ 4.85 lakhs and 132.39 lakhs for the year ended March 31, 2018 and March 31, 2017 respectively. For the year ended March 31, 2018, the amount debited also includes gratuity expenses of directors whose gratuity payments have not been considered for actuarial valuation amounting to ₹ 40 lakhs.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

			Cost charged to statement of profit and loss				Remeasurement gains/(losses) recognized in OCI						
	April 1, 2017	On acquisition (refer note 39)	Service cost	Net interest expense	Sub-total included in statement of profit and loss (refer note 24)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2018
Gratuity													
Defined benefit obligation	(696.54)	(185.06)	(120.48)	(49.79)	(170.27)	151.21	-	-	75.62	(58.93)	16.69	-	(883.97)
Fair value of plan assets	464.18	-	-	30.15	30.15	(151.21)	6.34	-	-	-	6.34	88.08	437.54
Benefit liability	(232.36)	(185.06)	(120.48)	(19.64)	(140.12)	-	6.34	-	75.62	(58.93)	23.02	88.08	(446.43)

March 31, 2017 : Changes in defined benefit obligation and plan assets

			Gratuity Cost charged to statement of profit and loss				Remeasurement gains/(losses) recognised in OCI						
	April 1, 2017	On acquisition	Service cost	Net interest expense	Sub-total included in statement of profit and loss (refer note 23)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2018
Gratuity													
Defined benefit obligation	(660.06)	-	(84.29)	(46.31)	(130.60)	78.63	-	-	(46.50)	61.99	15.49	-	(696.54)
Fair value of plan assets	469.28	-	-	33.61	33.61	(78.63)	6.80	-	-	-	6.80	33.11	464.18
Benefit liability	(190.78)		(84.29)	(12.69)	(96.99)	-	6.80	-	(46.50)	61.99	22.29	33.11	(232.36)

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to the Consolidated Financial Statements for the year ended March 31, 2018

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Type of asset: Group gratuity scheme of LIC of India		
Fair value of total plan assets	437.54	464.18
(%) 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 March 31, 2018	Year ended March 31, 2017
Discount rate	7.68% to 7.83%	6.97%
Future salary increase	8% to 9.50%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Expected average remaining working lives (in years)	16 to 16.45	16.87

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

		(increase) / decrease in defined benefit obligation (Impact)	
Particulars	**Sensitivity level**	**Year ended March 31, 2018**	**Year ended March 31, 2017**
Discount rate	1% increase	584.89	606.19
	1% decrease	819.92	807.00
Future salary increase	1% increase	814.09	799.17
	1% decrease	587.39	610.30

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 occuring at the end of the reporting period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Within the next 12 months (next annual reporting period)	35.68	26.84
Between 2 and 5 years	181.95	118.13
Beyond 5 years	869.44	818.62
Total expected payments	**1,087.07**	**963.59**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gratuity	13.58 to 16	14.36

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gratuity	74.49	88.19

Note 31: Share Based Payments

The parent company provides share-based payment schemes to its employees. During the year ended 31 March 2018, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below. On 6 February 2015, the board of directors approved the PCL Employee Stock Option Scheme 2015 (PCL ESOS 2015) for issue of stock options to the employees of the Company. According to the PCL ESOS 2015, the employee selected by the remuneration committee from time to time will be entitled to options. The contractual life (comprising the vesting period and the exercise period) of options granted under PCL ESOS 2015 is 6 years.

The 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. Rs 10. The contractual term of each option granted is 6 years.

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Expense arising from equity-settled share-based payment transactions	41.76	86.84
Total expense arising from share-based payment transactions	**41.76**	**86.84**

There were no cancellations or modifications to the awards in 31 March 2018 or 31 March 2017.

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

	31 March 2018		31 March 2017	
Particulars	**Number**	**WAEP**	**Number**	**WAEP**
Outstanding at 1 April	2,65,445	₹ 10	3,33,850	₹ 10
Granted during the year	-	-	-	-
Forfeited during the year	6,550	₹ 10	18,700	₹ 10
Exercised during the year	82,105	₹ 10	49,705	₹ 10
Expired during the year	-	-	-	-
Outstanding at 31 March	**1,76,790**	**₹ 10**	**2,65,445**	**₹ 10**
Exercisable at 31 March	1,76,790	₹ 10	2,65,445	₹ 10

The weighted average share price at the date of exercise of these options was Rs. 10
The weighted average remaining contractual life for the share options outstanding as at 31 March 2018 was one month, (31 March 2017: one year)

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The following tables list the inputs to the models used for the plans

Particulars	31 March 2018
Dividend yield (%)	0.00%
Expected volatility (%)	56.25%
Risk–free interest rate (%)	7.82%
Expected life of share options (years)	3
Weighted average share price (₹)	10
Model used	Black Scholes

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Note 32: Commitments and contingencies

a. Commitments

Estimated amount of contracts remaining to be executed on capital account and material not provided for (net of advances): At 31 March 2018, the Company had commitments of Rs.4,498.03 lakhs (31 March 2017: Rs. 556.97 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 Rs. 31.79 lakhs (March 31, 2017: Rs. 31.79 lakhs) for cancellation and issue of equity shares after amalgamation of Precision Valvetrain Components Limited (PVPL) with the Company in year 2007-2008. The Company has filed an appeal against demand made by the Collector of Stamps, Solapur with Controlling Revenue Authority, Pune.

b. The Company is in appeal and the application is pending with “Hon’ble High Court of Judicature Appellate” against the claim made under Employees provident Funds and Miscellaneous Provision Act, 1952 for Rs. 24.23 lakhs (March 31, 2017: Rs. 24.23 lakhs). The Company has deposited an amount of Rs. 12.12 lakhs (March 31, 2017: Rs. 12.12 lakhs) under protest which has been shown under ‘Other Assets’.

c. The Company has received an order from the Commissioner of Central Excise Pune for the year 2002-03, 2003-04 and 2004-05 demanding excise duty amounting to Rs. 20.76 lakhs(March 31, 2017: Rs. 20.76 lakhs) on sales tax retained under sales tax deferral scheme. The Company has deposited an amount of Rs. 1.56 lakhs (March 31, 2017: Rs. 1.56 lakhs) under protest.

d. The Company has filled an appeal to CESTAT during the year against the order of service tax appeals for inadmissible cenvat credit amounting to Rs. 11.83 lakhs on outward transportation for the financial years 2013-14 and 2014-15

e. The Company has received order from Commissioner of Central Excise for demand of service Tax and interest on payment of bank charges, facilities fees, and legal expenses paid during the year 2011-12 for the availment of ECB loan amounting to Rs. 26.16 lakhs

f. The Company has received order from Assessing Officer for demand of income tax amounting to Rs.1,597.17 lakhs towards disallowance of ESOP expenditures and other disallowances. The Company has filed appeal against the above order with Commissioner of Income Tax (Appeals) and has paid Rs. 200.00 Lakhs under protest and has adjusted refund due of Rs. 39.60 Lakhs with respect to F.Y. 2006-07.

In all the cases mentioned above, outflow is not probable, and hence not provided by the company.

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(ii) Corporate Guarantees
The Company has given corporate guarantee of Rs. 14,900 Lakhs (approx) on behalf of PCL (International) Holdings B.V. (Netherlands) to the lender bank.

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

The Group has paid Rs. 4.55 lakhs (31 march 2017: Rs. 16.14 lakhs) during the year towards minimum lease payment.

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

Particulars	As at March 31, 2018 In ₹	As at March 31, 2017 In ₹
Within one year	1.21	8.50
After one year but not more than five years	-	1.27
More than five years	-	-
	1.21	**9.76**

Note 33: Related party transactions

A Names of the related party and related party relationship:
a) Related parties under 'Ind AS 24- Related Party Disclosures', with whom transactions have taken place during the period

i) Key management personnel (KMP)
Mr. Yatin S Shah , Managing Director
Dr. Suhasini Y Shah, Director
Mr. Ravindra R. Joshi, Director
Mr. Jayant V Aradhye
Mr. Sarvesh N Joshi, Independent Director
Mr. Pramod H Mehendale, Independent Director
Mr. Vedant V Pujari, Independent Director
Mr. Vaibhav S Mahajani, Independent Director
Mr. Rajendra Shripad Dharkar, Managing Director of subsidiary
Ms. Vinita Rajendra Dharkar, Director of subsidiary
Mr. Swapnil S Kuber (upto 28-09-2017)
Mr. Mahesh A Kulkarni (w.e.f. 08-12-2017)

ii) Relatives of key management personnel (RKMP)
Mr. Karan Y Shah, son of Mr. Yatin S Shah
Ms. Tanvi Y Shah, daughter of Mr. Yatin S Shah
Dr. Manjiri Chitale, mother of Dr. Suhasini Y Shah
Ms. Uma Nikhil Diwakar, daughter of Rajendra and Vinita Dharkar

iii) Enterprises owned or significantly influenced by key management personnel or their relatives:
Chitale Clinic Private Limited
Precision Foundation & Medical Research Trust

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Yatin S. Shah (HUF)
Cams Technology Limited
Medical Equipment Manufacturing Company

iv) Individual having significant influence:
Mr. Jayant V Aradhye

v) Relative of individual having significant influence:
Mr. Maneesh Aradhye, son of Mr. Jayant Aradhye
Dr. Sunita Aradhye, wife of Mr. Jayant Aradhye
Mrs. Rama Aradhye, wife of Mr. Maneesh Aradhye
Mr. Vijay Aradhye, brother of Mr. Jayant Aradhye

vi) Joint venture
Ningbo Shenglong PCL Camshaft Co Ltd, China.
PCL Shenglong (Huzhou) Specialized Casting Co Ltd, China.

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

i) Company secretary
Mr. Swapnil S Kuber (upto 28-09-2017)
Mr. Mahesh A Kulkarni (w.e.f. 08-12-2017)

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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	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
1	Remuneration* (including commission)	724.44	998.59	30.29	4.96	-	-	-	-	-	-	-	-
2	Final Dividend paid on equity shares	716.18	-	-	-	187.72	-	-	-	123.03	-	-	-
3	Sale of goods	-	-	-	-	-	-	2,820.37	6,468.60	-	-	-	-
4	Tooling income	-	-	-	-	-	-	-	105.61	-	-	-	-
5	Royalty income	-	-	-	-	-	-	64.66	-	-	-	-	-
6	CSR expenditure	-	-	-	-	21.00	17.00	-	-	-	-	-	-
7	Purchases of goods, material or services	-	-	-	-	77.36	60.72	-	-	-	-	-	-
8	Sale of fixed assets	2.00	-	-	-	-	-	-	-	-	-	-	-
9	Dividend Income	-	-	-	-	-	241.21	-	-	-	-	-	-
	Balances outstanding												
1	Remuneration payable	88.08	161.16	1.59	-	-	-	-	-	-	-	-	-
2	Trade receivables	-	-	-	-	-	-	399.28	2,060.46	-	-	-	-
3	Trade payables	-	-	-	-	31.61	12.01	-	-	-	-	-	-
4	Investment in equity shares	-	-	-	-	-	-	4,417.47	2,745.28	-	-	-	-

*The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.

* The liabilities for gratuity and leave encashment are provided for the Company as a whole, the remuneration does not include the same.

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

Sr. No.	Particulars	Relationship	31 March 2018	31 March 2017
1	**Remuneration***			
	Mr.Yatin S. Shah	Key management personnel	293.01	554.05
	Dr. Suhasini Y. Shah	Key management personnel	35.69	46.67
	Mr. Ravindra Joshi	Key management personnel	290.63	366.65
	Mr. Swapneel S Kuber	Key management personnel	2.89	6.22
	Mr. Karan Shah	Relatives of Key management personnel	30.29	4.96
	Mr M A Kulkarni	Key management personnel	3.84	-
	Mr. Jayant V Aradhye	Key management personnel/ Individual having significant influence	5.00	5.00
	Mr. Sarvesh N Joshi	Key management personnel	5.00	5.00
	Mr. Pramod H Mehendale	Key management personnel	5.00	5.00
	Mr. Vedant V Pujari	Key management personnel	5.00	5.00
	Mr. Vaibhav S Mahajani	Key management personnel	5.00	5.00
	Mr. Rajendra Shripad Dharkar	Key management personnel	46.40	-
	Mrs. Vinita Rajendra Dharkar	Key management personnel	27.00	-

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Sr. No.	Particulars	Relationship	31 March 2018	31 March 2017
2	**Final dividend paid on equity shares**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	187.72	-
	Mr.Yatin S. Shah	Key management personnel	367.67	-
	Mr. Jayant V Aradhye	Individual having significant influence	123.03	-
	Mr Yatin Shah Jointly held with Dr. Suhasini Y. Shah)	Key management personnel	192.43	-
	Dr. Suhasini Y. Shah	Key management personnel	156.08	-
3	**Sale of goods**			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint Venture	2,820.37	6,468.60
4	**Tooling Income**			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint Venture	-	82.51
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Joint Venture	-	23.10
5	**Royalty Income**			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd	Joint Venture	64.66	-
6	**CSR expenditure**			
	Precision Foundation and Medical Research Trust	Entities where KMP / RKMP have significant influence	21.00	17.00
7	**Purchases of goods, material or Services**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	76.43	59.61
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	0.92	1.10
8	**Sale of Fixed asset**			
	Mr. Rajendra Shripad Dharkar	Key management personnel	1.00	-
	Mrs. Vinita Rajendra Dharkar	Key management personnel	1.00	-
9	**Dividend Received**			
	Cams Technology Ltd	Entities where KMP / RKMP have significant influence	-	241.21

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Balances outstanding

Sr. No.	Particulars	Relationship	31 March 2018	31 March 2017
1	**Remuneration payable**			
	Mr. Ravindra R. Joshi	Key management personnel	35.96	161.16
	Mr.Yatin Shah	Key management personnel	13.94	-
	Dr.Suhasini Shah	Key management personnel	3.73	-
	Mr. Karan Shah	Relatives of Key management personnel	1.59	-
	Mr M A Kulkarni	Key management personnel	0.75	-
	Mr. Jayant V Aradhye	Individual having significant influence	5.00	-
	Mr. Sarvesh N Joshi	Key management personnel	5.00	-
	Mr. Pramod H Mehendale	Key management personnel	5.00	-
	Mr. Vedant V Pujari	Key management personnel	5.00	-
	Mr. Vaibhav S Mahajani	Key management personnel	5.00	-
	Mr. Rajendra Shripad Dharkar	Key management personnel	5.44	-
	Mrs. Vinita Rajendra Dharkar	Key management personnel	3.26	-
2	**Trade receivables**			
	Ningbo Shenglong PCL Camshafts Co Ltd	Joint venture	399.28	2,060.46
3	**Royalty Receivable**			
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint Venture	19.72	
4	**Trade payables**			
	Cams Technology Limited	Entities where KMP / RKMP have significant influence	31.61	10.91
	Chitale Clinic Pvt Ltd	Entities where KMP / RKMP have significant influence	-	1.10
5	**Investment in equity shares**			
	Ningbo Shenglong PCL Camshaft Co Ltd.	Joint Venture	4282.37	2,643.82
	PCL Shenglong (Huzhou) Specialized Casting Co Ltd.	Joint Venture	135.10	101.46

* The liabilities for gratuity and leave encashment are provided for the company as a whole and the remuneration does not include the same.

During the year the Company has given Corporate guarantee of ₹ 14,900 Lakhs (approx) on behalf of PCL (International) Holdings B.V. Netherlands to the Lender bank.

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. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: INR Nil)

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Compensation of Key managerial personnel of the Company

Particulars	31 March 2018	31 March 2017
Short term employee benefits	724.44	998.59
Total compensation paid to key management personnel	**724.44**	**998.59**

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

Note 34: Segment information

The Group is engaged in manufacturing of Camshafts. Based on similarity of activities/products, risk and reward structure, organisation structure and internal reporting systems, the Company has structured its operations into single operating segmentgeographic distribution of however based on the activities, the chief operating decision make identified India and outside India as two reportable geographical segments.

Revenue from Customers

Particulars	31 March 2018	31 March 2017
Within India	**20,131.69**	**16,910.72**
Outside India		
Asia	8,377.09	11,478.35
China	3,679.94	8,092.75
Europe	10,199.69	5,380.43
Others	472.92	4,770.71
	22,729.64	**29,722.24**
Total	**42,861.33**	**46,632.96**

The revenue information above is based on the locations of the customers.

Non-current operating assets*

Particulars	31 March 2018	31 March 2017
Within India		
Outside India	30,921.96	24,434.00
Investments in joint ventures in China	4417.47	2,745.28
Assets at China	1.81	0.23
-Europe	4,957.85	-
-Others	-	184.15
	9377.12	**2,929.66**
Total	**40,299.08**	**27,363.66**

* 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.

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Note 35: Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's consolidated financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying Value		Fair value	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Financial assets				
Investments	11,029.98	8,916.10	11,029.98	8,916.10
Other financial assets:	-	63.04	-	63.04
Total	**11,029.98**	**8,979.15**	**11,029.98**	**8,979.15**

Particulars	Carrying Value		Fair value	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Financial liabilities				
Contract obligation towards takeover of NCI	217.89	-	217.89	-
Contract obligation towards call/put option over NCI	2,413.02	-	2,413.02	-
Contingent consideration	475.69	-	475.69	-
Foreign exchange forward contracts	104.33	-	104.33	-
Total	**3,210.92**	**-**	**3,210.92**	**-**

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

Note 36: Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

	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	31-Mar-18	11,029.98	11,022.52	7.46	-
Liabilities measured at fair value:					
Contract obligation towards takeover of NCI	31-Mar-18	217.89	-	217.89	-
Contract obligation towards call/put option over NCI	31-Mar-18	2,413.02	-	2,413.02	-
Contingent consideration	31-Mar-18	475.69	-	475.69	-
Foreign exchange forward contracts	31-Mar-18	104.33	-	104.33	-

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2017:

	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	31-Mar-17	8,916.10	8,914.80	1.30	-
Foreign exchange forward contracts	31-Mar-17	63.04	-	63.04	-

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- For explanation on fair value of option over NCI and contingent consideration refer note 37
- The fair values of the quoted mutual funds are based on price (i.e. the NAV of the mutual funds) quotations at the reporting date.
- The fair values of derivative forward contracts is determined using the marked-to-market valuation done by the banks.

Note 37: Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of land and building of subsidiary.

The Group has measured land and buildings of subsidiary Memco Engineering Private Limited classified as property, plant and equipment at fair values as required under Ind AS-103 "Business Combination". The Group engaged an independent valuation specialist to assess fair value as at October 10, 2017 for land and buildings. 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 land and building's fair values are based on valuations performed by an accredited independent valuer who has relevant valuation experience for similar properties in India.

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

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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 other valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 36 and 37 for further disclosures.

Contingent consideration:

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

As part of the accounting for the acquisition of MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.), contingent consideration with an estimated fair value of Euro 590,018 (Rs. 475.68 lakhs) was recognized at the acquisition date. This is a maximum consideration to be paid. The contingent consideration is classified as other financial liability.

Redemption liability recognized in financial statement for acquisition of 5% non controlling interest in case of Memco Engineering Private Limited.

The group has agreed for acquisition of remaining 5% interest in Memco Engineering Private Limited for cash calculated based on multiple of EBITDA as of March 31, 2018 adjusted with working capital changes at 30 September 2018. Based on provisional financial statements for the period ended 30 September 2018, the group has derived the liability. As at the acquisition date, the fair value of the redemption liability was estimated to be Rs. 210.77 lakhs. The fair value is determined using DCF method (discount rate of 6.75%). Such liability is recognized in Consolidated financial statement with corresponding impact in retained earnings. Changes in fair value, if any, will be subsequently recognized in consolidated statement of profit and loss.

Call/put option over NCI

The group has entered into call/put option agreement for acquisition of remaining 24% interest in MFT Motoren und

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Fahrzeugtechnik GmbH for cash, calculated based on multiple of EBITDA as of December 2020, however not exceeding Euro 37.85 lakhs and nor below Euro 22.01 lakhs.

Since call/put option over NCI is assessed to be at fair value, no financial asset has been recognized in wholly owned subsidiary of the Group PCL (International) Holding B.V.

Considering the lower and upper limits specified in share purchase agreement and using probability theory, the Group has determined the liability towards call/put option over NCI at Euro 29.93 lakhs (Rs. 2,413.02 lakhs).

The fair value of the above liability was estimated to be the same amount. The fair value is determined using DCF method. Considering the fact that, the deposit rate in Germany is negative; discount rate is taken as zero and hence the entire amount of liability determined above; is taken as fair value of the liability. Such liability is recognized in Consolidated financial statement with corresponding impact in retained earnings. Changes in fair value, if any, will be subsequently recognized in consolidated statement of profit and loss.

Significant increase/ (decrease) in the EBITDA of MFT Motoren und Fahrzeugtechnik GmbH would result in higher/ (lower) fair value of the liability recognized for call/put option over NCI, while significant increase/ (decrease) in the discount rate would result in lower/ (higher) fair value of the liability.

Goodwill impairment:
The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

Note 38: Group Information

Information about subsidiary and step down subsidiaries

Name	Country of incorporation	Principal activities	% equity interest	
			31 March 2018	31 March 2017
PCL Shanghai	China	Trading of camshafts	100%	100%
PCL (International) Holding B.V.	Netherlands	Finance, marketing and sales	100%	-
Memco Engineering Private Limited	India	Manufacturing of parts of diesel engine, break parts and parts of measuring instruments	95%	-
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Germany	Manufacturing of camshafts as well as prismatic components	76%	-

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Note 39: Business combinations

Acquisitions during the year ended 31 March 2018

1. Acquisition of Memco Engineering Private Limited:
On 10 October 2017, the Group acquired 95% of the voting shares of Memco Engineering Private Limited, a non-listed company based in India and specializing in the manufacture and sale of parts of diesel engine, break parts and parts of measuring instruments, in exchange for the cash. The Group acquired Memco Engineering Private Limited to further strengthen their industry leadership and diversify into a new product range.

The Group has elected to disclose & recognise non-controlling interests (NCI) separately in the consolidated financial statements. 5% of acquiree's identifiable net assets is measured as NCI.

Measurement period
The initial accounting for a business combination with respect to Memco Engineering Private Limited is incomplete and hence the group has accounted the business combination on provisional basis. The group is expecting further facts and information such as purchase price allocation analysis etc. The accounting for business combination will be finalized before measurement period ends; i.e. before 09 October 2018. This might have material impact on the financial statements.

Provisional amount of assets acquired and liabilities assumed
Provisional amount of identifiable assets and liabilities of Memco Engineering Private Limited as at the date of acquisition were:

Assets	Amount
Property, plant and equipment (Note 3)	2,106.13
Cash and cash equivalents	2.31
Bank balances other than Cash and cash equivalents	6.43
Trade receivables *	635.63
Inventories	396.10
Loans	13.06
Investments	6.16
Other financial assets	18.41
Deferred tax assets (net)	103.05
Other non-current assets	58.19
Other current assets	16.07
	3,361.54

Liabilities	Amount
Trade payables	(400.12)
Borrowings	(624.79)
Other financial liabilities	(229.74)
Provisions	(257.64)
Other current liabilities	(51.24)
	(1,563.53)
Provisional amount of total identifiable net assets	**1,798.01**
Non-controlling interests measured at proportionate share	(89.90)

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Provisional goodwill arising on acquisition (refer note 4)	2,096.25
Purchase consideration transferred	**3,804.36**

*The fair value of the trade receivables amounts to Rs. 635.63 lakhs. The gross amount of trade receivables is Rs. 635.63 lakhs. None of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.

The provisional goodwill of Rs.2096.25 lakhs comprises the value of expected synergies arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

From the date of acquisition, Memco Engineering Private Limited has contributed Rs.1869.23 lakhs of revenue and Rs. 215.96 lakhs to the profit before tax of the Group.

Purchase consideration	Amount
Paid in Cash	3,804.36
Total consideration	**3,804.36**
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	2.31
Cash paid	(3,804.36)
Net cash flow on acquisition	**(3,802.05)**

Redemption liability recognized in financial statement for acquisition of 5% non controlling interest:
The group has agreed for acquisition of remaining 5% interest in Memco Engineering Private Limited for cash calculated based on multiple of EBITDA as of March 31, 2018 adjusted with working capital changes at 30 September 2018. Based on provisional financial for the period ended 30 September 2018, the group has derived the liability. As at the acquisition date, the fair value of the redemption liability was estimated to be Rs. 210.77 lakhs. The fair value is determined using DCF method (discount rate of 6.75%). The changes in such fair value is recognized in consolidated statement of profit and loss.

Significant increase/ (decrease) in the working capital of Memco Engineering Private Limited would result in higher/ (lower) fair value of the redemption liability.

2. Acquisition of MFT Motoren und Fahrzeugtechnik GmbH (through wholly owned subsidiary PCL (International) Holding B.V.):

On 23 March 2018, the Group acquired 76% of the voting shares of MFT Motoren und Fahrzeugtechnik GmbH through its wholly owned subsidiary PCL (International) Holding B.V., a company based in Germany and specializing in the manufacture and sale of camshafts in exchange for cash. The Group acquired MFT Motoren und Fahrzeugtechnik GmbH to strengthen Group's niche machining capabilities, diversify into new products and establish a global brand presence.

The Group has elected to disclose & recognise non-controlling interests (NCI) separately in the consolidated financial statements. 24% of acquiree's identifiable net assets is measured as NCI. The Group, through it's 100% subsidiary PCL (International) Holding B.V. , Netherlands has acquired 76% shares in MFT Motoren und Fahrzeutechnik GmbH, Germany for Rs. 2,044.57 lakhs in March 2018 making it a step-down subsidiary company and consolidated in the financial statements of Precision Camshafts Limited, India. The acquisition date considered by the Management for the purpose of consolidation is 31st March 2018. The consolidated financial statements of PCL (International) Holding B.V. are management drawn and in local GAAP applicable in those respective countries. The management estimates impact of Ind AS adjustments not to be significant with respect to the consolidated financial statements of the Company but is yet in the process of completing such assessment. Further, the management as per para 45 of Ind AS 103 "Business Combinations" has consolidated MFT Motoren und Fahrzeutechnik GmbH with provisional amounts. The management will complete the Purchase Price Allocation (PPA) within twelve months from the date of acquisition and consequently restate the provisional goodwill / bargain purchase.

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Measurement period

The initial accounting for a business combination with respect to MFT Motoren und Fahrzeugtechnik GmbH is incomplete and hence the group has accounted the business combination on provisional basis. The group is expecting further facts and information such as purchase price allocation analysis etc. The accounting for business combination will be finalized before the measurement period ends; i.e. before 23 March 2019. This might have material impact on the financial statement.

Provisional amount of assets acquired and liabilities assumed

Provisional amount of identifiable assets and liabilities of MFT Motoren und Fahrzeugtechnik GmbH as at the date of acquisition were:

Assets	Amount
Property, plant and equipment (refer note 3)	4,921.41
Intangible assets	35.87
Cash and cash equivalents	27.00
Trade receivables	2,409.79
Inventories	2,558.88
Other financial assets	81.01
Other current assets	140.29
	10,174.25

Liabilities	Amount
Trade payables	(862.18)
Borrowings	(3,239.99)
Other financial liabilities	(1,860.12)
Provisions	(8.06)
Other current liabilities	(80.04)
Current tax liabilities (net)	(37.99)
	(6,088.38)
Provisional amount of total identifiable net assets	**4,085.87**
Non-controlling interests measured at proportionate share	(980.61)
Provisional bargain purchase arising on acquisition (refer note 11)	(585.00)
Purchase consideration transferred	**2,520.26**

The fair value of the trade receivables amounts to Rs. 2409.79 lakhs. The gross amount of trade receivables is Rs. 2409.79 lakhs. None of the trade receivables is credit impaired and it is expected that the full contractual amounts can be collected.

On basis of the provisional amount of identified assets and liabilities; there arises a bargain purchase gain. Since the amounts are provisional and group has obtained the measurement period exemption, the gain of Rs. 585.00 lakhs is currently recognized in other comprehensive income and shown as capital reserve in other equity. The accounting for the same will be finalized before the measurement period ends i.e. 23 March 2019, which might have a material effect on capital reserve recognized.

From the date of acquisition, MFT Motoren und Fahrzeugtechnik GmbH has contributed Rs.Nil of revenue and Rs. Nil to the profit before tax of the Group.

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Purchase consideration	Amount
Paid in Cash	2,044.58
Contingent consideration liability	475.69
Total consideration	**2,520.26**
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	27.00
Cash paid	(2,044.58)
Net cash flow on acquisition	**(2,017.58)**

Contingent consideration:
As part of the purchase agreement with the previous owner of MFT Motoren und Fahrzeugtechnik GmbH, a contingent consideration has been agreed. There will be additional cash payments to the previous owner of MFT Motoren und Fahrzeugtechnik GmbH not exceeding Euro 5.90 lakhs (Rs. 475.69 lakhs); when the entity receives such compensation amount from a customer with whom an entity has made an agreement for orders.

The consideration is fixed at above amount and the fair value of the contingent consideration was estimated to be the same amount. The fair value is determined using DCF method. Considering the fact that, the deposit rate at Germany is negative and the date of payment of above liability is not determinable; the entire amount of compensation fixed above; is taken as fair value of the contingent consideration.

Call/put option over NCI:

The group has entered into call/put option agreement for acquisition of remaining 24% interest in MFT Motoren und Fahrzeugtechnik GmbH for cash, calculated based on multiple of EBITDA as of December 2020, however not exceeding Euro 37.85 lakhs and nor below Euro 22.01 lakhs.

Since call/put option over NCI is assessed to be at fair value, no financial asset has been recognized in wholly owned subsidiary of the Group PCL (International) Holding B.V.

Considering the lower and upper limits specified in share purchase agreement and using probability theory, the Group has determined the liability towards call/put option over NCI at Euro 29.93 lakhs (Rs. 2,413.02 lakhs).

The fair value of the above liability was estimated to be the same amount. The fair value is determined using DCF method. Considering the fact that, the deposit rate at Germany is negative; discount rate is taken as Zero and hence the entire amount of liability determined above; is taken as fair value of the liability. Such liability is recognized in Consolidated financial statement with corresponding impact in retained earnings.

Significant increase/ (decrease) in the EBITDA of MFT Motoren und Fahrzeugtechnik GmbH would result in higher/ (lower) fair value of the liability recognized for call/put option over NCI, while significant increase/ (decrease) in the discount rate would result in lower/ (higher) fair value of the liability.

3. If the above two business combinations had taken place at the beginning of year:
If the above business combinations had taken place at the beginning of the year, revenue from operations would have been Rs. 59,748.21 lakhs and the profit before tax for the Group would have been Rs. 6,680.29 lakhs.

Note 40: Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Since the accounting for business combination is incomplete; the following amounts are provisional and the same may undergo the changes based on the finalization of accounting which will be done before measurement period ends. This might have material impact on the financial statement.

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Proportion of equity interest held by non-controlling interests:

Name	Country of operation	31-Mar-18	31-Mar-17
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	Germany	24%	-
Memco Engineering Private Limited	India	5%	-

Information regarding non-controlling interest

Names	31-Mar-18 Amount	31-Mar-17 Amount
Accumulated balances of material non-controlling interest:		
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	980.61	-
Memco Engineering Private Limited	97.24	-
Profit/(loss) allocated to material non-controlling interest:		
MFT Motoren und Fahrzeugtechnik GmbH (Through Wholly owned subsidiary PCL (International) Holding B.V.)	-	-
Memco Engineering Private Limited (Post October 10, 2017)	7.34	-

The summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations

Summarized statement of profit and loss for the year ended 31 March 2018:

Particulars	MFT Motoren und Fahrzeugtechnik GmbH	Memco Engineering Private Limited
Revenue	-	1,869.23
Cost of raw material and components consumed	-	507.58
Depreciation and amortization expense	-	145.10
Other expenses	-	963.01
Finance costs	-	44.69
Profit before tax	**-**	**208.85**
Income tax	-	108.24
Profit for the year:	**-**	**100.61**
Total comprehensive income	**-**	**146.71**
Attributable to non-controlling interests	**-**	**7.34**

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Summarized balance sheet as at 31 March 2018:

Particulars	MFT Motoren und Fahrzeugtechnik GmbH	Memco Engineering Private Limited
Property, plant and equipment and intangible assets including capital work in progress	4,957.28	2,319.95
Non Current financial assets	-	21.51
Deferred tax assets	-	109.94
Other non-current assets	-	32.80
Inventories	2,558.88	456.60
Trade receivable and other current financial assets	2,517.80	756.37
Other current assets	140.29	17.54
Borrowings (current and non current)	(3,239.99)	(746.91)
Non Current provisions	-	(254.55)
Trade payables and other current & non current financial liabilities	(2,722.30)	(674.62)
Other current liabilities	(80.04)	(62.63)
Current provisions	(8.06)	(10.26)
Current tax liabilities (net)	(37.99)	(4.18)
Total equity	**4,085.88**	**1,961.56**
Equity component of redeemable preference shares not attributable to NCI	-	(16.84)
Total Net equity	**4,085.88**	**1,944.71**
Attributable to:		
Equity holders of parent	3,105.27	1,847.48
Non-controlling interest	980.61	97.24

Note 41: Interest in Joint venture

The holding company has a 22.5% interest in Ningbo Shenglong PCL Camshafts Co Limited (SLPCL), a joint venture involved in the manufacture of Camshafts. The Group's interest in SLPCL is accounted for using the equity method in the consolidated financial statements. Summarized financial information of the joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Particulars	31 March 2018 In ₹	31 March 2017 In ₹
Current assets, including cash and cash equivalents of Rs.3661.34 Lakhs (31 March 2017: Rs. 4376.34 Lakhs)	16,736.40	14,623.61
Non-current assets	13,658.71	13,273.64
Current liabilities, including tax payable of : Rs.Nil (31 March 2017: Rs. 288.00 Lakhs)	(3,790.38)	(7,235.79)
Non-current liabilities including net deferred tax liabilities Rs. Nil	(7,571.98)	(8,911.17)
Equity	**19,032.76**	**11,750.29**
Proportion of the Group's Ownership (a)	22.50%	22.50%
Carrying amount of investment	**4,282.37**	**2,643.82**

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Summarized statement of profit and loss of SLPCL

Particulars	**31 March 2018 In ₹**	**31 March 2017 In ₹**
Revenue	22,262.15	24,054.61
Less: Cost of raw materials and components consumed	10,042.64	10,600.63
Less: Depreciation and amortization	1,553.05	1,637.53
Less: Finance Cost (net of finance income)	356.18	462.83
Less: Employee Benefit	1,827.11	1,851.82
Less: Other Expenses	1,898.84	3,523.21
Profit before tax	**6,584.34**	**5,978.58**
Income tax expense	888.21	825.57
Profit for the year	**5,696.13**	**5,153.01**
Total comprehensive income for the year	**5,696.13**	**5,153.01**
Increment in ESOS reserve	21.30	-
Total increment in net assets of SLPCL (b)	**5,717.42**	**5,153.01**
Company's share of profit for the year (a*b)	**1,286.42**	**1,159.43**

The holding company has a 40% interest in PCL Shenglong (Huzhou) Specialised Casting Co Ltd (PCLSL), a joint venture involved in the manufacture of Camshafts. The Group's interest in PCLSL is accounted for using the equity method in the consolidated financial statements. Summarized financial information of the joint venture, based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Particulars	**31 March 2018 In ₹**	**31 March 2017 In ₹**
Current assets, including cash & cash equivalents Rs.2963.39 Lakhs (31 March 2017: Rs. 50.44 Lakhs)	1,554.44	1,451.69
Non-current assets	5,164.86	4,926.61
Current liabilities, including tax payable Rs. Nil (31 March 2017: Rs. Nil)	(6,327.06)	(6,068.86)
Non-current liabilities including net deferred tax liabilities Rs. Nil	(54.49)	(55.78)
Equity	**337.75**	**254.65**
Proportion of the Group's Ownership (c)	40.00%	40.00%
Carrying amount of investment	**135.10**	**101.86**

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Summarized statement of profit and loss of PCLSL

Particulars	31 March 2018 In ₹	31 March 2017 In ₹
Revenue	3,987.86	2,092.46
Less: Cost of raw materials and components consumed	2,253.00	1,206.93
Less: Depreciation and amortization	367.28	248.72
Less: Finance Cost	(4.51)	217.23
Less: Employee Benefit	920.97	566.59
Less: Other Expenses	429.39	468.19
Profit before tax	**21.73**	**(615.21)**
Income tax expense	-	-
Profit for the year (continuing operations)	**21.73**	**(615.21)**
Total comprehensive income for the year	**21.73**	**(615.21)**
Increment in ESOS reserve	34.44	-
Total increment in net assets of PCLSL (d)	**56.17**	**(615.21)**
Company's share of profit / (loss) for the year (c*d)	**22.47**	**(246.08)**

Note 42: Capital Management

For the purpose of the Group’s capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders and borrowings. The primary objective of the Group’s capital management is to maximize the shareholder value. The Group manages its capital structure and makes adjustments for compliance with the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The Company had issued equity shares in the Financial year 2015-16 in order to raise funds for building an additional machine shop for Ductile iron camshafts.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group’s policy is to keep the gearing ratio within 60%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

Particulars	31 March 2018 In ₹	31 March 2017 In ₹
Borrowings other than non convertible preference shares (refer note 12)	10,743.35	11,082.29
Trade payables (refer note 14)	8,022.58	7,042.98
Less: cash and cash balances (refer note 9)	(2,640.15)	(1,610.45)
Net debt	**16,125.78**	**16,514.82**
Equity	57,245.02	55,852.83
Total Capital	57,245.02	55,852.83
Capital and net debt	**73,370.80**	**72,367.66**
Gearing ratio	**22%**	**23%**

In order to achieve this overall objective, the Group’s capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Dividend distribution made and proposed	31 March 2018 In ₹	31 March 2017 In ₹
Cash dividends on equity shares declared and paid		
Final cash dividend for the year ended on 31 March 2017 Rs.1.5 per share (31 March 2016: Rs. Nil)	1,421.92	-
Tax on final dividend	289.47	-
	1,711.39	**-**
Proposed dividend on equity shares		
Final cash dividend for the year ended on 31 March 2018: Rs 1 per share (31 March 2017: Rs. 1.50 per share)	948.77	1,421.92
Tax on proposed dividend	193.15	289.47
	1,141.92	**1,711.39**

Proposed dividends on equity shares are subject to approval of equity shareholders at the ensuing annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2018.

Note 43: Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings; trade and other payables, and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, investments in mutual funds and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term and short-term debt obligations with floating interest rates.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Sensitivity

Year	Increase/ decrease in basis points	Effect on profit before tax
31-Mar-18	50	41.8
	(50)	(41.8)
31-Mar-17	50	43.06
	(50)	(43.06)

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 sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. There are no hedge transactions and hence no sensitivity impact has been derived on pre tax equity. The Group's exposure to foreign currency changes for all other currencies is not material.

Sensitivity

Year	Change in USD rate	Effect on profit before tax
31-Mar-18	5%	217.17
	-5%	(217.17)
31-Mar-17	5%	261.15
	-5%	(261.15)

Year	Change in EUR rate	Effect on profit before tax
31-Mar-18	5%	(213.20)
	-5%	213.20
31-Mar-17	5%	(42.16)
	-5%	42.16

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Year	Change in GBP rate	Effect on profit before tax
31-Mar-18	5%	52.79
	-5%	(52.79)
31-Mar-17	5%	56.52
	-5%	(56.52)

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 March 31, 2018, there were no open purchase commitments/ pending material purchase order in respect of key raw materials.

Accordingly, no sensitivity analysis have been performed by the management.

Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables
Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The investment of surplus funds is made in mutual funds and fixed deposits which are approved by the Director. The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as illustrated in note 9.

Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group's policy is that not more than Rs. 4,500.00 lakhs of borrowings should mature in the next 12-month period.

Notes

to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Approximately 37% of the Group's debt will mature in less than one year at 31 March 2018 (31 March 2017: 63%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31 March 2018						
Non current Borrowings	-	-	-	5,190.27	103.67	5,293.95
Current Borrowings	2,292.56	-	-	-	-	2,292.56
Other financial liabilities	475.69	3,728.21	3,400.24	2,413.13	-	10,017.27
Trade payables	9.18	7,795.82	217.58	-	-	8,022.58
	2,777.43	**11,524.03**	**3,617.81**	**7,603.40**	**103.67**	**25,626.37**

Particulars	On Demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year Ended 31 March 2017						
Non current Borrowings	-	-	-	2,486.11	-	2,486.11
Current Borrowings	4,237.91	-	-	-	-	4,237.91
Other financial liabilities	139.37	2,047.69	3,592.52	-	-	5,779.58
Trade payables	-	7,042.98	-	-	-	7,042.98
	4,377.28	**9,090.67**	**3,592.52**	**2,486.11**	**-**	**19,546.58**

Note 44: Utilisation of money raised through public issue

During the year ended 31 March 2017, the Company has transferred an amount equivalent to the recovery from selling share holders from IPO account to the normal bank accounts since the same was spent by the Company before such recovery.

Particulars	Year ended March 31, 2018 ₹	Year ended March 31, 2017 ₹
Unutilized amount at the beginning of the year	17,621	22,468.39
Amount raised through public issue	-	-
Amounts recovered from existing share holders towards share issue expenses including taxes	-	-
Interest received on fixed deposits matured during the year	1,302.01	266.49
Less: amount utilized during the year	**-**	**-**
Payment towards share issue expenses	-	157.12
Payment towards project expenditure relating to new manufacturing facility	6,431.50	4,015.50
Amount partially transferred from recoveries from selling share holders towards IPO expenses	-	902.27
Excess issue expenses recovered refunded to selling share holders	-	38.74

Notes
to the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Unutilized amount at the end of the year	**12,491.74**	**17,621.24**

Details of short-term investments made from unutilized portion of public issue raised during the year ended 31 March 2018

Particulars	31 March 2018	31 March 2017
Balance amount in current account	63.54	140.56
Investment in fixed deposits of banks	12,428.20	17,480.68

Note 45: Previous year comparatives

Previous year's figures have been regrouped/reclassified to correspond with the current year's classification/disclosure.
The accompanying notes are an integral part of the financial statements As per our report attached of even date

For M/s. P G Bhagwat
ICAI Firm Reg No: 101118W
Chartered Accountants

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

Abhijeet Bhagwat
Partner
Membership Number: 1368354

Place: Pune
Date: May 28, 2018

Yatin S Shah
Managing Director
DIN. 00318140

Place: Pune
Date: May 28, 2018

Dr. Suhasini Y Shah
Director
DIN. 02168705

Place: Pune
Date: May 28, 2018

Ravindra R Joshi
Director
DIN. 03338134

Place: Pune
Date: May 28, 2018

Mahesh Kulkarni
Company Secretary
M. No. 19364

Place: Pune
Date: May 28, 2018

Notice

PRECISION CAMSHAFTS LIMITED
CIN: L24231PN1992PLC067126
Regd. Office: E 102/103, M.I.D.C., Akkalkot Road,
Solapur - 413 006. Tel.: +91 - 9168646536/37
Fax: +91 (217) 2357645
E-mail: info@pclindia.in;
Website: www.pclindia.in

Date: 13th August, 2018

Dear Member,

You are cordially invited to attend the 26th Annual General Meeting of Precision Camshafts Limited ('the Company') to be held on Wednesday, 26th September, 2018 at 3.00 p.m. at Precision Camshafts Limited, D-5 Chincholi MIDC, Solapur-413 255, Maharashtra, India.

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. The instructions for e-voting are enclosed herewith.

Sincerely,

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

Enclosures-
- Notice of the 26th Annual General Meeting
- Explanatory Statement as per Section 102 of the Companies Act, 2013
- Instructions for e-voting
- Proxy Form
- Attendance slip

Notice

NOTICE is hereby given that the 26th (Twenty Sixth) Annual General Meeting (AGM) of Members of Precision Camshafts Limited will be held on Wednesday, 26th September, 2018 at 03.00 p.m. at Precision Camshafts Limited, D-5, MIDC, Chincholi, Solapur - 413255 Maharashtra, India to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt :-

   (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2018 including the Audited Balance sheet as at 31st March, 2018 and the Statement of Profit& Loss for the year ended that date together with the Reports of the Board of Directors and Auditors thereon; and

   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2018 including the Audited Consolidated Balance sheet as at 31st March, 2018 and the Consolidated Statement of Profit& Loss for the year ended that date together with the Reports of the Auditors thereon.

2. To declare a dividend of Rs. 1.00/-(Rupees One) per equity share for the financial year ended 31st March, 2018.

3. To appoint a Director in place of Dr. (Mrs.) Suhasini Y. Shah (DIN: 02168705), who retires by rotation, and being eligible, offers herself for reappointment.

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF MR. SARVESH N. JOSHI (DIN 03264981) AS AN INDEPENDENT DIRECTOR:

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Mr. Sarvesh N. Joshi (DIN 03264981), who was appointed as an Independent Director and whose term of office ends at the ensuing Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years i.e. upto the 31st Annual General Meeting of the Company to be held in Financial Year 2023-24."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do or to authorize 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 RATIFY THE REMUNERATION OF COST AUDITOR'S FOR THE FINANCIAL YEAR ENDING 31ST MARCH 2019:

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

"**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force, and pursuant to the recommendation of the Audit Committee and subject to the applicable guidelines and approval of the Central Government as may be necessary in this regard, the Members of the Company hereby ratify the remuneration of Rs. 1,50,000/- (Rupees One Lacs Fifty Thousand) plus taxes thereon, and out-of-pocket expenses 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 2019.

Notice

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do or to authorize 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.""

6. **APPOINTMENT OF MR. KARAN Y. SHAH (DIN: 07985441) AS WHOLE-TIME DIRECTOR-BUSINESS DEVELOPMENT AND TO FIX HIS REMUNERATION:**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 read with Schedule V of the Companies Act, 2013, (the "Act") Rule 8 of the Companies (Appointment and Remuneration) Rules, 2014 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of Nomination and Remuneration Committee and Audit Committee of the company, Mr. Karan Y. Shah (DIN: 07985441), who was appointed as an Additional Director designated as Whole-time Director-Business Development by the Board of Directors with effect from 13th August, 2018 and who holds office upto the date of this Annual General Meeting of the Company, and who being eligible for appointment and in respect of whom the Company has received a notice in writing from a member of the Company proposing his candidature as Whole-time Director- Business Development for a period of 5(five) years with effect from 13th August, 2018 on the terms and conditions including remuneration as set out in the draft agreement to be entered into between the Company and Mr. Karan Y. Shah, as placed before this meeting and initialed for the purpose of identification be and is hereby appointed a Whole-time Director Business Development of the Company whose office is liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company (the "Board") be and is hereby authorized to revise, amend, alter and/or vary the terms and conditions of the said Agreement including remuneration to be paid to him, including in case of absence or inadequacy of profits, in such manner as may be agreed between the Board and Mr. Karan Y. Shah as it may deem fit, but so as not to exceed the limits specified under Schedule V of the Act read with Section 197 and other applicable provisions, if any, of the Act or any statutory modifications or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, usual, proper or expedient to give effect to the aforesaid resolution."

By order of the Board of Directors
For **Precision Camshafts Limited**

Mahesh Kulkarni
Company Secretary & Compliance Officer
13th August, 2018
Pune

CIN: L24231PN1992PLC067126
Website: www.pclindia.in
E-mail ID: cs@pclindia.in

Registered Office
E 102/103 MIDC
Akkalkot road, Solapur-413006,
Maharashtra, India
Phone: +91 9168646536/37

Corporate Office:
Precision Camshafts Limited
D-5 Chincholi, MIDC, Solapur-413255,
Maharashtra, India
Phone: +91 9168646531/32/33

Precision Camshafts Limited
Office No. 501/502,
Kanchanban "B", Sunit Capital,
CTS No. 967, FP No. 397,
Senapati Bapat Road, Pune 411016
Phone:-020-25673050

Notice

NOTES:

a) The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (the "Act"), setting out the material facts for each item of special business mentioned in the Notice is annexed hereto.

b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

c) Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A proxy form for the AGM is enclosed with the Notice.

d) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the Board Resolution to attend and vote on their behalf at the Meeting.

e) 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

f) If a dividend is declared at the Annual General Meeting, the payment of such dividend will be made to those members of the Company whose names stand on the register of members of the Company on 19th September, 2018.

g) Voting through electronic means:

I. In compliance with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Company is pleased to provide Members the facility to exercise their right to vote at the 26th AGM by electronic means. The facility of casting votes by a Member using an electronic voting system from a place other than the venue of the AGM (remote e-voting) will be provided by National Securities Depository Limited (NSDL) and the items of business as detailed in this Notice may be transacted through remote e-voting.

II. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date of 19th September, 2018 only shall be entitled to avail the facility of remote-voting as well as voting through ballot at the AGM.

III. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

IV. The facility for voting through ballot shall also be made available at the AGM and the Members attending the AGM who have not already cast their votes through remote e-voting shall be able to exercise their voting rights at the AGM.

V. The Members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again. However, in case a Member casts his/her vote both by ballot voting at the AGM and by remote e- voting, then voting done through remote e-voting shall be considered and voting done through ballot at the AGM will be treated as invalid

Notice

Voting through electronic means:-

Process and manner for remote e-voting

A. For members whose e-mail address are registered with the Company/Registrar and Transfer Agents/ Depositories

The instructions for remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Details on Step 1 is mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   (a) If you are already registered for e-Voting, then you can use 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.

Notice

Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
   (a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   (b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   (c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address
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 on NSDL e-Voting system.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:-

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to jbbhave@gmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting

Notice

user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

B. For Members whose email IDs are not registered with the Company/Registrar or Transfer Agents/ Depositories

i) Such Members (including those Members who have requested for physical copy) will receive a physical copy of Notice of AGM. Initial password is provided at the bottom of the attendance slip for the AGM:

REVEN(remote E Voting Event Number)	USER ID	PASSWORD/PIN

ii) Please follow all steps from step 1 and Step 2 mentioned above to cast vote.

VI. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or may contact on the NSDL toll free no. 1800-222-990 or may contact Ms. Pallavi Mhatre, Asst. Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 at the designated email IDs: evoting@nsdl.co.in or pallavid@nsdl.co.in or at telephone nos. +91-22-2499 4545. Alternatively, Members may also write to Mr. Mahesh Kulkarni, Company Secretary & Compliance Officer of the Company at the email ID: cs@pclindia.in or contact at telephone no. 020-25673050.

VII. You can also update your mobile number and email-id in the user profile details of the folio which may be used for further communications.

VIII. The remote e-voting period commences on Sunday 23rd September 2018 (9:00 a.m. IST) and ends on Tuesday 25th September 2018 (5:00 p.m. IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September 2018 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

IX. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of 19th September 2018.

X. CS Jayavant B Bhave, Proprietor of M/s J. B. Bhave & Co., Company Secretaries, Pune has been appointed as the Scrutinizer to scrutinize the remote e-voting process as well as the physical voting process at the AGM in a fair and transparent manner.

XI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting through ballot with the assistance of scrutinizer for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XII. The Scrutinizer after the conclusion of voting at the AGM will unblock the votes cast through ballot in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a Director authorized by him in writing, who shall countersign the same. The Chairman or the authorized Director shall declare the result of the voting forthwith.

XIII. The Results declared along with the Scrutinizer's Report shall be displayed at the Registered Office as well as the Corporate Office of the Company and uploaded on the Company's website www.pclindia.in as well as on the website of NSDL after the same is declared by the Chairman/authorized person. The Results shall also be simultaneously forwarded to the stock exchanges.

Notice

h) Members are requested to note that the Company's equity shares are under compulsory demat trading for all investors, subject to the provisions of SEBI Circular No.21/99 dated July 8, 1999. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.

i) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 20th September, 2018 to Wednesday, 26th September, 2018 (both days inclusive)

j) Payment of Dividend for the financial year ended 31st March 2018 will be made on or after 27th September, 2018:

(i) to those Members, holding shares in physical form, whose names appear on the Register of Members of the Company, at the close of business hours on 19th September, 2018 after giving effect to all valid transfers in physical form lodged on or before 19th September 2018 with the Company and/or its Registrar and Transfer Agent; and

(ii) in respect of shares held in electronic form, to all beneficial owners as per the details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) at the close of business hours on 19th September 2018.

k) Members holding shares in dematerialized 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.

l) 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 Aadhar Card copy

m) Members may avail of the nomination facility as provided under Section 72 of the Companies Act, 2013.

n) 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.

o) This Notice and the Annual Report of the Company circulated to the Members of the Company will be made available on the Company's website at www.pclindia.in and on the website of NSDL at www.nsdl.co.in. Electronic copy of the Notice convening 26th Annual General Meeting, Annual Report along with attendance slip and proxy Form are being sent to the members who have registered their email ids with the Company/Registrar or Transfer Agents/Depository Participant(s). For members who have not registered their email ids so far, are requested to register their email ids for receiving all communications including Annual Report, Notices from the Company electronically

p) The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated 7th May 2018 issued by Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors who were appointed in the Annual General meeting held on 27th September 2017 for a period of 5 (five) years..

q) Members desirous of getting any information about the accounts and/or operations of the Company are requested to write to the Company at least seven days before the date of the Meeting to enable the Company to keep the information ready at the Meeting.

r) During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged with the Company between 9:00 a.m. IST and 5:00 p.m. IST at the registered office of the Company, provided that a requisition for the same from a Member is received in writing not less than 3 days before the commencement of the Meeting.

s) All the documents referred to in the Notice and Explanatory Statement along with other relevant documents will be made available for inspection by the Members at the Registered/Corporate Office of the Company between 11:00 a.m. IST and 1:00 p.m. IST on all working days from the date hereof upto the date of the Meeting.

Notice

t) Members/ proxies / authorized representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.

Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 permits sending of soft copies of annual reports to all those Members who have registered their email addresses for the said purpose.

The Companies Act, 2013 has also recognized serving of documents to any Member through electronic mode. In terms of the Circular No. NSDL/CIR/II/10/2012 dated March 9, 2012 issued by National Securities Depository Limited, email addresses made available by the Depository for your respective Depository Participant accounts as part of the beneficiary position downloaded from the Depositories from time to time will be deemed to be your registered email address for serving notices/documents including those covered under Sections 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the underlying rules relating to transmission of documents in electronic mode. In light of the requirements prescribed by the aforesaid circulars, for those Members whose Depository Participant accounts do not contain the details of their email address, printed copies of the Notice of Annual General Meeting and Annual Report for the year ended 31st March 2018 would be dispatched.

The Notice of Annual General Meeting and the copies of audited financial statements, directors' report, auditors' report etc. will also be displayed on the website of the Company www.pclindia.in and the other requirements as applicable will be duly complied with. Members holding shares in electronic mode are requested to ensure to keep their email addresses updated with the Depository Participants. Members who have not registered their email id with their Depository Participants are requested to do so and support the green initiative. Members holding shares in physical mode are also requested to update their email addresses by writing to the Registrar and Transfer Agent of the Company at the pune@linkintime.co.in quoting their folio number(s).

By order of the Board of Directors
For **Precision Camshafts Limited**

Mahesh Kulkarni
Company Secretary & Compliance Officer
13th August, 2018
Pune

CIN: L24231PN1992PLC067126
Website: www.pclindia.in
E-mail ID: cs@pclindia.in

Registered Office
E 102/103 MIDC
Akkalkot road, Solapur-413006,
Maharashtra, India
Phone: +91 9168646536/37

Corporate Office:
Precision Camshafts Limited
D-5 Chincholi, MIDC, Solapur-413255,
Maharashtra, India
Phone: +91 9168646531/32/33

Precision Camshafts Limited
Office No. 501/502,
Kanchanban "B", Sunit Capital,
CTS No. 967, FP No. 397,
Senapati Bapat Road, Pune 411016
Phone:-020-25673050

Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the Special Business mentioned in the Notice.

Item No. 4
Re-appointment of Mr. Sarvesh N. Joshi as an Independent Director:

Mr. Sarvesh N. Joshi, (DIN 03264981) age 59 years, was appointed as an Independent Director of the Company. He is a Chartered Accountant by profession and holds a bachelor's degree in law and a bachelor's degree in commerce from University of Pune. He is a Senior Partner of SNJ& Co., Chartered Accountants and specialized in the areas of tax planning, tax litigations, tax advisory services with over 30 years of practice. He joined the Board on 31st August, 2013.

Mr. Sarvesh N. Joshi whose period of office as an Independent Director is liable to determination in the Annual General Meeting to be held in 2018. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Sarvesh N. Joshi being eligible and offering himself for reappointment, is proposed to be reappointed as an Independent Director for a term of 5 (Five) consecutive years upto 31st Annual General Meeting of the Company to be held in FY 2023-24.

In the opinion of the Board of Directors, Mr. Sarvesh N. Joshi fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his reappointment as an Independent Director of the Company and is independent of the management. The Board of Directors considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sarvesh N. Joshi as an Independent Director.

The Nomination and Remuneration Committee and the Board of Directors had recommended re-appointment of Mr. Sarvesh N. Joshi for second term of 5 (five) years on the Board of the Company as an Independent Director, not liable to retire by rotation for the approval by the shareholders of the Company.

Mr. Sarvesh N. Joshi is not disqualified from being appointed as a Director in terms of Section 164 of the Act. The Company has also received declaration from Mr. Sarvesh N. Joshi that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013

Mr. Sarvesh N. Joshi holds Nil shares of the Company. He is a member of Audit Committee and Nomination and Remuneration Committee of the Company. He is a partner in SNJ&Co., Chartered Accountants

Details of Mr. Sarvesh N. Joshi seeking re-appointment at the 26th Annual General Meeting pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the "Annexure" to the Notice

The Board of Directors recommends the relevant resolution for your consideration and approval as a Special Resolution.

Except Mr. Sarvesh N. Joshi, being an appointee, none of the Directors and 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.

Item No. 5
Ratification of Remuneration to M/s. S. V. Vhatte & Associates, Cost Accountants as Cost Auditor:

The Board of Directors of the Company vide their meeting held on 28th May, 2018, approved the appointment and remuneration of M/s S. V. Vhatte & Associates, Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2018-19 at a remuneration of Rs. 1,50,000/- (Rupees One Lacs Fifty Thousand only) plus taxes thereon and out-of-pocket expenses to be incurred during the Audit.

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. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors as set out in the Resolution for the aforesaid services to be rendered by them.

Notice

The Board of Directors recommends the relevant resolution for your consideration and approval as Ordinary Resolution.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested in the said Resolution.

Item No. 6
Appointment of Mr. Karan Y. Shah as Whole-Time Director- Business Development and to fix his remuneration:

Mr. Karan Y. Shah (DIN: 07985441) son of Promoter Directors Mr. Yatin S. Shah Promoter and Dr. (Mrs.) Suhasini Y. Shah, was earlier appointed as Executive -Business Development and Growth Strategy of the Company by the Board of Directors from 2nd February 2017.

Mr. Karan Y. Shah age 28 years has done Masters in Business Administration in May 2016 from Harvard Business School, Boston USA, and Bachelors of Science in Mechanical Engineering from Purdue University, West Lafayette, USA. He has two years' experience as a manufacturing engineer at Cummins, USA

To help the company grow on a solid and sustainable ground Mr. Karan Y. Shah ensured that the Company invested in cutting edged technologies and played a pivotal role and a key instrument in Company's recent acquisitions of MEMCO Engineering Private Limited, MFT Motoren und Fahrzeugtechnik GmbH (MFT), Germany and Emoss Mobile Systems B.V., Netherlands.

The Nomination and Remuneration Committee and the Audit Committee respectively at their meeting held on 13th August, 2018 recommended the appointment of Mr. Karan Y. Shah as an Additional Director designated as Whole-time Director-Business Development with effect from that date. The Board of Directors of the Company (the "Board") at its meeting held on even date proposed the said resolution as ordinary resolution for the approval of members, appointed Mr. Karan Y. Shah as Whole-time Director-Business Development for a period of 5 years with effect from 13th August, 2018 on the terms and conditions as recommended by the Nomination and Remuneration Committee. Further keeping in view that Mr. Karan Y. Shah experience in the field of Engineering and Business Management it was proposed to appoint him as Whole-time Director- Business Development as an orderly succession plan, by way of an Ordinary resolution.

Mr Karan Y. Shah holds 2000 Equity Shares of the Company. He is Director in M/s Mayura Davda Shah Ventures Private Limited and holds 10% Equity Shares in that company. The Nomination and Remuneration Committee considered the appointment of Mr. Karan Y. Shah and verified that he is not debarred from holding office of Director pursuant to any SEBI order or any other such authority.

The main terms and conditions of appointment, remuneration and perquisites to Mr. Karan Y. Shah as stated in the draft agreement are as follows:

1) Mr. Karan Y. Shah is appointed as Whole-time Director-Business Development for a period of 5 (five) years w.e.f. 13th August, 2018.

2) Mr. Karan Y. Shah shall exercise and perform such powers and duties as the Board of Directors / Managing Director of the Company shall from time to time determine

3) During his employment under this Agreement Mr. Karan Y. Shah shall devote his time and attention to the business and affairs of the Company and shall use his best endeavours to promote its interest and welfare

4) The Company shall pay to Mr. Karan Y. Shah in consideration of performance of his duties remuneration and perquisites as follows:-
    a) Monthly remuneration: ₹.2,20,200/-
    b) In addition to the aforesaid Remuneration, Mr. Karan Y. Shah shall be eligible for the following perquisites:-
        (i) contribution to provident fund, superannuation fund or annuity fund to the extent singly or put together are not taxable under the Income Tax Act, 1961 any other rules thereunder or any statutory modifications(s) or re-enactment thereof

Notice

(ii) gratuity payable at a rate not exceeding half months salary for each completed year of service and

(iii) Leave with full pay and allowances as per the rules of the Company

(iv) encashment of leave at the end of the tenure as per the rules of the Company

5) It is expressly provided that salary, allowances/reimbursement and payment towards perquisites are subject to the provisions of Section 197, 198, 203 read with Schedule V of the Companies Act, 2013 and in case of absence or inadequacy of profits in any particular year the remuneration payable shall not exceed the limits specified under Schedule V of the Companies Act, 2013

6) No sitting fees shall be paid for attending the Meetings of the Board or any Committee thereof to Mr.Karan Y. Shah

7) Mr. Karan Y. Shah shall not directly or indirectly engage himself in any other employment without previous sanction of the Board of Directors

Mr. Yatin S. Shah, Dr. (Mrs.) 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.

None of the other Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions

Details of Mr. Karan Y. Shah seeking appointment at the 26th Annual General Meeting pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the "Annexure" to the Notice

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

By order of the Board of Directors
For **Precision Camshafts Limited**

Mahesh Kulkarni
Company Secretary & Compliance Officer
13th August, 2018
Pune

CIN: L24231PN1992PLC067126
Website: www.pclindia.in
E-mail ID: cs@pclindia.in

Registered Office
E 102/103 MIDC
Akkalkot road, Solapur-413006,
Maharashtra, India
Phone: +91 9168646536/37

Corporate Office:
Precision Camshafts Limited
D-5 Chincholi, MIDC, Solapur-413255,
Maharashtra, India
Phone: +91 9168646531/32/33

Precision Camshafts Limited
Office No. 501/502,
Kanchanban "B", Sunit Capital,
CTS No. 967, FP No. 397,
Senapati Bapat Road, Pune 411016
Phone:-020-25673050

Notice

ANNEXURE I TO ITEM NO. 4 and 6 OF THE NOTICE

Pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India, following information is furnished about the Directors proposed to be appointed/re-appointed.

Name of the Director	Dr. (Mrs.) Suhasini Y. Shah	Mr. Sarvesh N. Joshi	Mr. Karan Y. Shah
DIN	02168705	03264981	07985441
Age	52 years	59 years	28
Date of first appointment	19th May 2012	31st August 2013	2nd February, 2017
Qualifications	MBBS, LLB	Bachelors of Commerce, Chartered Accountant	Bachelors in Mechanical Engineering and Masters of Business Administration
Relationship with Directors	Relative (spouse of Mr. Yatin S. Shah) and mother of Mr. Karan Y. Shah	None	Son of Mr. Yatin Shah and Dr. (Mrs.) Suhasini Yatin Shah
Experience (including Expertise in Specific area/ Brief Resume)	Healthcare, Legal and Secretarial	He is a Senior Partner of SNJ& Co., Chartered Accountants and specialized in the areas of tax planning, tax litigations, tax advisory services with over 30 years of practice.	Managerial and Engineering Experience
Number of Board Meetings attended during the year	6	3	Not applicable
Board membership of Companies as of 31st March 2018	-CAMS Technology Limited, -Chitale Clinic Private Limited - MEMCO Engineering Private Limited, -PCL Shanghai Company Limited -Solapur Janata Sahakari Bank Ltd.	-	M/s Mayura Davda Shah Ventures Private Limited
Terms and Conditions of appointment/ re-appointment	Re-appointed as Non-Executive Director	As per the resolution at item no.4 of the Notice convening this Meeting read with explanatory statement thereto Mr. Sarvesh Joshi is proposed to be Re-appointed as Independent Director for a further period of 5 consecutive years upto 31st Annual General Meeting of the Company to be held in FY 2023-24 not liable to retire by rotation.	As per the resolution at item no.6 of the Notice convening this Meeting read with explanatory statement thereto, Mr. Karan Y. Shah is proposed to be appointed as Whole-time Director-Business Development for a period of 5 years with effect from 13th August, 2018, liable to retire by rotation.
Remuneration last drawn (including sitting fees if any)	Rs. 31.85 Lakhs as Whole-time Director	Rs. 5 lacs	Rs.30.29 lacs

Notice

Name of the Director	Dr. (Mrs.) Suhasini Y. Shah	Mr. Sarvesh N. Joshi	Mr. Karan Y. Shah
Remuneration proposed to be paid	Entitled for commission as may be approved by the Board of Directors	As per existing approved terms and conditions	As per the resolution at item no.6 of the Notice convening this Meeting read with explanatory statement thereto
Membership/ Chairmanship of Committee of other Boards as on 31st March, 2018	None	None	None
Number of Shares held in the Company as on 31st March, 2018	1,04,05,540	None	2000

By order of the Board of Directors
For **Precision Camshafts Limited**

Mahesh Kulkarni
Company Secretary & Compliance Officer
13th August, 2018
Pune

CIN: L24231PN1992PLC067126
Website: www.pclindia.in
E-mail ID: cs@pclindia.in

Registered Office
E 102/103 MIDC
Akkalkot road, Solapur-413006,
Maharashtra, India
Phone: +91 9168646536/37

Corporate Office:
Precision Camshafts Limited
D-5 Chincholi, MIDC, Solapur-413255,
Maharashtra, India
Phone: +91 9168646531/32/33

Precision Camshafts Limited
Office No. 501/502,
Kanchanban "B", Sunit Capital,
CTS No. 967, FP No. 397,
Senapati Bapat Road, Pune 411016
Phone:-020-25673050

Notes

Notes

Route Map

MAP SHOWING LOCATION OF THE VENUE OF THE TWENTY SIXTH ANNUAL GENERAL MEETING OF PRECISION CAMSHAFTS LIMITED

VENUE:
PRECISION CAMSHAFTS LIMITED,
(CIN : L24231PN1992PLC067126)
D-5, Chincholi MIDC, Solapur-413255
Maharashtra, India

Corporate Office:,
D-5, Chincholi MIDC, Solapur-413255
Maharashtra, India

Precision Camshafts Limited
Office No. 501/502,
Kanchanban "B", Sunit Capital,
CTS No. 967, FP No. 397,
Senapati Bapat Road, Pune, 411016

Landmark : Solapur Pune Highway

Registered Office : E 102/103 MIDC
Akkalkot road, Solapur-413006,
Maharashtra, India

TWENTY SIXTH ANNUAL GENERAL MEETING
Wednesday, 26th September, 2018 at 03.00 p.m.

ATTENDANCE SLIP

PRECISION CAMSHAFTS LIMITED
CIN: L24231PN1992PLC067126
Regd. Office: E 102/103, MIDC, Akkalkot Road, Solapur 413006 (Maharashtra)
Tel: +91 9168646536/37, Fax: (0217) 2653398 (www.pclinda.in) email - info@pclindia.in

Registered Folio No./ DP ID and Client ID	
Name and Address of the Member(s)	
Joint Holder 1 Joint Holder 2	
No. of Share	

I/We hereby record my/our presence at the Twenty-Sixth Annual General Meeting held on Wednesday, 26th September, 2018 at 3.00 p.m. at Precision Camshafts Limited, D-5 Chincholi MIDC, Solapur-413 255, Maharashtra, India.

....
Member's/Proxy's name in Block Letters

....
Member's/Proxy's Signature

PROXY FORM

PRECISION CAMSHAFTS LIMITED
CIN: L24231PN1992PLC067126
Regd. Office: E 102/103, MIDC, Akkalkot Road, Solapur 413006 (Maharashtra)
Tel: +91 9168646536/37, Fax: (0217) 2653398 (www.pclinda.in) email - info@pclindia.in

For 26th AGM to be held on Wednesday, 26th September, 2018, at 03.00 p.m.

Name of the Member(s):
Registered Address:
Email id:
Foli No. / DP ID-Client ID:

I/We being the Member(s), holding ....shares of the above named Company, hereby appoint:

1. Name ....
   Address..
   Email ID..Signature..
2. Name ....
   Address..
   Email ID..Signature..
3. Name ....
   Address..
   Email ID..Signature..

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company, to be held on Wednesday, 26th September, 2018 at 03.00 p.m. at Precision Camshafts Limited, D-5 Chincholi MIDC, Solapur-413 255, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description of Resolution	Optional*	
Ordinary Business		**For**	**Against**
1	To receive, consider and adopt Standalone and Consolidated financial statements for the financial year ended 31st March, 2018 together with the Reports of the Directors' and the Auditors thereon.		
2	To declare a final dividend of Rs. 1.00/-per equity share for the year ended 31st March 2018.		
3	To appoint a Director in place of Dr. (Mrs.) Suhasini Y. Shah (DIN: 02168705), who retires by rotation and being eligible, offers herself for re-appointment.		
Special Business			
4	Re-appointment of Mr. Sarvesh N. Joshi (DIN 03264981) as an Independent Director.		
5	Approval of remuneration of the Cost Auditors.		
6	Appointment of Mr. Karan Y. Shah (DIN 07985441) as Whole-time Director Business Development and to fix his remuneration.		

Signed this ....day of ...., 2018 Member's Folio/DP ID-Client ID No...

Signature of Member(s)..   Signature of Proxy Holder(s)..

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. Proxy need not be member of the Company.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Twenty-Sixth Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member(s) in above box before submission.

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