



PRECISION CAMSHAFTS LIMITED

21st Annual Report 2012 -2013





PRECISION CAMSHAFTS LIMITED

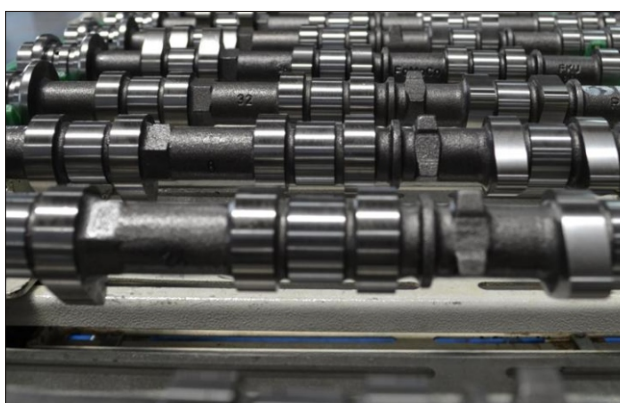
E - 102 / 103, M I D C Akkalkot Road Solapur - 413 006 Ph. 0217 - 3295433 / 34 / 35		(100% EOU) D - 5, M I D C, Chincholi Solapur - 413 255 Ph. 0217 - 3295430 / 31 / 32
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Precision Camshafts Limited

**Financial Statement
for the Year Ended
March 31, 2013**





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BOARD OF DIRECTORS

Mr. Yatin S. Shah, Chairman & Managing Director

Mr. Jayant V. Aradhye, Director

Mr. Ravindra R Joshi, Director

Dr. Suhasini Y Shah, Director

Mr. Sarvesh N Joshi, Additional Director

AUDITORS

M/s. S R B C & Co. LLP

Chartered Accountants, Pune

COMPANY SECRETARIAL CONSULTANT

Mr. Atul Kulkarni, Solapur

BANKERS

Bank of India,

Mid Corporate Finance Branch, Pune

Bank of Baroda

Solapur Main Branch, Chati Galli, Branch, Solapur

REGISTERED OFFICE

E - 102/103, M. I. D. C.,

Akkalkot Road, Solapur 413006.

Tel: 3295433, 34, 35, Fax: (0217) 2653398

E-mail: info@pclindia.in

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)



DIRECTOR'S REPORT

To,
The Members,
PRECISION CAMSHAFTS LIMITED

Your Directors are pleased to present their **TWENTY FIRST ANNUAL REPORT** and the audited Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS:

(Rs. In Lacs)

Particulars	2012-2013	2011-2012
Turnover	36559.46	31146.16
Net Profit before Tax	3754.12	2859.03
Provision for Tax	780.29	877.53
Minimum Alternative Tax Credit	0.0	0.0
Deferred Tax (charge) / reversal	487.37	60.54
Fringe Benefit Tax	0.0	0.0
Wealth Tax	0.0	0.0
Net Profit after Tax and before prior period items	2486.46	1920.96
Prior Period Items	0.0	0.0
Net Profit	2486.46	1920.96
Balance in Profit & Loss Account (Opening)	5019.25	3134.23
Available for Appropriation	7505.71	5055.19
Appropriations		
Less: Proposed Dividend on Equity shares	30.92	30.92
Less: Dividend Tax	5.25	5.02
Balance to be Carried Forward	7469.54	5019.25

The turnover of the company grew by **17.38%** over the last financial year and the profitability before tax as percentage of turnover increased from **9.18%** for the last financial year to **10.27%** for the current year.

This increased profitability can be attributed mainly to the depreciating Rupee and also due to improved operational controls, strict control on raw material cost, development of alternate sources for raw materials etc.

However the better realization of foreign exchange on account of exports was compensated to a large extent by increase in the cost of metals and increased cost of electricity per unit during the year.

DIVIDEND:

Your Board recommends a dividend of 10% on equity shares (Rs. 10 per equity share) as final dividend.

OPERATIONS:

PCL EOU Division

With a strict control on operational efficiencies, the productivity was increased from about 26 camshafts/ man/ day to 30 camshafts/ man/ day.

With the commissioning of Foundry 4, there was an increase in the total sales from the EOU division by 22 % as compared to last financial year. The Export sales increased by 30% while the Domestic sale increased by 10%.

The total number of camshafts exported during the year increased by about 10% despite the slow down in the European market. This was because of adding new customers in different geographies like Spain and China.

Number of Camshafts sold in the Domestic market decreased marginally.

Machine shop at the EOU

The production capacity at the machine shop was further increased by 75% over the capacity for the last financial year with installation of 4 new machining lines for General Motors, Uzbekistan and Ford India. The total number of camshafts sold during the year from EOU machine shop increased by 28% while the sales in value increased by about 40%.

Four new camshafts were developed during the financial year for Tata Motors Ltd, Ford India and GM India.

Expansion of Manufacturing Capacity at EOU

The expansion of manufacturing facility on plot D 7 by adding a new foundry (Foundry 4) with a manufacturing capacity of 300,000 camshafts per month and a machine shop for machining 100,000 camshafts per month was commissioned during the year.

Out of the total capital outlay of Rs. 13500 Lacs, a sum of Rs. 3852.29 Lacs were invested during the previous financial year. A capital investment of Rs. 9670.47 Lacs was made during the financial year in Foundry 4 and Machine Shop 2 and was supplemented with additional 350 workers and other staff including Plant heads.

PCL Unit I and Unit II at MIDC Akkalkot Road, Solapur

There was a marginal decrease in the sales 2 % in the foundry division (PCL Unit II) as



compared to the last financial year. Sales to Machine shop decreased by about 12 % due to shifting of production of certain parts to the EOU division.

There was 15 % decrease in the number of machined camshafts sold from PCL Unit 1, however the realization was more by about 10% New Camshafts were developed for Escorts, Tata Motors and New Holland.

Quality Certifications

All units of PCL are certified with ISO / TS 16949:2002, ISO:14001:2004 and BS OHSAS 18001:2007.

ISO/ TS 16949:2002 is a quality system, which certifies consistent manufacturing practices and defect free products.

ISO:14001 is related to EMS (Environmental Management System) and shows the steps taken towards protecting the Environment.

BS OHSAS: 18001 is related to Occupational Health & Safety Management System. (Based on British Standard, OHSAS - Occupational Health, Safety Assessment Series) and clearly shows the intent of your company in this area.

6 | The new Machine Shop at the EOU division received the QSB Compliant status from General Motors.

HRD UPDATE:

A) Orbit 2015

- PCL launched "Orbit 2013" People's Operations Strategy, aligned to its Business Strategy. It is the endeavor of the Company to be known equally for its people practices and not just for quality camshafts. We are working towards aligning personal vision and aspirations of our employees to the organization's vision. We are committed to invest in the skill development and eventually the growth of our employees.
- We will bring to our company the best global practices for our employees and aim at being a "Great Place to Work for". Through this initiative our employees will get an opportunity to learn the best technology, to work on the best of projects and gain personally through self-development.
- The period of the initiative was extended to 2015 considering the large number of employees covered under this program.
- Various initiatives like Nalanda, Utkarsha etc continued during this year.

B) i-manage

In an endeavor to make its people's operations more process driven, PCL invested in "i-Manage" a people operations tool that covers the entire life cycle of an employee from joining to exit on a system.

The process of appraisal for the staff was carried out successfully on iManage .

Other processes such as requisitions, policies and leave management were also driven by this system.

C) Manpower: The total workforce at PCL is as follows:

EOU		Domestic		Total
Foundry	Machine Shop	PCL - I	PCL - II	Group
1134	367	224	336	2061

Out of this about 50% are employed by PCL while 50% are contract workers.

SPECIAL ACHIEVEMENTS:

Another step in CHINA: (Huzhou) PCL Shenglong Specialized Castings Co. Ltd.

Your Company entered into another joint venture agreement again with 'Ningbo Shenglong Automotive Powertrain Co. Ltd.' on March 26, 2013 and the JV Company '**Huzhou PCL Shenglong Specialized Castings Co. Ltd.**' will be incorporated soon.

With this joint venture, PCL will set up a Foundry in China to manufacture 4 Million camshafts per annum for 'Ford' in China. These will be machined at Ningbo Shenglong PCL Camshafts Co Ltd.

A 16 acre land has been acquired in Huzhou for this project and the foundry will be commissioned in third quarter of 2014.

Technology Transfer to (Ningbo) Shenglong PCL Camshafts Co. Limited (SL PCL).

The 'Lean/Mean/Agile' manufacturing technology developed by PCL in house was transferred to SLPCL – the first joint venture project in China - for machining of Ford Camshafts in China - under a Technology Transfer Agreement. This facility became operational in January 2013.

CORPORATE SOCIAL RESPONSIBILITY:

Various social, educational and environmental activities were conducted through "Precision Foundation". During the year 2012-2013, monetary incentive to the tune of Rs. 2,22,000/- was extended to 73 employees towards family planning and help for funeral of immediate family member.

Educational scholarships were given to 419 wards of employees securing more than 75% marks in their school / college final examinations, amounting to Rs. 1,70,900/-

Health – monetary help in cases of critical illnesses was extended to 9 employees amounting to Rs. 66,480/-



Employee welfare – Medical claims in 309 cases of employees and their families amounting to Rs. 27,77,863 were sanctioned.

"Precision Guppa" the yearly social event was organized on 26th, 27th and 28th October, 2012 which helped in bringing together on one forum the achievers from different walks of life.

Famous Marathi Music composer Mr. Kaushal Inamdar presented his journey through 'Kaushal Katta',

Noted theatre and film personalities Dr Jabbar Patel, Dr Mohan Agashe and Mr. Satish Alekar shared the nostalgia of 40 years of the famous play "Ghashiram Kotwal".

An interview with Dr. Ramesh Panse, noted educationist was organized especially for parents and teachers and received a great response.

'Precision Social Recognition Award' was presented to Mrs. Mangal tai Shah of 'Palavi' Pandharpur, a home for HIV affected children. She was honored at the hands of Ms. Nileema Mishra, Ramen Magsaysay awardee from Bahadurpur known for her NGO Bhagini Nivedita Gramin Vigyan Niketan, which helps poor women through micro financing apart from many other social initiatives. A special award 'Late Subhash Raoji Shah Memorial Award' was presented to Ms. Nileema Mishra at the hands of Mr. Yatin Shah & Dr. Suhasini Shah.

8 | The foundation donated a battery operated 'Golf Cart' to the Solapur Railway station on October 26, 2012. This cart is made available for the use of old and invalid people.

PCL organized a one-day training program 'Mul Shikate Kase?' for parents and teachers on 28th April 2013. Eminent trainers from Grammangal, Dr Ramesh Panse, Mrs. Aditi Natu and Ms. Varsha Kulkarni imparted training to parents and teachers on constructive education and how a child develops his learning ability and how to and how not to teach.

Precision Foundation has adopted a school in the settlement areas of Solapur where most residents are from the lowest strata of the society. The foundation has donated Rs. 20,00,000/- to this school for acquiring land for approach road and for infrastructure development.

The primary teachers were sent for a training program by Grammangal at Aina and we have started implementing the constructive / brain based education system at the 'Sona Mata' school with the help of Grammangal for KG and 1st std for the academic year 2013-14.

Precision Foundation, in association with Maharashtra State Lawn Tennis Association built a 'Lounge' for players at the District Sports Complex, Solapur, where a 'Pavilion' was built during the last year. Solapur could host its first International Lawn Tennis tournaments for Women (ITF Women's \$10k) in December 2012 because of availability of this facility.