



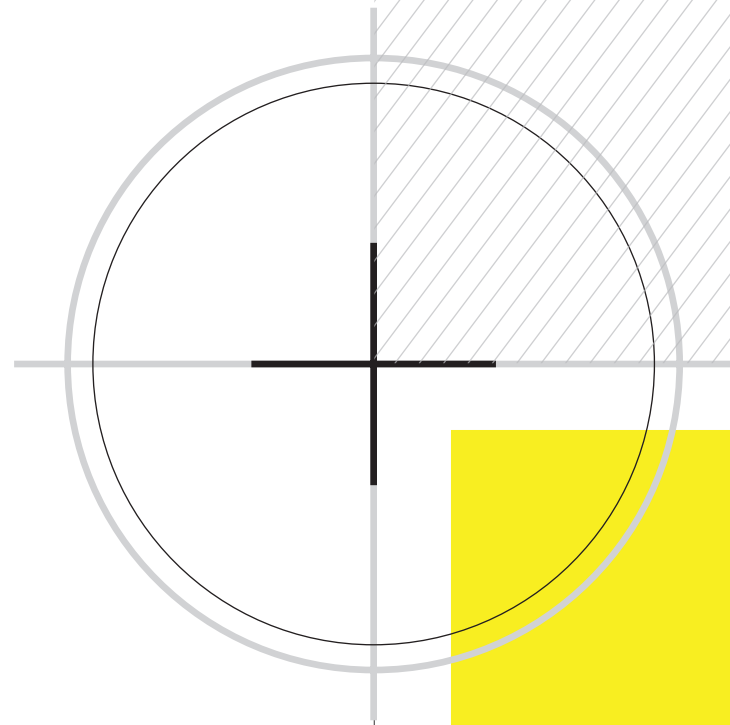
PRECISION CAMSHAFTS LIMITED

ANNUAL REPORT 2019-2020



A MOVEMENT CALLED PRECISION!





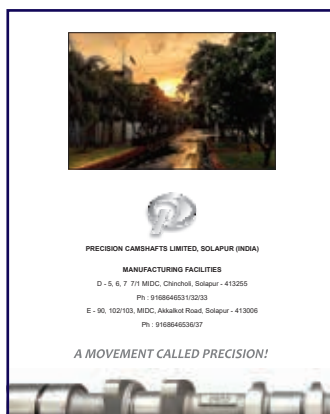
Front cover

The subtle camshaft right at the bottom signifies the vision with which the Company began its journey while persistently growing business, and constantly moving towards new goals with like-minded customers. The symbol of target stands for accuracy and achievements of the Company's futuristic goals. The four companies are in a focused alliance with only one target in sight and mind – that of a futuristic vehicular movement with newer source of energy – a common global aim.

Back cover

A Company rooted in the soil of Solapur is rising higher with all its partners and associates – aiming for the sky as its limit.

A MOVEMENT CALLED PRECISION!



Welcome

to the 28th Annual report of Precision Camshafts Limited

Corporate Overview

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Investor information

CIN	L24231PN1992PLC067126
BSE Code	539636
NSE Symbol	PRECAM
Dividend Declared	₹ 0.95 per share
AGM Date	30 th July, 2020
AGM Mode	Video conferencing

Disclaimer

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

PCL at a Glance

OUR EDGE

6 major performance indicators

1
Leadership position in the camshaft industry

2
Strong global presence

3
Strategic acquisitions

4
Well-seasoned in the space

5
Solid manufacturing capacity

6
Delivering excellence

KNOW US

Incorporated in 1992

India's leading camshaft manufacturer using all manufacturing technologies for camshafts under one roof – Chilled Cast Iron, Ductile Iron, Hybrid and Assembled Camshafts

Eight facilities in all comprising four foundries and four machine shops, located at two different locations of Solapur, Maharashtra

Produces 150 variants of camshafts, majorly catering passenger vehicles

Decades-rich experience and long-term relationship with some of the major OEMs



1 Leadership position in the camshaft industry

~70%

Indian market share

~9%

Global market share

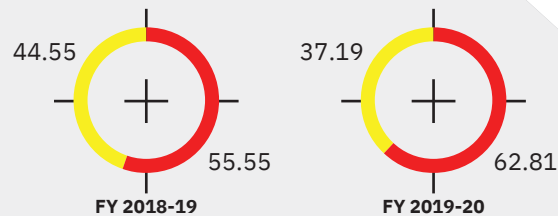
2 Strong global presence

62.81%

Export presence

Region-wise revenue breakdown (%)

● Export ● Domestic



3 Strategic acquisitions

Three strategic acquisitions in the last three years

 MEMCO ENGINEERING PVT. LTD Nashik, India (2017)	100% Stakes acquired	 MFT performance erfahrung Germany (2018)	76% Stakes acquired	 FUTURE INSIDE Netherlands (2018)	51% Stakes acquired
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4 Well-seasoned in the space

25+

Years' experience in automotive industry

10+

Years relationship with most of the clients

5 Solid manufacturing capacity

FY 2019-20	Units	Capacity	Actual production	Utilisation (%)
Camshaft castings	Four foundries	9 million	7.9 million	88.17
Machined camshafts	Four machine shops	3.29 million	2.68 million	81.69

6 Delivering excellence (Y-o-Y growth on standalone basis)

₹ **464.06** Crores
Total income

5.33% Y-o-Y growth

₹ **72.05** Crores
PAT

67.91% Y-o-Y growth

115.13
EBITDA

24.8%
EBITDA margin

15.5%
PAT margin

0.04
Debt to equity

Value Creation through Integration of the Group Companies

(Consolidated basis)

Inputs

Value enablers

MANUFACTURING CAPITAL

Total no of plants: 5

Plant locations:

Germany
Netherlands



India
Solapur
Nashik

FINANCIAL CAPITAL

Sources of fund

- ⊕ Total equity capital: ₹ 94.98 Crores
- ⊕ Cash flow from operating activities: ₹ 85.65 Crores

HUMAN CAPITAL

2,078

Total employees



Training & development

INTELLECTUAL CAPITAL

- ⊕ Experienced and strong management team across the Group
- ⊕ Strategic alliance with different technical partners

NATURAL CAPITAL

- ⊕ Zero emission solutions at EMOSS
- ⊕ Installation of LED lightning, solar panel, and natural air ventilation system

SOCIAL & RELATIONSHIP CAPITAL

- ⊕ Total CSR spent: ₹ 1.47 Crores on wide range of activities
- ⊕ Contribution to exchequer: ₹ 9.84 Crores
- ⊕ Investor calls and quarterly release of investor presentation
- ⊕ Adherence to regulatory norms



Our Values

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



Our Vision

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

Value created



Our DNA

The Precision DNA is a work culture rooted in sharp customer focus, transparency in operations, a sense of ownership, keen attention to details, conservative financial approach and high level of discipline and upkeep.



Our Mission

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

Strong products offering:

- ✦ Wide camshaft variants
- ✦ Precision automotive components
- ✦ Non-automotive components
- ✦ Electric mobility solutions

- ✦ Total income: ₹ 767.68 Crores, 7.7% Y-o-Y increase
- ✦ EBITDA: ₹ 129.50 Crores
- ✦ PAT: ₹ 25.63 Crores, 217% Y-o-Y increase
- ✦ ROCE: 5.6%

- ✦ Motivated and enthused employees
- ✦ Productive working environment

- ✦ Strong order book

- ✦ Cost optimisation
- ✦ Savings in electricity
- ✦ Carbon emission reduction

- ✦ Contribution to Sustainable Development Goals (SDG)
- ✦ Strong governance and business reputation
- ✦ Strong stakeholder engagement

Marquee Clients

MEMCO
ENGINEERING PVT. LTD



MFT
performance erfahren

Automotive Customers



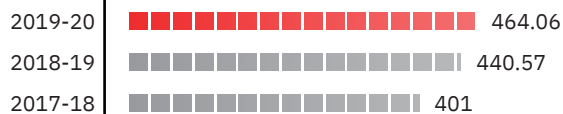
E-Mobility Customers



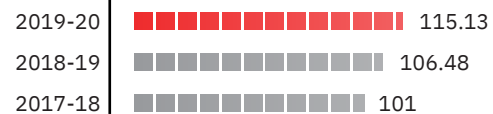
Financial Highlights

(Standalone basis)

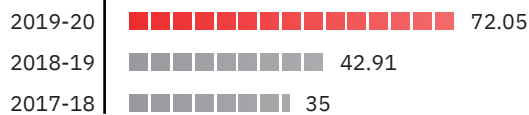
Total Income (₹ Crores)



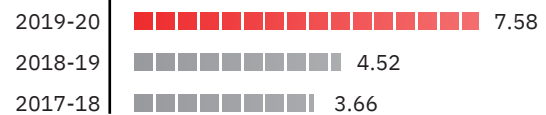
EBITDA (₹ Crores)



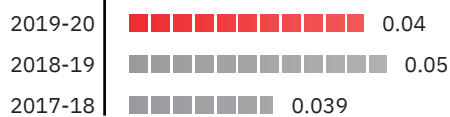
PAT (₹ Crores)



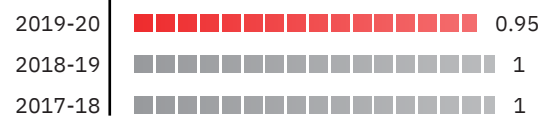
EPS (₹)



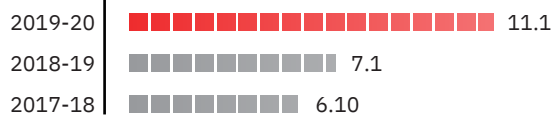
Debt/Equity



DPS (₹)



ROE (%)



EBITDA: Earnings before Interest, Taxes, Depreciation and Amortization

PAT: Profit After Tax

EPS: Earning per share

DPS: Dividend Per Share

ROE: Return on Equity

Power of Consolidation

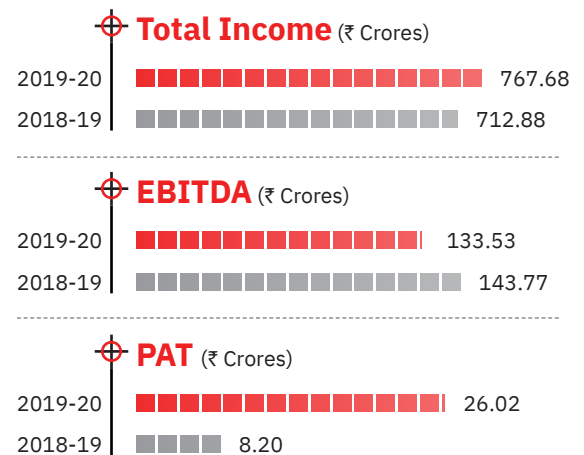
**CONSOLIDATION IS VITAL FOR EVOLUTION AND GROWTH.
IT IS THE PROCESS FOR PROGRESS.**

Overcoming the slowdown blues in domestic automobile and auto component industry

The domestic automobile production decreased to ~26.36 Lakhs in FY 2019-20 from ~30.91 Lakhs, in the previous year. As a result, the domestic auto component industry suffered a revenue decline of 10% to ₹ 1.79 Lakhs Crores in H1 FY 2019-20 from the previous year. Even the H2 FY 2019-20, which was expected to be smooth, continued with the downside trend. Reason being, subdued vehicle demand, liquidity crunch, lack of clarity on regulation and lastly COVID-19 outbreak in the 2nd half of March FY 2019-20.

But we...

Remained insulated which is reflected in our stellar consolidated performance



Through our...

Acquisitions in the last three years

MEMCO
ENGINEERING PVT. LTD



MFT
performance erfahren



EMOSS FUTURE INSIDE

