



PRICOL LIMITED

Passion to Excel

109, Race Course,
Coimbatore 641018, India

+91 422 4336000

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city@pricol.co.in

pricol.com

CIN: L34200TZ2011PLC022194

CUSTOMERS EMPLOYEES SHAREHOLDERS SUPPLIERS

PL/SEC/TGT/2019-2020/121
Friday, 2nd August, 2019

The Manager, Listing Department National Stock Exchange of India Limited “Exchange Plaza’, C-1, Block G Bandra-Kurla Complex, Bandra (E), Mumbai - 400051	Corporate Relationship Department BSE Limited 1 st Floor, New Trading Ring Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai 400 001
Script Code: PRICOLLTD	Script Code: 540293

Dear Sir,

Sub: 8th Annual General Meeting – Annual Report 2018-19

Pursuant to **Regulation 34** of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the **Annual Report for the financial year 2018-19** along with the notice, attendance slip & proxy form.

The Annual Report is being despatched / sent to the shareholders by the permitted mode(s) and is also available on the Company’s website.

We request you to kindly take the same on record and acknowledge receipt.

Thanking you,

Yours faithfully,
For Pricol Limited

T.G.Thamizhanban
Company Secretary
ICSI M.No: F7897

Encl: as above





PRICOL LIMITED

Passion to Excel

Annual Report 2019

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BOARD OF DIRECTORS

Mrs. Vanitha Mohan, Chairman	(DIN: 00002168)
Mr. Vikram Mohan, Managing Director	(DIN: 00089968)
Mr. V. Balaji Chinnappan, Chief Operating Officer - From 15th June 2019	(DIN: 08014402)
Mr. Suresh Jagannathan	(DIN: 00011326)
Mr. R. Vidhya Shankar	(DIN: 00002498)
Mrs. Sriya Chari	(DIN: 07383240)
Mr. S.K. Sundararaman	(DIN: 00002691)
Mr. P. Shanmugasundaram - From 15th June 2019	(DIN: 00119411)
Mr. K. Ilango - From 15th June 2019	(DIN: 00124115)
Mr. G. Soundararajan - upto 31st July 2019	(DIN: 00037995)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. R. Vidhya Shankar
 Mrs. Sriya Chari
 Mr. S.K. Sundararaman
 Mr. P. Shanmugasundaram - From 15th June 2019
 Mrs. Vanitha Mohan

NOMINATION & REMUNERATION COMMITTEE

Mr. R. Vidhya Shankar
 Mrs. Sriya Chari
 Mr. P. Shanmugasundaram - From 15th June 2019
 Mr. G. Soundararajan - Upto 15th June 2019

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. R. Vidhya Shankar
 Mrs. Vanitha Mohan
 Mr. Vikram Mohan
 Mr. S.K. Sundararaman - From 15th June 2019

INVESTMENT AND BORROWING COMMITTEE

Mrs. Vanitha Mohan
 Mr. Vikram Mohan
 Mr. R. Vidhya Shankar
 Mr. P. Shanmugasundaram - From 15th June 2019

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Vanitha Mohan
 Mr. Vikram Mohan
 Mr. K. Ilango - From 15th June 2019
 Mr. G. Soundararajan - Upto 15th June 2019

CHIEF FINANCIAL OFFICER

Mr. K. Ramesh

STATUTORY AUDITOR

M/s. VKS Aiyer & Co.,
Chartered Accountants,
No. 380, VGR Puram, Off Alagesan Road,
Saibaba Colony, Coimbatore - 641 011

COST AUDITOR

Mr. G. Sivagurunathan
Cost Accountant
812/E, First Floor, K.S. Towers
VKK Menon Road, New Sidhapudur
Coimbatore - 641 044

REGISTERED OFFICE

109, Race Course,
Coimbatore - 641 018, India.
Ph: +91 422 4336000 Fax: +91 422 4336299
E-mail: cs@pricol.co.in Website: www.pricol.com
CIN: L34200TZ2011PLC022194

FACTORIES

Plant I

132, Mettupalayam Road,
Perianaickenpalayam,
Coimbatore - 641 020,
Tamilnadu, India.

Plant II

Plot No.34 & 35, Sector 4,
IMT Manesar, Gurugram - 122 050,
Haryana, India.

Plant III

4/558, Mettupalayam Road,
Chinnamathampalayam,
Billichi Village, Press Colony Post,
Coimbatore - 641 019, Tamilnadu, India.

COMPANY SECRETARY

Mr. T.G. Thamizhanban

SECRETARIAL AUDITOR

M/s. P. Eswaramoorthy and Company,
Company Secretaries,
44, 5th Street, Ramalinga Jothi Nagar,
Ramanathapuram, Coimbatore - 641 045

BANKERS

State Bank of India
ICICI Bank Limited
HDFC Bank Limited
Bank of Bahrain and Kuwait B.S.C.
The South Indian Bank Limited
IndusInd Bank Limited

Plant V

Global - Raisoni, Industrial Park,
Gat No.180-187, Alandi - Markal Road,
Phulgaon, Haveli Taluka,
Pune - 412 216, Maharashtra, India.

Plant VII

Plot No.45, Sector 11,
Integrated Industrial Estate,
Pantnagar, SIDCUL, Rudrapur - 263 153, Uttarakhand, India.

Plant IX

Plot No. 120, Sector -8,
IMT Manesar, Gurugram - 122 050, Haryana, India.

Plant X

650, Benjamin Road,
Sri City - 517 646, Andhra Pradesh, India.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Your Directors have pleasure in presenting the Eighth Annual Report and audited accounts for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

The summarised financial results are:		₹ Lakhs	
	2018-19	2017-18	
Net Sales & Services			
- Domestic	1,22,195.63	1,09,564.18	
- Export	7,593.97	8,107.26	
Other Operating Revenue	6,825.62	5,793.55	
Other Income	592.53	667.46	
Total Revenue excluding Excise Duty & Sale of Land held as Stock-in-Trade	1,37,207.75	1,24,132.45	
Profit from Operations before Finance Cost, Depreciation and Amortisation Expense & Exceptional Items	9,074.62	10,499.90	
Less : Finance Costs	1,808.74	1,139.39	
: Depreciation	5,757.67	4,894.46	
Profit from Operations before Amortisation Expense, Exceptional Items & Tax	1,508.21	4,466.05	
Less : Amortisation Expense	2,262.07	2,262.07	
Add : Sale of Land held as stock-in-trade	1,010.36	7,129.77	
Less : Impairment of Land and Building - Provision for / (Reversal)	(133.99)	1,911.93	
Profit from Operations before Exceptional Items & Tax	390.49	7,421.82	
Less : Exceptional Items #	23,197.75	—	
Profit / (Loss) Before Tax	(22,807.26)	7,421.82	
Less : Tax Expense			
Current Tax	95.80	2,015.62	
Deferred Tax	(14.31)	1,669.54	
MAT Credit	(95.80)	(1,610.70)	
Profit / (Loss) for the year (A)	(22,792.95)	5,347.36	
Other Comprehensive Income	47.79	245.65	
Income tax relating to these items	(16.70)	(85.01)	
Other Comprehensive Income for the year after tax (B)	31.09	160.64	
Total Comprehensive Income for the year (A) + (B)	(22,761.86)	5,508.00	

Exceptional Items

The Board has, subject to shareholders, lenders and regulatory approvals, taken a considered decision to hive off its investment in its wholly owned subsidiary, Pricol Espana S.L., Spain, primarily to hive off the step down subsidiary unit at Brazil which requires continuous investments for its day to day operations. The Board is necessitated to hive off its other step down subsidiaries, Pricol Wiping Systems Czech s.r.o and Pricol Wiping Systems Mexico S.A. de C.V. along with the Investment in Pricol Wiping Systems India Limited as a strategic / bundled offer, reckoning commonality of customer base and in order to minimise the financial impact of the disposal. The decision was taken to arrest further flow of funds into markets which are not conducive for sustaining the business at the current levels and also which does not seem to revive in the near future. Consequently, these investments have been classified as Non-current Investments held for sale in accordance with Ind AS 105 - "Non Current Assets held for sale and Discontinued Operations". A provision of ₹ 23,197.75 Lakhs, including an estimated devolvement on account of guarantee, has been made in Standalone Financial Statements based on a preliminary assessment of estimated realisable value of the Investments less cost to sell and an Impairment of Goodwill on Consolidation of ₹ 5,170.67 Lakhs has been provided in the Consolidated Financial Statements. Any additional provision to be made or excess provision to be reversed will be appropriately dealt with in the year in which the transaction reaches finality.

DIVIDEND & RESERVES

In view of loss in this financial year, your Directors do not recommend any dividend and not transferred any amount to reserves for the year 2018-19.

AUTO INDUSTRY

During the year, the Auto Industry's domestic market grew by 5% and exports by 14%. The overall Auto Industry growth was 6% as against 14% in the previous financial year.

Segment	Vehicle Production *			Pricol Sale to OEM	
	2018-19	2017-18	Growth %	Growth %	
2 Wheeler / 3 Wheeler	2,57,71,809	2,41,77,019	7 %	12 %	
Commercial Vehicle	11,12,176	8,95,448	24 %	30 %	
Tractors	7,82,350	7,11,400	10 %	2 %	
4 Wheeler	40,26,047	40,20,267	-	- 18 %	
Total	316,92,382	2,98,04,134	6 %	11 %	

* As per Society of Indian Automobile Manufacturers (SIAM)

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

OPERATIONS

In domestic market, Company primarily caters to Two wheelers, Commercial Vehicles, Tractors and Off-road vehicles.

The Company's sales to OEM grew by 11% and overall Company's sales by 10.3% compared to the previous year.

The profit from operations before Amortisation expense, Exceptional items & Tax decreased from ₹ 4,466.05 Lakhs to ₹ 1,508.21 Lakhs. The profit before Exceptional item & tax decreased from ₹ 7,421.82 Lakhs to ₹ 390.49 Lakhs. Decrease in sale of land held as stock-in-trade, Increase in borrowings and corresponding increase in Finance cost are the key factors for decrease in profit, when compared to previous year.

The new plant at Hosur, Tamilnadu will not commence operations due to change in business strategy of the Company in line with customer expectations. The Company is in the process of sale of land & building located at Hosur.

SUBSIDIARY COMPANIES

PT Pricol Surya Indonesia

The Company is supplying Instrument Clusters to the 2-Wheeler manufacturers in Indonesia & Thailand.

In the financial year 2018-19, the company has achieved a sales of Indonesian Rupiah 5,94,134 Lakhs (₹ 2,860.75 Lakhs) as against the previous year sales of Indonesian Rupiah 8,41,700 Lakhs (₹ 4,044.37 Lakhs) a decrease of 29.41% in Indonesian Rupiah & 29.27% in INR terms.

The decrease in sales is mainly on account of phasing out of vehicle models for which the company is supplying. The Company had a profit before tax of Indonesian Rupiah 55,603 Lakhs (₹ 267.73 Lakhs) as against the profit before tax of Indonesian Rupiah 56,023 Lakhs (₹ 269.19 Lakhs) of previous year.

Pricol Asia Pte Limited, Singapore

This purchasing arm of our Company mainly assists in global procurement of raw materials and components to supply our Company and associate companies.

In the financial year 2018-19, the Company achieved sales of USD 313.27 Lakhs (₹ 21,086.83 Lakhs) as against the previous year sales of USD 294.05 Lakhs (₹ 19,106.67 Lakhs). The company made a profit of USD 5,15,948 (₹ 347.30 Lakhs) during the year 2018-19 as against USD 8,42,338 (₹ 547.33 Lakhs) in 2017-18.

Pricol Espana Sociedad Limitada, Spain

It is an investment arm of Pricol to acquire companies in Europe and the Americas. During the financial year, the company has incurred a loss of EURO 14.92 Lakhs (INR 1,179.86 Lakhs) as against loss of EURO 11.28 Lakhs (INR 845.13 Lakhs) in 2017-18, which is mainly due to exchange fluctuations, especially on the borrowings amounting to USD 200 Lakhs.

The company's wholly owned subsidiary companies are 1) Pricol do Brasil Componentes Automotivos Ltda, 2) Pricol Wiping Systems Czech s.r.o. and 3) Pricol Wiping Systems Mexico S.A. de C.V.

Pricol do Brasil Componentes Automotivos Ltda

Pricol do Brasil Componentes Automotivos Ltda (PdB) manufactures and sells Pumps & Mechanical products to wide range of Domestic and International customers such as Volkswagen, Fiat, Fiat Power train, General Motors, Mack Trucks etc.

During the financial year 2018-19, PdB has achieved a sales of BRL 533.56 Lakhs (INR 9,990.00 Lakhs) as against the previous year sales of BRL 631.50 Lakhs (INR 12,781.46 Lakhs). PdB incurred a loss of BRL 391.10 Lakhs (INR 7,322.74 Lakhs) during the year 2018-19 as against BRL 451.63 Lakhs (INR 9,140.92 Lakhs) in 2017-18.

Pricol Wiping Systems Czech s.r.o.

During the financial year 2018-19, PWS Czech has achieved a sales of CZK 12,480.54 Lakhs (INR 38,625.67 Lakhs) as against sales of CZK 6,739.75 Lakhs (INR 19,657.09 Lakhs) in 2017-18 (From Sep 2017 onwards) and registered losses before taxes of CZK 948.68 Lakhs (INR 2,936.04 Lakhs) in 2018-19 as against loss of CZK 166.12 Lakhs (INR 484.51 Lakhs) in 2017-18 (From Sep 2017 onwards).

Pricol Wiping Systems Mexico S.A. de C.V.

During the financial year 2018-19, PWS Mexico had revenue of MXN 344.64 Lakhs (INR 1,234.75 Lakhs) as against revenue of MXN 256.10 Lakhs (INR 887.80 Lakhs) in 2017-18 (From Sep 2017 onwards) and incurred loss of MXN 87.78 Lakhs (INR 314.48 Lakhs) as against loss of MXN 171.55 Lakhs (INR 594.68 Lakhs) in 2017-18 (From Sep 2017 onwards).

Pricol Wiping Systems India Limited

During the financial year 2018-19, the company has achieved sales of INR 3,142.69 Lakhs as against sales of INR 2,238.31 Lakhs in 2017-18 (from Sep 2017 onwards). The company incurred losses to the extent of

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

INR 554.47 Lakhs in 2018-19 as against loss of INR 192.86 Lakhs in 2017-18 (From Sep 2017 onwards).

PT Sripri Wiring Systems, Indonesia

During the financial year 2018-19, the Company has achieved sales of IDR 1,07,587 Lakhs (INR 518.03 Lakhs) as against sales of IDR 36,711 Lakhs (INR 174.56 Lakhs) in 2017-18. The Company incurred loss to the extent of IDR 32,456 Lakhs (INR 156.28 Lakhs) in 2018-19 as against loss of IDR 14,699 Lakhs (INR 69.89 Lakhs) in 2017-18.

SALE OF SUBSIDIARY COMPANY (S)

Pricol Wiping Systems India Limited, India (PWS India) and Pricol Espana Sociedad Limitada, Spain (Pricol Espana) are the Wholly Owned Subsidiary Companies of Pricol Limited.

Pricol Espana's Wholly Owned Subsidiary Companies are : 1) Pricol do Brasil Componentes Automotivos Ltd A (Pricol do Brasil), 2) Pricol Wiping Systems Czech s.r.o (Pricol Czech) and 3) Pricol Wiping Systems Mexico S.A.de C.V (Pricol Mexico).

Pricol Limited, through Pricol Espana acquired Pricol do Brasil in January 2015 mainly to expand its market in the auto four-wheeler segment and Brazil was a growing economy at that time. The company had good facilities and technology in the variable flow oil pump, which was the next generation oil Pump. The company had good customer base with customers like Fiat, General Motors, Volkswagen, Harley Davidson, etc. The acquisition was envisaged to provide a solid base for Pricol to enter into the Americas. However within a span of few months of our takeover, the Brazilian economy went through a crisis mainly due to various political scams and socio-economic factors and the market suffered a steep fall. The sales nearly went down by 50%. This was totally unforeseen.

Pricol Limited had to keep the operations funded, over and above what was originally envisaged. In order to overcome this situation, it was decided to move to a place where the labour cost will be cheaper, Pricol do Brasil moved to a new location in 2017-18. Pricol do Brasil also won two new programs from General Motors (GM) and Volkswagen (VW) during this time. The new business from GM will commence at the end of FY 2019-20 and from VW in the beginning of FY 2020-21.

In the meanwhile, in August 2017 Pricol Limited acquired Wiping Business from the Piramal Group with manufacturing facilities located in Prague, Czech

Republic, Puebla, Mexico and one small plant in Satara, India. The main customer was Volkswagen which was common to pump business in Brazil. This business was envisaged to expand the footprint of Pricol both in terms of product profile and territory.

Even after shifting the business to a new location in Brazil, the business was not picking up and there were no signs of recovery in the immediate future. In the meanwhile Pricol has been pumping in funds to keep the operations running.

While so, during 2018-19 Indian business also went through tough period with rupee weakening, combined with shortage of electronic components which is critical to Pricol. Pricol Limited was also expanding to meet the customer needs in 2020-21 to meet the BS VI norms which will be implemented from April 1, 2020. This requires huge Capex and Pricol has to invest in the same.

In this situation, it was decided by the Board of Pricol that it is best to divest Pricol do Brasil to avoid further losses in the said operations. Pricol appointed Alvarez & Marsal, who are the leading M&A advisors in Brazil. There were nearly five to six probable buyers, who went through the profile and visited the plants. But none of them other than discussions with Chroma GP LLC, Delaware, USA (Chroma) progressed to transaction level. Chroma has good expertise in turning around stressed assets and has significant interest in Auto component industry in Brazil.

Chroma GP LLC, Delaware, USA (Chroma) is a US-based General Partnership in charge of managing Limited Partnerships and their respective Holding and Operational companies, mainly dedicated to Auto-parts Manufacturing. Chroma GP LLC manages several plants and hundreds of employees in the Americas, producing high-quality auto-parts. Its clients are among the main brands in the global vehicles production market. Chroma is not a related party to the company or its promoters.

Chroma is in the process of conducting a detailed due diligence and in the meanwhile expressed difficulty for them to take over Brasil asset on a standalone basis, and approached Pricol for a bundled offer for purchase along with Wiping Systems facilities in all locations. It was in this context decided by the Board of directors of Pricol, keeping in mind the interest of standalone Pricol, that Pricol will sell its subsidiary in Spain namely Pricol

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

Espana, which holds the shares of Pricol do Brasil, Pricol Czech and Pricol Mexico, along with PWS India, which is a wholly owned subsidiary of Pricol Limited.

Further to detailed discussions, it was agreed that Chroma will acquire 80.5% of Pricol Espana and 74% of PWS India, for a consideration of Euro 100,000 net of specified loans taken over. The buyer will take over around ₹ 250 crores of specified loan in Pricol Espana and its subsidiaries, subject to adjustment if any resulting from any obligation of Pricol to indemnify for any unforeseen liabilities / due diligence, and further subject to the approval of specified lenders. Pricol India will continue as a minority shareholder with an option to exit at a future date.

The proposed sale will help to reduce the cash outflow for Pricol in the coming years. Pricol's senior members team can concentrate on the operations of Pricol, which has good order books for the coming years. This will help to enhance the value of Pricol for all its stake holders. The major gain is in arresting further cash flow to subsidiaries in the next few years.

Accordingly, the Board of Directors of the Company, at its meeting held on 21st June, 2019 has resolved, subject to the approval of shareholders, lenders, Reserve Bank of India and any other requisite approval(s), if any, to sell 80.5% shareholding of Pricol Espana Sociedad Limitada, Spain and 74% shareholding of Pricol Wiping Systems India Limited, to Chroma GP LLC, Delaware, USA or its affiliates.

The transaction with Chroma is subject to due diligence, subject to finalisation of terms and conditions of transaction documents, approval of shareholders, lenders and Reserve Bank of India, which approval are conditions precedent to the closing of the transaction. If for any reason the Board is required to re-negotiate the terms with Chroma or explore any other option including for sale to any other party, who is not a related party, will be explored by the Board.

OUTLOOK, OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

India

The automotive industry ended up with a marginal growth rate in 2018-19 compared to 2017-18. The major reasons for the flat growth was due to higher bank interest rates coupled with low sentiments in the rural segments. Also there were few mandatory regulations which was implemented in the two wheeler segment

which made the end price more expensive, thereby contributing to reduction in sale.

The outlook for 2019-20 is that the automotive industry is expected to grow by 4-5% max compared to 2018-19 due to pre buying of BS IV vehicles (current vehicles produced) before BS VI vehicles gets implemented by April' 2020. The BS VI vehicles are expected to be around 7% to 15% more expensive compared to current BS IV vehicles produced due to stricter emission norms.

The business outlook for Pricol for 2019-20 is totally based on the BS-VI implementation from April 1, 2020. The second half of 2019-20 may witness slowdown in production due to inventory reduction by all OE manufacturers, but at the same time starting January, 2020 there will be requirement for BS-VI components and due to production commencing for BS VI platform across all segments of market (2W, 3W, 4W, CV and tractor). Based on the above along with new business wins by Pricol in products like connected Vehicle Clusters, TFT clusters, Fuel Pump module for 2W for meeting BS VI regulations are the major contributors for growth for Pricol starting January, 2020. Nevertheless, overall industry will see major growth only post July 2020 as per industry experts, based on how the market reacts for increased prices for vehicles in all segments consequent to implementation of BS VI.

International

2018 saw the first decline in global auto sales after eight consecutive years of growth, with demand posting 93.66 million units, down 0.6% (provisional figures). Things could get worse before they get better, with 2019 off to a slow January & February, 2019 demand posted 13.52 million units, down 7.2%. The auto industry faces significant headwinds, especially challenging tariff / trade conditions, the policy riddle of Brexit, opaque US policy intentions, US-Sino trade tensions, the confusing EU28 Worldwide Harmonised Light Vehicle Test Procedure (WLTP/CO2) rules, and particular concerns for the health of key auto markets (especially China).

Brazil

In South America, volumes have been slightly downgraded in the short term owing to a combination of the Argentinian crisis' enduring impact and of some product changes themselves. The Brazil forecast is for a moderate domestic-led recovery. This puts full-year 2019 Brazil production levels (estimated) at 2.98 million units, or 7.3% ahead of 2018 levels. Overall, the South American region will see output grow by 3.8% to 3.56 million units led by Brazil. As it has been the case for

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

most of the recent recovery period, the positivity is rooted in the interior market health. Even though there has been a positive growth in Brazilian market for 4W, we have to wait and see as to how the growth translates for the year.

Europe

European light vehicle production was down by 1% in 2018, with a 5% decrease during the second half of the year. The Seasonally Adjusted Annual Rate (SAAR) of production for the region had dropped by more than 1 million units during the last 12 months and is at a three-year low. Given that the basis of year-on-year comparisons will get more favorable as we go through 2019, production is expected to fall 6% in the first half and increase 2% during the second half.

The eurozone economy started the second quarter (Calendar year) on a disappointing footing, with the flash PMI falling below consensus expectations to one of the lowest levels since 2014. The data add to worries that the economy has failed to rebound with any conviction from one-off factors that dampened activity late last year, and continues to show only very modest growth in the face of headwinds from slower global demand growth and subdued economic sentiment.

RISK MANAGEMENT

Risk Management Policy for identifying and managing risk, at the strategic, operational and tactical level, has been adopted by the Company. Our risk management practices are designed to be responsive to the ever-changing Industry dynamics. At present the Company has not identified any element of risk which may threaten the existence of the Company.

The Risk Management policy has been placed on the website of the Company and the web link there to is <http://www.pricol.com/Data/Policy/Risk-Management-Policy.pdf>.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems have been strengthened taking into account the nature of business and size of operations to provide for:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and assets;
- Compliance with applicable statutes, policies, listing requirements and management policies and procedures.

The Company, through its own Corporate Internal Audit

Department, carries out periodic audits at all locations and all functions and brings out any deviation to internal control procedures. The observations arising from audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations is submitted to the Audit Committee. The Audit Committee at its meetings regularly reviews the financial, operating, internal audit & compliance reports to improve performance. The heads of various monitoring / operating departments are present for the Audit Committee meetings to answer queries from the Audit Committee.

FINANCE

During the year the Company has not accepted / renewed any fixed deposit from public. The total deposits remained unpaid or unclaimed as at 31st March, 2019 is Nil. There is no default in repayment of deposits or payment of interest thereon during the year.

The Company undertook several steps to keep a control over borrowings and cost of borrowings. ICRA has revised credit rating for Long term fund based facilities to 'BBB (Negative)' and for short term fund based & non fund based facilities to 'A3+'. Previous year 2017-18 credit rating for long term fund based facilities 'A-' and for short term fund based & non fund based facilities 'A2+'.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. During the year, there were no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with the interest of the Company.

DIRECTORS

As per the provisions of Section 149 of the Companies Act, 2013, Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members appointed Independent Directors as mentioned below:

Name of Independent Director	Period of Appointment
Mr. Suresh Jagannathan	Upto 31st July 2019
Mr. R.Vidhya Shankar	Upto 31st July 2019
Mr. G.Soundararajan	Upto 31st July 2019
Mrs.Sriya Chari	Upto 26th May 2021
Mr.S.K.Sundararaman	Upto 29th May 2023

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

Mr.R.Vidhya Shankar and Mr.Suresh Jagannathan, Independent Directors have given their consent for their reappointment as Independent Director, for the second term of 5 years, from 1st August 2019 to 31st July 2024. The Board recommends their reappointment as Independent Directors. Approval of the members for reappointment of the said directors by special resolutions were sought through postal ballot notice dated 30th May 2019. The results of the voting by postal ballot will be announced on or before 23rd July 2019.

Mr.G.Soundararajan, due to his other unavoidable commitments and pre-occupations, informed his inability to continue as a Director and did not opt for the reappointment. The Board wish to place its appreciation for the valuable services rendered by him during his tenure of office as Independent Director of the Company.

Mr.P.Shanmugasundaram was appointed as an Additional Director (Independent) of the Company by the Board of Directors at their meeting held on 15th June 2019 and whose term of office expires at this Annual General Meeting ('AGM'). The Board recommends the appointment of Mr.P.Shanmugasundaram as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 15th June 2019 to 14th June 2024 and suitable resolution is included in the AGM notice.

Mr.K.Ilango was appointed as an Additional Director (Independent) of the Company by the Board of Directors at their meeting held on 15th June 2019 and whose term of office expires at this Annual General Meeting ('AGM'). The Board recommends the appointment of Mr.K.Ilango as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 15th June 2019 to 14th June 2024 and suitable resolution is included in the AGM notice.

Mr.V.Balaji Chinnappan was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 15th June 2019 and whose term of office expires at this Annual General Meeting ('AGM'). The Board recommends the appointment of Mr.V.Balaji Chinnappan as a Director, liable to retire by rotation.

The Board of Directors, at the aforesaid meeting appointed Mr.V.Balaji Chinnappan as Chief Operating Officer (Whole Time Director) for a period with effect from 15th June 2019 to 31st March 2022 and fixed the remuneration payable to him as set out in the text of the resolution in the AGM notice, subject to the approval of

the shareholders. The Board recommends the appointment & remuneration payable to him.

Mr. Vikram Mohan, a Non- Independent Director retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

The Board of Directors, at their meeting held on 19th March 2019 reappointed Mr.Vikram Mohan as Managing Director for a period of three years with effect from 1st April 2019 to 31st March 2022 and fixed the remuneration payable to him as set out in the text of the resolution in the AGM notice, subject to the approval of the shareholders. The Board recommends the appointment & remuneration payable to him.

EVALUATION BY THE BOARD

The Board has made a formal annual evaluation of its own performance, Committees of the Board, Independent Directors and Individual Directors of the Company.

The Board's performance was evaluated based on the criteria like Structure, Governance, Dynamics & Functioning, Approval & Review of Operations, Financials, Internal Controls etc.

The performance of the Independent Directors as well as Individual Directors including the Chairman of the Board were evaluated based on the evaluation criteria laid down under the Nomination and Remuneration Policy and the Code of Conduct as laid down by the Board.

The Committees of the Board were evaluated individually based on the terms of reference specified by the Board to the said Committee. The Board of Directors were satisfied with the evaluation process which ensured that the performance of the Board, its Committees, Independent Directors and Individual Directors adhered to their applicable criteria.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company as stipulated under Companies Act, 2013 are Mr. Vikram Mohan, Managing Director, Mr.K.Ramesh, Chief Financial Officer & Mr.T.G.Thamizhanban, Company Secretary.

Mr.K.Ramesh, Chief Financial Officer had been appointed as Key Managerial Personnel with effect from 7th February 2019, in place of Mr.J.Sridhar.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

STATUTORY AUDITORS

M/s. VKS Aiyer & Co., Chartered Accountants, Coimbatore (ICAI Firm Registration No: 000066S), the Statutory Auditors of the Company were appointed as Statutory Auditors of the Company, for a term of 5 years, from the conclusion of 7th Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Company to be held in the calendar year 2023.

Statutory Auditors, M/s. VKS Aiyer & Co., Chartered Accountants, have confirmed their eligibility for continuing as Statutory Auditors of the Company.

COST AUDITOR

The Board of Directors at their meeting held on 15th June 2019 appointed Mr.G.Sivagurunathan, Cost Accountant, as the Cost Auditor for conducting the Cost Audit for the financial year 2019-20. A resolution seeking members' ratification of the remuneration payable to Cost Auditor is included in the AGM notice. The Cost Audit Report will be filed within the stipulated period. The Company is maintaining the Cost Records as per Section 148(1) of the Companies Act, 2013.

SECRETARIAL AUDITOR

The Company appointed M/s.P.Eswaramoorthy and Company, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report for the financial year 2018-19 is annexed herewith as "**Annexure A**".

SECRETARIAL STANDARDS

The company had complied with the applicable Secretarial Standards.

CSR INITIATIVES

Pricol's Corporate Social Responsibility (CSR) activities reflect its philosophy of enhancing value to the society and the environment around us. The contribution in this regard has been made to the registered trust which is undertaking these schemes in addition to the CSR activities directly undertaken by the Company. The Annual Report on CSR activities is annexed herewith as "**Annexure B**".

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Monthly Goodwill meeting with the Operators are being conducted to redress the shop floor issues. This has

ensured smooth functioning of the Plant operations. Periodical interactions with the union office bearers and the line operators have improved the conducive Industrial Relations. Based on the business exigencies, some of the operators from Coimbatore Plants were transferred to the Plants located outside Tamilnadu. Though a few operators have accepted the transfer order, others refused to accept and the issue is pending before the Labour Department. However, there is no disturbance in the shop floors of Plant-1 and Plant-3. The number of people employed as on 31st March 2019 is 5,365.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) & (ca) of the Companies Act, 2013, the Directors would like to state that :

- a) in the preparation of annual accounts for the financial year ended 31st March 2019, the applicable accounting standards have been followed;
- b) they had selected such accounting policies and applied them consistently and made judgements and estimates that were 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 and loss of the Company for the year under review;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts for the financial year ended 31st March 2019, on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

DISCLOSURES :

1. Independent Directors have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

2. Salient features of the Nomination and Remuneration Policy is disclosed in the Report on Corporate Governance.

3. Qualification, reservation or adverse remark or disclaimer made by Statutory Auditor & Secretarial Auditor in their report : **NIL**

4. The particulars of Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013 are given in Note No. 2.66 to the Financial Statements.

5. 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 arms length transactions under third proviso thereto :

All the related party transactions entered by the Company during the financial year 2018-19 are in the ordinary course of business and at arm's length. There is no material contract or arrangement.

6. There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status and the Company's operations in future.

7. Material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;

Details are provided in the Directors' Report under the heading "Sale of Subsidiary Company(s)".

8. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section

134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is annexed herewith as "**Annexure C**".

9. Extract of the Annual Return

The extract of the Annual Return in Form No.: MGT-9 is annexed herewith as "**Annexure D**" and available at the Company's website www.pricol.com.

10. Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is annexed herewith as "**Annexure E**".

11. Disclosures of transactions of the listed entity with any person or entity belonging to the promoter / promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results.

Details are given in Note No.2.65 to the Financial Statements.

12. Number of other board of directors or committees in which a director is a member or chairperson, including separately the names of the listed entities where the person is a director and the category of directorship

Disclosed in the Report on Corporate Governance (**Annexure "F"**, point no: 2)

13. Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

There is no resignation by any of the Independent Directors during the year 2018-19.

14. Details in respect of frauds reported by auditors under section 143(12) of the Companies Act, 2013.

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)**15. Key Financial Ratios (Explanations for significant change i.e. change of 25% or more as compared to the immediately previous financial year) :**

Key Financial Ratios	2018-19	2017-18	% Change	Explanations, if any
i) Debtors Turnover	6.60	6.19	7	NA
ii) Inventory Turnover	5.20	4.88	7	NA
iii) Current Ratio	0.95	1.02	(7)	NA
iv) Interest Coverage Ratio	5.65	13.79	(59)	Provision for impairment of non-current Investments, decrease in Sale of land held as Stock-in-trade, Increase in Borrowings and corresponding increase in Finance cost are the key factors for changes.
v) Debt Equity Ratio	0.41	0.14	193	
vi) Operating Profit Margin (%)	2.23	8.40	(73)	
vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	(17.56)	4.54	(487)	

16. Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.

Particulars	2018-19	2017-18	% Change	Explanations, if any
Return on Net Worth	(30.00)	6.24	(581)	Provision for impairment of non-current Investments, decrease in Sale of land held as Stock-in-trade, Increase in Borrowings and corresponding increase in Finance cost are the key factors for change.

17. List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Disclosed under the heading "Finance" in the Directors Report.

CORPORATE GOVERNANCE

Your company reaffirms its commitment to good corporate governance practices. The company complies with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation(2) of regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Report on Corporate Governance which forms a part of this Report, has been annexed herewith as "Annexure F".

Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under Regulation 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance, is made a part of this Directors' Report. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the year 2018-19.

CAUTIONARY STATEMENT

Management Discussion and Analysis forming part of this Report is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such statements may be "forward-looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

ACKNOWLEDGEMENTS

The Board takes this opportunity to place on record appreciation to Customers, Distributors, Dealers, Suppliers, Shareholders, Bankers and Government authorities for their continued support and co-operation during the year under review. The Directors also wish to place on record their appreciation to the employees at all levels for their continued co-operation and commitment.

For and on behalf of the Board

Vanitha Mohan

Chairman

(DIN: 00002168)

Coimbatore
21st June, 2019

ANNEXURE "A" TO DIRECTOR'S REPORT

Form No. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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,
Pricol Limited [CIN: L34200TZ2011PLC022194]
109, Race Course, Coimbatore - 641018.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pricol Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances 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 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and 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 period ended 31st March 2019 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder,
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable as the Company does not raise capital during the financial year under review);
 - d. The Securities and Exchange Board of India (Share based Employee benefits) Regulations 2014 [Not applicable as the Company does not have any Scheme for share based employee benefits during the financial year under review];
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable as the Company has not issued and listed any debt securities during the financial year under review];
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client [Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review];
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the equity shares of the Company have not been delisted during the financial year under review];
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable as the Company has not bought back / proposed to buy back any of its securities during the financial year under review];

ANNEXURE "A" TO DIRECTOR'S REPORT (Contd.,)

- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 except filing of forms under sub - rule (4) of rule 5 and sub rule (5) of rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, due to technical issue at MCA portal.

I have relied on the representation made by the Company and its officers, relating to systems and mechanisms framed by the Company, for ensuring compliance with the other Laws and Regulations as applicable to the Company.

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 Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

- a) The Company has not able to file the eforms with Registrar of Companies which are required under sub - rule (4) of rule 5 and sub rule (5) of rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, due to technical issues in the MCA Portal. However the company has risen the issue with Ministry of Corporate Affairs, (MCA) & IEPF Authorities and continuously following up with them to resolve the issue and file the forms.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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.

I am informed that there were no dissenting members, on any of the matters, discussed at the Board Meetings during the financial year under review, whose views were required to be captured and recorded as part of the minutes.

I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and on the review of the quarterly compliance reports submitted by the respective department heads and the Company Secretary which is taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period covered under the Audit, the Company has not made any specific events / actions having a major bearing on the company's affairs in pursuance of laws, rules, regulations and guidelines referred to above.

P. ESWARAMOORTHY AND COMPANY

Company Secretaries

P. Eswaramoorthy

Proprietor

Coimbatore
30th May, 2019

FCS No. : 6510
CP No. : 7069

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members,
Pricol Limited [CIN: L34200TZ2011PLC022194]
109, Race Course, Coimbatore - 641018.
Tamil Nadu, INDIA.

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

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

P. ESWARAMOORTHY AND COMPANY

Company Secretaries

P. Eswaramoorthy

Proprietor

Coimbatore
30th May, 2019

FCS No. : 6510

CP No. : 7069

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ANNEXURE "B" TO DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(as per annexure attached to the Companies (Corporate Social Responsibility Policy) 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.**

Through Pricol's long standing commitment to service to the society, we strive to attain leadership in our business through a socially and environmentally responsible way, while taking care of the interests of our stakeholders.

We work with the primary objective of contributing to the sustainable development of the society and creating a greener and cleaner environment around us. Towards achieving these objectives, Pricol has initiated "We Care", a program which executes various social and environmental development activities in and around its operational locations.

The main objective of Pricol's CSR policy is to lay down guidelines for the community centric activities taken up by Pricol for the sustainable development of the society and the environment around it. In alignment with the vision of the Company, Pricol, through its CSR initiatives, will strive to enhance value to the society and the environment through continuous initiatives. Pricol will directly or indirectly take up projects in and around its operational locations in keeping with the laid out guidelines.

Web Link to the CSR Policy:

<http://www.pricol.com/Data/Policy/CSR-Policy.pdf>

2. **CSR Committee has Mrs.Vanitha Mohan, Mr.Vikram Mohan, Mr.G.Soundararajan (upto 15th June 2019) and Mr.K.ilango (from 15th June 2019) as its members.**
3. **Average Net Profit / (Loss) of the Company for last three financial years** ₹ 5,414.87 Lakhs
4. **Prescribed CSR Expenditure** ₹ 108.30 Lakhs (two per cent of the amount as in item 3 above)
5. **Details of CSR spent during the financial year**
 - a) Total amount spent for the financial year ₹ 24.62 Lakhs
 - b) Amount unspent, if any ; ₹ 83.68 Lakhs

ANNEXURE "B" TO DIRECTOR'S REPORT (Contd.,)

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

in ₹

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 program wise	Amount Spent on the projects or programs	Cumulative expenditure for 01.04.2014 to 31.03.2019	Amount Spent : Direct or through implementing agency
1	Eye & Medical Camps (Government School & Public)	Health	Coimbatore, Tamilnadu	1,00,000	58,032	6,75,313	ND Foundation
2	Water Purifiers and AMC Charges	Health	Coimbatore & Tirupur, Tamilnadu	—	—	11,17,009	
3	Fire Safety and First Aid Training - to School Students	Education	Coimbatore, Tamilnadu	—	—	1,36,790	
4	Facilities for Government Schools	Education	Tirupur, Tamilnadu	5,00,000	4,37,250	15,53,544	
5	Construction of Maternity ward at Primary Health Centre	Health and Sanitation	Tirupur, Tamilnadu	—	—	20,41,634	
6	Swachh Bharat / Construction of Public Toilet / Dustbin	Environment	Coimbatore, Tamilnadu	—	—	2,00,000	
7	Tree Park Construction / Tree plantations	Environment	Coimbatore, Tamilnadu	—	—	10,36,568	
8	De-silting and repair of check dam / Rain water harvesting	Environment	Coimbatore, Tamilnadu	2,00,000	1,90,000	6,90,000	
9	Contribution to Wildlife SOS	Environment	Delhi	6,00,000	6,00,000	26,30,000	
10	Contribution to Siruthuli	Environment	Coimbatore, Tamilnadu	—	—	18,00,000	
11	Contribution to UYIR Foundation	Safety	Coimbatore, Tamilnadu	10,00,000	10,00,000	10,00,000	
12	Contribution for Corpus (Trauma Care Centre)	Health	Coimbatore, Tamilnadu	—	—	32,00,000	
13	Supply of Medical Equipments To Rapid Action Force	Health	Coimbatore, Tamilnadu	—	—	67,500	
14	Supply of Medical Equipments - To Government Hospital	Health	Pantnagar, Uttarakhand	—	—	2,65,737	
15	Construction of Toilets to Police	Health	Pantnagar, Uttarakhand	2,00,000	1,77,000	1,77,000	
16	Contribution to Sankara Eye Hospital	Health	Coimbatore, Tamilnadu	—	—	5,00,000	
17	Supply of Safety related materials to City Police	Safety	Coimbatore, Tamilnadu	—	—	2,40,250	
18	Supply of materials to Siruthuli	Environment	Coimbatore, Tamilnadu	—	—	1,00,800	
19	Flood Relief Chennai	Health / Environment	Cuddalore, Tamilnadu	—	—	23,07,168	
Total				26,00,000	24,62,282	1,97,39,313	

CSR implementing agency: N D Foundation

Note: During the year, 2018-19, the company contributed ₹ 20 Lakhs to ND foundation, they spent ₹ 22.85 lakhs.

ANNEXURE "B" TO DIRECTORS' REPORT (Contd.,)

6. 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 considers social responsibility as an integral part of its business activities and has been engaged in Corporate Social Responsibility (CSR) Activities, even before such CSR expenditure were mandated by the Companies Act, 2013. Over the years, from 2014 to 2019, the CSR expenditure to be made u/s 135 is ₹ 179.77 lakhs, actual amount spent by the Company is ₹ 197.39 lakhs, which is more than the mandatory limit. During the current year, the company proposes to identify some long-term projects that will benefit the environment, water management, upliftment of children, safety and medical care of people. The company & CSR Committee is in search of various long-term projects, to suit our requirements and to comply with Schedule VII of the Companies Act, 2013. This has resulted in shortfall of required CSR spend during this financial year.

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

Vikram Mohan
Managing Director
(DIN : 00089968)

Vanitha Mohan
Chairman - CSR Committee
(DIN : 00002168)

Coimbatore
21st May, 2019

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ANNEXURE "C" TO DIRECTORS' REPORT

THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Statement pursuant to Section 134(3)(m) of The Companies Act, 2013, read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

A. CONSERVATION OF ENERGY :

- i) **the steps taken or impact on conservation of energy;**

The following steps were taken on the energy conservation :

- a) Industrial UPS 460KVA installed to reduce fuel usage and to optimise EB utilization at Plant-1
- b) LED lights, High Volume Low Speed (HVLS) fans, Aluminum Air lines implemented at Sricity Plant.
- c) Air compressors are connected through Variable Frequency Drives (VFD).
- d) Streetlights are provided with Light dependent resistors (LDR).
- e) Real time timers provided for Utilities like A/c, blowers etc. to save power.
- f) Water saving Taps are installed to save water.
- g) Energy saver installed for Chillers.
- f) Using of 12.5 % of the natural light for the new shop floors.

- ii) **the steps taken by the company for utilising alternate sources of energy;**

Present installed capacity of Roof Top Solar across Pricol plants - 1.52 MW and 1.65 MW is planned for installation during 2019-20, only an OPEX model. Solar power will contribute to 16% of power requirement, when this capacity is fully operational.

- iii) **the capital investment on energy conservation equipment's ;**

- a) On line UPS - 460 KVA - ₹ 75 Lakhs
- b) LED lights, HVLS, Air line, VFD for Sricity plant - ₹ 60 Lakhs
- c) Energy saving devices - ₹ 5 Lakhs

ANNEXURE "C" TO DIRECTORS' REPORT (Contd.,)

B. TECHNOLOGY ABSORPTION :

I. Research and Development (R&D)

i) Specific areas of R & D

- The Company has two R & D centres, which are approved by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India, New Delhi. We have further segmented as Pricol Advanced Engineering to focus on next generation technology & products and Sustenance Engineering to cater existing and new customers.
- The new technology developed by Pricol Advanced Engineering are adopted by Sustenance Engineering across all business verticals as applicable.
- The new technologies are developed with high degree of localisation content for competitiveness and deployed horizontally for retention & growth to attain market leadership.
- There are 23 inventions filed at various jurisdictions in India and Abroad. Out of which 9 were granted and remaining are under review. The Company continues to foster innovation for growth, across all product development functions.
- Technology road maps are evolved across all business verticals to meet the future needs.
- Developed TFT technologies to protect from disruption with current LCD technology used on Instrument Cluster.
- Instrument cluster with TFT display is developed as a platform products. Initially, Genesis platform is developed & subsequently, Bluebell platform also made ready to execute high end graphics requirements from customers.
- Developed advanced engineering display system called connected cluster with Bluetooth, which has been integrated with Telematics & Body Control Module. Bluetooth integrated cluster is compatible for both Android & IOS connectivity.
- Aggressive, systematic and structured value engineering initiatives taken to minimize wastages and to improve Productivity & Quality to sustain.
- Tear down and Bench marking process established for learning & delivery with adopt adapt - improvement approach for institutionalisation across all products as applicable.
- Operationalised Hardware In Loop (HIL) test system with reusable test cases to improve the functional quality of instrument cluster.
- Installed Software In Loop (SIL) system to improve software quality.
- Next Generation Telematics platform with 4G / LTE, Wifi & Bluetooth is under final phase of development.
- Obtained AIS-140 certification from ARAI for Telematics product with Independent Regional Navigation Satellite System (IRNSS) GPS solution.
- Second Generation (GEN 2) Oxygen Sensor which has improved performance & easy manufacturability has been designed & developed. This is currently under testing with leading Electronic Control Unit (ECU) manufacturer.
- Developed various AMT systems : Automatic Manual transmission system (AMT) for medium & heavy duty commercial vehicles, AMT for Tractors, AMT for Light commercial vehicle, Auto Clutch System (ACS), Power Clutch, Auto Gear shifter System (AGS), Continuously Variable Transmission (CVT).
- Developed Exhaust Gas Recirculation (EGR), Variable Flow Oil Pump (VFOP) & Purge Control Valves for improving fuel efficiency & emission control.

ii) Benefits derived from R&D

- Gained Car cluster business in domestic market.
- Attained market leadership in Two-wheeler, Commercial & Off-road vehicle segments with high end technology products with more features replacing legacy technology.
- Products with new high-end technology helped to achieve stiff target quality PPM with enhanced reliability goals.
- New design released with more value analysis to optimize cost for sustenance and growth.

ANNEXURE "C" TO DIRECTOR'S REPORT (Contd...)

- Tear down and Bench marking study helped to learn emerging technology, new process, new features & cost optimization.
- Prompted for Intellectual Property Rights (IPR) and triggered innovation to adopt with acceleration.

iii) In-house R & D and Future plan of action

- Continuously evolving Technology for 3rd generation across all business verticals like Driver Information System (DIS), Switches and Sensors (SAS), Telematics, Pumps, Valves & Mechanical Products and Wiper system.
- We are developing advanced Telematics & Analytics to enhance user experience and compliance, to meet safety regulations.
- To reduce driver fatigue, especially in the tractor segment, our Company is actively working with an OEM to develop a new product.
- Developing Products like Tilt Sensor, Oxygen Sensor, Fuel Pump module through home grown technology, technology transfer & JV Partnership for products to meet BS IV & BS VI requirements.
- To meet safety compliance developing products like Park Assistance System.
- Developing Electrical Water Pump, Electrical Cabin Tilt System, Exhaust Gas Re-circulation Valves, Variable Oil Flow Pump for growth.
- Developing Body Control Module for safety, security, comfort and convenience for all segments to control various electrical load of vehicle.

Expenditure on R & D 2018-19	(₹ Lakhs)
Capital	471.50
Revenue	4,042.16
Total	4,513.66

R & D expenditure as a percentage of sales **3.48 %**

II. Technology Absorption, Adaptation and Innovation

Imported Technology

During 2018-19

- a) The Company had entered into a technology licensing agreement with Kerdea Technologies Inc, USA in 2017-18 for the manufacture of

Oxygen Sensor meant for Internal Combustion Engines. The absorption of said technology subsequently led to development of 2nd Generation Oxygen sensor with improved performance & ease of manufacturing. The GEN-2 sensors successfully completed all Reliability & Endurance tests. Now the sensor is currently under testing with global leader in Electronic Control Unit (ECU).

- b) The Company had entered into a technology development agreement with BRT Corporation Pty Limited, Australia to develop a new improved Continuous Variable Transmission (CVT) & Auto Manual Transmission Systems (AMT). AMT Prototype had been made and trails on vehicle are successfully demonstrated to customer. The absorption of said technology is under progress.
- c) The Company had entered into a technology partnership with Dongguan Shengpeng Electronics Co. Ltd., China for introduction of Electric Coolant Pump (ECP) in India in 2017-18. These pumps are used for all Electric Vehicle (EV), Hybrids and ICEs. These pumps has been offered to OEMs for their new projects for vehicle level testing. The absorption of said technology is under progress.
- d) The Company had entered into an exclusive agreement with Wenzhou Huirun Electrical Machinery Co. Ltd., (ACHR), China, in 2017-18 for technical collaboration and supply of Fuel Pump & Pressure Regulator as products & child parts. ACHR further support to Pricol for the supply of assembly lines meant for assembly of Fuel Pumps and Pressure Regulators in India. Fuel Pump Module using these Pumps and Regulators for designed, developed and under testing on vehicles.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the Company's foreign exchange earnings were ₹ 7,216.52 Lakhs (₹ 7,675.75 Lakhs in 2017-18). The revenue expenditure in foreign currency was ₹ 26,196.63 Lakhs (₹ 22,702.97 Lakhs in 2017-18) and the capital expenditure was ₹ 594.52 Lakhs (₹ 2,560.68 Lakhs in 2017-18).

The Company will continue its efforts to enhance the export sales.

ANNEXURE "D" TO DIRECTORS' REPORT

**Form No. MGT - 9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31st March, 2019

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

I. REGISTRATION AND OTHER DETAILS :

- i) **CIN:** L34200TZ2011PLC022194
- ii) **Registration Date :** 18th May 2011
- iii) **Name of the Company :** Pricol Limited
- iv) **Category / Sub-Category of the Company:**
Company limited by shares / Indian Non – Government Company
- v) **Address of the Registered office and contact details:**
109, Race Course, Coimbatore – 641 018, India
Phone : +91 422 4336000
Fax : +91 422 4336299
E-mail : cs@pricol.co.in
- vi) **Whether Listed Company :** Yes / No
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any :**
Integrated Registry Management Services (P) Ltd.
Unit : Pricol Limited,
2nd Floor, "KENCES Towers",
No.1, Ramakrishna Street,
North Usman Road,
T. Nagar, Chennai - 600 017, India.
Phone: +91 44 28140801-03
Fax : +91 44 28142479
Email : srirams@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

All the business activities contributing 10 % or more of the total turnover of the Company

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Oil Pumps	28132	9 %
2	Auto Components - Motor Vehicles	29301 & 29304	20 %
3	Auto Components - Motor Cycles and Three Wheelers	30913	52 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Name, Address & CIN / GLN of the Company	% of shares held	Applicable Section
I Subsidiary Company		
1. Pricol Asia Pte. Limited 17 Phillip Street, #05-01 Grand Building Singapore 048695. Regn No - 201221194R	100%	2(87)
2. PT Pricol Surya Indonesia J 1, Permata Raya Lott FF-2, Industri KIIIC, Desa Paseurjaya Kecamatan Teluk Jame Timur Karawang Barat, Indonesia Regn No : C-34667HT.01.01.TH.2005	100%	2(87)
3. PT Sripri Wiring Systems, Indonesia Kawasan Industri Sumber Kerja International Jl., Purwakarta Bandung No 8 Kp. Citapen, Ds. Sukajaya, Purwakarta, Indonesia. Regn No - AHU-11511.10.40.2014	100% Subsidiary of PT Pricol Surya Indonesia	2(87)
4. Pricol Espana Sociedad Limitada Calle Pensamirnto, 27 Escalera Izquierda, 3a Planta, Puerta 3, 28020 Madrid, Spain. Numero De Identificacion Fiscal (C.I.F) / Fiscal Number: B87162566	100%	2(87)
5. Pricol Wiping Systems Czech s.r.o Zdibsko 613 25067 Klecany, Czech Republic Regn No - 060 24 335	100% Subsidiary of Pricol Espana Sociedad Limitada	2(87)
6 Pricol Do Brasil Componentes Automotivos Ltd A Estrada Municipal Alberto Tofanin, No. 0, KM 5,5 Galpões 18, 19 e 20 Bairro Pinhal Municipio de Jarinu Sao Paulo - CEP 13240-000 CNPJ - 07.765.200/0002-65.	100% Subsidiary of Pricol Espana Sociedad Limitada	2(87)
7 Pricol Wiping Systems Mexico S.A.de.C.V Calle Aristeo Lote 8 Parque Industrial Bralemex Cuauhtancingo, Puebla Mexico CP72710 Numero De Identificacion Fiscal (N.I.F) / Fiscal Number : - PAM141110hp2	100% Subsidiary of Pricol Espana Sociedad Limitada	2(87)
8 Pricol Wiping Systems India Limited 109, Race Course, Coimbatore - 641018, India. CIN: U35999TZ2017PLC029193	100%	2(87)
II Holding and Associate Company	—	—

ANNEXURE "D" TO DIRECTORS' REPORT (Contd.,)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category - wise Share Holding

Category of share holders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters includes Promoter group (Promoter group as per SEBI (LODR) ad SEBI (SAST)									
1) Indian									
a) Individual / HUF	24,661,051	—	24,661,051	26.01	24,038,825	—	24,038,825	25.36	(0.65) *
b) Central Government	—	—	—	—	—	—	—	—	—
c) State Government(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corporate	10,587,051	—	10,587,051	11.17	10,587,051	—	10,587,051	11.17	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	35,248,102	—	35,248,102	37.18	34,625,876	—	34,625,876	36.53	(0.65)
2) Foreign									
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
b) Other - Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	35,248,102	—	35,248,102	37.18	34,625,876	—	34,625,876	36.53	(0.65)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,504,996	—	2,504,996	2.64	2,580,419	—	2,580,419	2.72	0.08
b) Banks / FI	173,198	125	173,323	0.19	65,063	125	65,188	0.07	(0.12)
c) Central Government	—	—	—	—	—	—	—	—	—
d) State Government(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	268,966	—	268,966	0.28	268,966	—	268,966	0.28	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds- Portfolio investors	267,772	—	267,772	0.28	—	—	—	—	(0.28)
i) Others	—	—	—	—	—	—	—	—	—
i) Alternate Investment Funds	1,194,540	—	1,194,540	1.26	1,102,594	—	1,102,594	1.16	(0.10)
Sub-total (B) (1):-	4,409,472	125	4,409,597	4.65	4,017,042	125	4,017,167	4.23	(0.42)
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	10,439,402	14,440	10,453,842	11.03	9,323,170	13,065	9,336,235	9.85	(1.18)
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	29,369,311	2,178,530	31,547,841	33.28	30,569,971	1,723,895	32,293,866	34.07	0.79
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	5,551,536	—	5,551,536	5.86	6,661,391	—	6,661,391	7.03	1.17
c) Others (specify)									
i) Non Resident Indians	1,359,726	37,500	1,397,226	1.47	1,909,692	—	1,909,692	2.01	0.54
ii) Trust	130	—	130	—	130	—	130	—	—
iii) Clearing Member	213,757	—	213,757	0.23	202,074	—	202,074	0.21	(0.02)
iv) Association of Persons	10	—	10	—	10	—	10	—	—
v) IEPF	493,755	—	493,755	0.52	662,678	—	662,678	0.70	0.18
vi) Foreign Portfolio Investors-Category III	20,000	—	20,000	0.02	20,000	—	20,000	0.02	—
vii) Foreign Portfolio Investors-Individuals	200,000	—	200,000	0.21	—	—	—	—	(0.21)
viii) LLP	4,633,642	—	4,633,642	4.89	4,508,835	—	4,508,835	4.76	(0.13)
ix) Unclaimed Suspense Account	587,820	—	587,820	0.62	518,100	—	518,100	0.55	(0.07)
x) NBFC	12,478	—	12,478	0.01	13,682	—	13,682	0.01	—
xi) Director or Director's relatives	26,985	—	26,985	0.03	26,985	—	26,985	0.03	—
Sub-total (B) (2):-	52,908,552	2,230,470	55,139,022	58.17	54,416,718	1,736,960	56,153,678	59.24	1.07
Total Public Shareholding (B) = (B) (1) + (B) (2)	57,318,024	2,230,595	59,548,619	62.82	58,433,760	1,737,085	60,170,845	63.47	0.65
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A + B + C)	92,566,126	2,230,595	94,796,721	100.00	93,059,636	1,737,085	94,796,721	100.00	—

* During the year, some of the promoters were reclassified as Public, with the approval of Shareholders & Stock Exchanges

ANNEXURE "D" TO DIRECTORS' REPORT (Contd.,)

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	Vijay Mohan	91,40,278	9.64	—	91,40,278	9.64	—	—
2	Pricol Holdings Limited	85,56,926	9.03	—	85,56,926	9.03	—	—
3	Viren Mohan	66,58,409	7.02	—	66,58,409	7.02	—	—
4	Vanitha Mohan	37,26,488	3.93	—	37,26,488	3.93	—	—
5	Vikram Mohan	35,21,175	3.72	—	35,21,175	3.72	—	—
6	Bhavani Infin Services India Private Limited	14,98,790	1.58	—	14,98,790	1.58	—	—
7	Vijay Mohan (BHUF)	6,60,900	0.70	—	6,60,900	0.70	—	—
8	Sagittarius Investments Private Limited	3,40,935	0.36	—	3,40,935	0.36	—	—
9	Shrimay Enterprises Private Limited	1,90,400	0.20	—	1,90,400	0.20	—	—
10	Madhura Mohan	1,81,575	0.19	—	1,81,575	0.19	—	—
11	Manasa Mohan	1,50,000	0.16	—	1,50,000	0.16	—	—
12	Sumanth R	3,32,145	0.35	—	During the year, reclassified as Public, with the approval of Shareholders & Stock Exchanges			
13	Gayathri Balaji	86,101	0.08	—				
14	Vinay Balaji	1,00,000	0.11	—				
15	Sumanth R(BHUF)	81,000	0.09	—				
16	Uday Balaji	22,005	0.02	—				
17	T Balaji Naidu	975	—	—				
	Total	3,52,48,102	37.18	—	3,46,25,876	36.53	—	(0.65)

ANNEXURE "D" TO DIRECTORS' REPORT (Contd.,)

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
4 RAJESH MADHAVAN UNNI (HUF).				
PAN :AAPHR9418E				
As on 31-03-2018	1,900,000	2.00		
Purchase 31-08-2018	27,500	0.03	1,927,500	2.03
Purchase 26-10-2018	4,000	0.01	1,931,500	2.04
Purchase 04-01-2019	1	-	1,931,501	2.04
As on 31-03-2019			1,931,501	2.04
5 ASHMORE INDIA OPPORTUNITIES FUND				
PAN :AAFTA7838K				
As on 31-03-2018	1,194,540	1.26		
Sale 27-04-2018	-84,917	-0.09	1,109,623	1.17
Sale 04-05-2018	-30,000	-0.03	1,079,623	1.14
Purchase 11-01-2019	7,000	0.01	1,086,623	1.15
Purchase 18-01-2019	15,971	0.01	1,102,594	1.16
As on 31-03-2019			1,102,594	1.16
6 UNO METALS LIMITED				
PAN :AAACU3053E				
As on 31-03-2018	1,025,000	1.08		
Sale 18-05-2018	-150,000	-0.16	875,000	0.92
Purchase 29-06-2018	12,000	0.01	887,000	0.93
Purchase 06-07-2018	6,000	0.01	893,000	0.94
Purchase 07-09-2018	8,100	0.01	901,100	0.95
Purchase 21-09-2018	1,900	-	903,000	0.95
Purchase 28-09-2018	26,237	0.03	929,237	0.98
Purchase 05-10-2018	21,763	0.02	951,000	1.00
Purchase 12-10-2018	100	-	951,100	1.00
Sale 25-01-2019	-58,000	-0.06	893,100	0.94
Purchase 01-02-2019	900	-	894,000	0.94
Purchase 15-02-2019	1,000	-	895,000	0.94
As on 31-03-2019			895,000	0.94
7 AKG FINVEST LIMITED				
PAN :AADCA8306P				
As on 31-03-2018	910,000	0.96		
Purchase 25-05-2018	25,272	0.03	935,272	0.99
Purchase 01-06-2018	1,245	-	936,517	0.99
Purchase 08-06-2018	39,483	0.04	976,000	1.03
Purchase 22-06-2018	5,000	0.01	981,000	1.04
Sale 24-08-2018	-235,000	-0.25	746,000	0.79
Sale 28-09-2018	-196,000	-0.21	550,000	0.58
Sale 12-10-2018	-200,000	-0.21	350,000	0.37
Sale 14-12-2018	-123,000	-0.13	227,000	0.24
Sale 01-02-2019	-207,000	-0.22	20,000	0.02
Purchase 08-02-2019	8,844	0.01	28,844	0.03
Purchase 15-02-2019	21,256	0.02	50,100	0.05
Purchase 22-02-2019	7,203	0.01	57,303	0.06
As on 31-03-2019			57,303	0.06
8 VRAMATH INVESTMENT CONSULTANCY PRIVATE LIMITED				
PAN :AAECV1088J				
As on 31-03-2018	665,100	0.70		
Sale 06-04-2018	-65,100	-0.07	600,000	0.63
Purchase 11-05-2018	50,000	0.06	650,000	0.69
Purchase 18-05-2018	10,300	0.01	660,300	0.70
Purchase 08-06-2018	3,300	-	663,600	0.70

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
Purchase 24-08-2018	4,498	0.01	668,098	0.71
Purchase 28-09-2018	5,005	0.01	673,103	0.72
Purchase 05-10-2018	4,082	-	677,185	0.72
Purchase 12-10-2018	3,979	-	681,164	0.72
Purchase 19-10-2018	32,500	0.03	713,664	0.75
Purchase 26-10-2018	32,808	0.04	746,472	0.79
Purchase 16-11-2018	100	-	746,572	0.79
Purchase 21-12-2018	5,000	0.01	751,572	0.80
Purchase 22-02-2019	20,000	0.02	771,572	0.82
As on 31-03-2019			771,572	0.82
9 SAVITA SURENDRA PAI				
PAN :AFIPP8322D				
As on 31-03-2018	500,000	0.53		
As on 31-03-2019			500,000	0.53
10 MOTILAL OSWAL SECURITIES LIMITED				
PAN :AAACD3654Q				
As on 31-03-2018	392,357	0.41		
Sale 06-04-2018	-4,403	-	387,954	0.41
Purchase 13-04-2018	38,710	0.04	426,664	0.45
Purchase 20-04-2018	25,835	0.03	452,499	0.48
Sale 27-04-2018	-17,982	-0.02	434,517	0.46
Purchase 04-05-2018	2,146	-	436,663	0.46
Purchase 11-05-2018	12,629	0.01	449,292	0.47
Sale 18-05-2018	-9,524	-0.01	439,768	0.46
Sale 25-05-2018	-475	-	439,293	0.46
Sale 01-06-2018	-3,770	-	435,523	0.46
Sale 08-06-2018	-24,743	-0.03	410,780	0.43
Purchase 15-06-2018	48,353	0.05	459,133	0.48
Sale 22-06-2018	-39,217	-0.04	419,916	0.44
Purchase 29-06-2018	67,351	0.07	487,267	0.51
Sale 06-07-2018	-74,607	-0.08	412,660	0.43
Purchase 13-07-2018	7,396	0.01	420,056	0.44
Sale 20-07-2018	-41,543	-0.04	378,513	0.40
Sale 27-07-2018	-10,541	-0.01	367,972	0.39
Sale 03-08-2018	-22,309	-0.02	345,663	0.37
Purchase 10-08-2018	39,282	0.04	384,945	0.41
Sale 16-08-2018	-39,372	-0.04	345,573	0.37
Sale 17-08-2018	-618	-	344,955	0.36
Purchase 24-08-2018	445	-	345,400	0.36
Purchase 31-08-2018	92,221	0.10	437,621	0.46
Sale 07-09-2018	-92,458	-0.10	345,163	0.36
Purchase 14-09-2018	3,772	0.01	348,935	0.37
Sale 21-09-2018	-4,329	-0.01	344,606	0.36
Purchase 28-09-2018	153,787	0.16	498,393	0.52
Sale 05-10-2018	-162,163	-0.17	336,230	0.35
Sale 12-10-2018	-3,343	-	332,887	0.35
Sale 19-10-2018	-939	-	331,948	0.35
Purchase 26-10-2018	20,294	0.02	352,242	0.37
Sale 02-11-2018	-21,171	-0.02	331,071	0.35
Sale 09-11-2018	-21,256	-0.02	309,815	0.33
Sale 16-11-2018	-1,850	-	307,965	0.33
Purchase 23-11-2018	146,104	0.15	454,069	0.48
Sale 30-11-2018	-363,228	-0.38	90,841	0.10
Sale 07-12-2018	-1,119	-	89,722	0.10
Purchase 14-12-2018	7,509	-	97,231	0.10

ANNEXURE "D" TO DIRECTORS' REPORT (Contd.,)

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
Purchase 21-12-2018	11,161	0.01	108,392	0.11
Sale 28-12-2018	-23,177	-0.02	85,215	0.09
Purchase 31-12-2018	252	-	85,467	0.09
Sale 04-01-2019	-133	-	85,334	0.09
Purchase 11-01-2019	381	-	85,715	0.09
Sale 18-01-2019	-390	-	85,325	0.09
Purchase 25-01-2019	561	-	85,886	0.09
Purchase 01-02-2019	329	-	86,215	0.09
Sale 08-02-2019	-9,400	-0.01	76,815	0.08
Purchase 15-02-2019	10	-	76,825	0.08
Sale 22-02-2019	-1,210	-	75,615	0.08
Purchase 01-03-2019	5,430	0.01	81,045	0.09
Purchase 08-03-2019	2,285	-	83,330	0.09
Sale 15-03-2019	-8,104	-0.01	75,226	0.08
Purchase 22-03-2019	1,195	-	76,421	0.08
Sale 29-03-2019	-74,511	-0.08	1,910	-
As on 31-03-2019			1,910	-
11 MOTILAL OSWAL FINANCIAL SERVICES LIMITED				
PAN :AAECM2876P				
As on 31-03-2018	-	-	-	-
Purchase 06-04-2018	14,995	0.02	14,995	0.02
Sale 13-04-2018	-1,511	-	13,484	0.01
Sale 20-04-2018	-5,073	-0.01	8,411	0.01
Purchase 09-11-2018	14,724	0.02	23,135	0.03
Purchase 16-11-2018	1,839	-	24,974	0.03
Sale 23-11-2018	-4,642	-0.01	20,332	0.02
Purchase 30-11-2018	354,554	0.38	374,886	0.40
Sale 07-12-2018	-1,439	-0.01	373,447	0.39
Sale 14-12-2018	-90	-	373,357	0.39
Purchase 21-12-2018	2,861	-	376,218	0.39
Purchase 28-12-2018	3,593	0.01	379,811	0.40
Sale 31-12-2018	-1,140	-	378,671	0.40
Purchase 04-01-2019	1,420	-	380,091	0.40
Sale 11-01-2019	-3,329	-	376,762	0.40
Purchase 18-01-2019	7,926	0.01	384,688	0.41
Purchase 25-01-2019	1,519	-	386,207	0.41
Purchase 01-02-2019	13,197	0.01	399,404	0.42
Sale 08-02-2019	-14,591	-0.01	384,813	0.41
Purchase 15-02-2019	4,232	-	389,045	0.41
Sale 22-02-2019	-3,375	-	385,670	0.41
Purchase 01-03-2019	24,257	0.02	409,927	0.43
Sale 08-03-2019	-22,616	-0.02	387,311	0.41
Purchase 15-03-2019	4,153	0.01	391,464	0.42
Purchase 22-03-2019	2,203	-	393,667	0.42
Purchase 29-03-2019	93,628	0.09	487,295	0.51
As on 31-03-2019	-2,022	-	485,273	0.51
12 RAJESH GOENKA				
PAN :ADQPG1096D				
As on 31-03-2018	50,000	0.05	-	-
Purchase 18-05-2018	50,000	0.05	100,000	0.11
Purchase 28-09-2018	55,000	0.06	155,000	0.16
Purchase 14-12-2018	45,000	0.05	200,000	0.21
Purchase 25-01-2019	200,000	0.21	400,000	0.42
Purchase 29-03-2019	60,000	0.06	460,000	0.49
As on 31-03-2019			460,000	0.49

v. Shareholding of Directors and Key Managerial Personnel:

Name of the Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
1 Mrs. Vanitha Mohan - Chairman				
As on 01-04-2018	3,726,488	3.93	-	-
As on 31-03-2019	-	-	3,726,488	3.93
2 Mr. Vikram Mohan - Managing Director				
As on 01-04-2018	3,521,175	3.72	-	-
As on 31-03-2019	-	-	3,521,175	3.72
3 Mr. Suresh Jagannathan - Independent Director				
As on 01-04-2018	26,985	0.03	-	-
As on 31-03-2019	-	-	26,985	0.03
4 Mr. R. Vidhya Shankar- Independent Director				
As on 01-04-2018	-	-	-	-
As on 31-03-2019	-	-	-	-
5 Mr. G. Soundararajan- Independent Director				
As on 01-04-2018	-	-	-	-
As on 31-03-2019	-	-	-	-
6 Mrs. Sriya Chari - Independent Director				
As on 01-04-2018	-	-	-	-
As on 31-03-2019	-	-	-	-
7 Mr. S. K. Sundararaman- Independent Director				
As on 01-04-2018	-	-	-	-
As on 31-03-2019	-	-	-	-
8 Mr. S. Shrinivasan - Chief Financial Officer (Upto 29-5-2018)				
As on 01-04-2018	-	-	-	-
As on 29-5-2019	-	-	-	-
9 Mr. J. Sridhar- Director Finance - CFO (From 30-5-2018 to 6-2-2019)				
As on 30-05-2018	-	-	-	-
As on 06-02-2019	-	-	-	-
10 Mr. K. Ramesh- Chief Financial Officer (From 07-02-2019)				
As on 07-02-2019	-	-	-	-
As on 31-03-2019	-	-	-	-
11 Mr. T. G. Thamizhanban-Company Secretary				
As on 01-04-2018	-	-	-	-
As on 31-03-2019	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment ₹ Lakhs

Particulars	Secured Loans excluding Deposits	Un-secured Loans	Deposits	Total
As at 01-04-2018				
i) Principal Amount	6,243.96	6,481.31	-	12,725.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	22.25	17.31	-	39.56
Total (i + ii + iii)	6,266.21	6,498.62	-	12,764.83
Change during the financial year				
i) Addition	15,102.35	-	-	15,035.99
ii) Reduction	-	1,492.91	-	1,513.72
Net Change (i - ii)	15,102.35	(1,492.91)	-	13,609.44
As at 31-03-2019				
i) Principal Amount	21,302.23	4,984.90	-	26,287.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	66.33	20.81	-	87.14
Total (i + ii + iii)	21,368.56	5,005.71	-	26,374.27

ANNEXURE "D" TO DIRECTORS' REPORT (Contd.,)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD) , Whole-Time Directors (WTD) and / or Manager: ₹ Lakhs

Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
	Mr. Vikram Mohan (Managing Director)	Mrs. Vanitha Mohan (Chairman)	
1. Gross salary			
a) Salary as per provisions contained u/s 17(1) of the Income-Tax Act, 1961	120.25	69.12	189.37
b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4.56	26.58	31.14
c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961	—	—	—
2. Stock Option	—	—	—
3. Sweat Equity	—	—	—
4. Commission - as % of profit - others	— —	— —	— —
5. Others (Contribution to PF, Gratuity and Superannuation Fund)	9.50	6.68	16.18
Total (A)	134.31	102.38	236.69
Ceiling as per the Act	NA	NA	NA
1. In case of adequate profit	(5% of the Net Profit)	(5% of the Net Profit)	(10% of the Net Profit)
2. In case of no profit or inadequate profit	₹ 125 lakhs	₹ 125 lakhs	₹ 250 lakhs plus contribution to PF, Superannuation, Gratuity, Encashment of leave to the extent permitted under the Act

B. Remuneration to other directors :

₹ Lakhs

Particulars of Remuneration	Mr. Suresh Jagannathan	Mr. R. Vidhya Shankar	Mr.G.Soundara rajan	Mrs. Sriya Chari	Mr.S.K.Sundara raman	Total Amount
1. Independent Directors						
Fee for attending board / committee meetings	0.20	3.20	0.95	2.25	2.25	8.85
Commission	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total (1)	0.20	3.20	0.95	2.25	2.25	8.85
2. Other Non-Executive Directors						
Fee for attending board / committee meetings	—	—	—	—	—	—
Commission	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total (2)	—	—	—	—	—	—
Total (B) = (1 + 2)	0.20	3.20	0.95	2.25	2.25	8.85

C. Total Managerial Remuneration (A+B) : ₹ 245.54 Lakhs

Overall Ceiling as per the Act : 11% of the Net Profits of the Company as calculated under section 198. The said percentage shall be exclusive of any fees payable to directors under Section 197(5).

ANNEXURE "D" TO DIRECTORS' REPORT (Contd.,)

D. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

₹ Lakhs

Particulars of Remuneration	Key Managerial Personnel				Total
	Mr. S. Shrinivasan (CFO) (From 1st April 2018 to 29th May 2018)	Mr. J. Sridhar (Director Finance - CFO) (From 30th May 2018 to 6th February 2019)	Mr. K. Ramesh (CFO) (From 7th February 2019 to 31st March 2019)	Mr. T.G. Thamizhanban (CS)	
1. Gross salary					
a) Salary as per provisions contained u/s 17(1) of the Income-Tax Act, 1961	7.42	44.02	5.71	26.42	83.57
b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	—	—	—	—	—
c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961—	—	—	—	—	—
2. Stock Option	—	—	—	—	—
3. Sweat Equity	—	—	—	—	—
4. Commission					
- as % of profit	—	—	—	—	—
- others	—	—	—	—	—
5. Others (Contribution to PF, Gratuity, Superannuation and Service weightage)	0.39	10.92	1.52	4.39	17.22
Total	7.81	54.94	7.23	30.81	100.79

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
A. COMPANY					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
B. DIRECTORS					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

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ANNEXURE "E" TO DIRECTORS' REPORT

Particulars of Remuneration of Directors and Employees pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration) Rules, 2014.

i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

S.No.	Name of the Director	No. of Meetings attended	Ratio
1	Mr. Suresh Jagannathan	1	0.04
2	Mr. R. Vidhya Shankar	28	0.56
3	Mr. G. Soundararajan	10	0.17
4	Mrs. Sriya Chari	15	0.39
5	Mr. S. K. Sundararaman	12	0.39

S.No.	Name of Whole Time Director	Ratio
1	Mrs. Vanitha Mohan, Chairman	17.93
2	Mr. Vikram Mohan, Managing Director	23.52

ii) The percentage increase in remuneration of each Director, Chief Financial Officer (CFO), Chief Executive Officer (CEO), Company Secretary (CS) or Manager, if any, in the financial year

S. No.	Name of Non Whole Time Director	No. of meeting attended		% Increase / (Decrease) in remuneration
		2018-19	2017-18	
1	Mr. Suresh Jagannathan	1	4	(91.11)
2	Mr. R. Vidhya Shankar	28	25	(63.22)
3	Mr. G. Soundararajan	10	4	(66.07)
4	Mrs. Sriya Chari	15	5	(23.73)
5	Mr. S. K. Sundararaman	12	NA	NA

v) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company :

KMP's Name & Designation	CTC for 2018-19 ₹ Lakhs	% Increase / (Decrease) in CTC (2018-19 against 2017-18)	Revenue for 2018-19 ₹ Lakhs	% Increase in revenue (2018-19 against 2017-18)
Mr. Vikram Mohan, Managing Director	134.31	(44.84)		
Mr. S. Shrinivasan, CFO (from 1st April 2018 to 29th May 2018)	7.81	NA		
Mr. J. Sridhar, Director Finance - CFO (from 30th May 2018 to 6th February 2019)	54.94	NA	1,38,391.25	2.19
Mr. K. Ramesh, CFO (from 7th February 2019 to 31st March 2019)	7.23	NA		
Mr. T. G. Thamizhanban, Company Secretary	30.81	12.11		
Total	235.10	NA		

S. No.	Name of Whole Time Director / CFO / CEO / CS	% Increase / (Decrease) in remuneration
1	Mrs. Vanitha Mohan, Chairman	(12.43)
2	Mr. Vikram Mohan, Managing Director	(44.84)
3	Mr. S. Shrinivasan, (CFO) (from 1st April 2018 to 29th May 2018)	NA
3	Mr. J. Sridhar, (Director Finance-CFO) (from 30th May 2018 to 6th February 2019)	NA
4	Mr. K. Ramesh, (CFO) (from 7th February 2019 to 31st March 2019)	NA
5	Mr. T. G. Thamizhanban (CS)	12.11

Whole Time Directors receive remuneration by way of Salary, Allowances, Perquisites and Benefits (fixed component) and commission on net profit (variable component), as approved by shareholders.

Non-Whole Time Directors receive remuneration by way of sitting fees and commission on net profit, which will be paid broadly on the basis of Board Meetings and Committee Meetings attended by them.

iii) The percentage increase in the median remuneration of employees (Staff) in the financial year 2 %

iv) The number of permanent employees (Staff) on the rolls of Company 640

ANNEXURE "E" TO DIRECTORS' REPORT (Contd.,)

vi) The key parameters for any variable component of remuneration availed by the directors :

The Directors are not eligible for any variable compensation other than Commission as per the provisions of the Act.

vii) We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.

viii) Statement of top Ten employees in terms of remuneration drawn and the name of every employee receiving remuneration not less Rupees Eight lakh and Fifty thousand per month :

Name & (Age)	Designation (Nature of Duties)	Gross Remuneration (₹ Lakhs)	Qualification & Experience (Years)	Date of Commencement of Employment	Last Employment
Mrs. Vanitha Mohan (66)	Chairman (Internal Audit and Corporate Social Responsibilities)	102.38	Commerce Graduate with PG Diploma in Business Management (33)	1st June 1999	—
Mr. Vikram Mohan (44)	Managing Director (Strategy, Finance, Customer Relationship Management and Public Relations)	134.31	Bachelor of Engineering (Production Engineering) (23)	7th November 2011	Pricol Corporate Services Limited
Mr. Amit Bhushan Dakshini (48)*	Chief Strategy Officer (Responsible for Strategy) - upto 13th February 2019	72.35	B.Sc., M.B.A (23)	20th April 2016	Varroc Engineering (P) Ltd
Mr. J. Sridhar (65)*	Director-Finance (Responsible for Finance)-from 18th April 2018	67.65	ACS., ICWA (40)	18th April 2018	Arya Vaidya Pharmacy (CBE) Ltd
Mr. K. Srinivasa Rao (56)*	Executive Director - From 18th April 2018 to 31st October 2018	67.07	B.Com., ACMA., MBA	18th April 2018	Indian Manufacturing Private Limited
Mr. PM Ganesh (50)	Chief Marketing Officer (Responsible for Business Development)	66.24	BE., MBA (31)	17th January 2013	Lucas TVS Limited
Mr. Udaya Bhanu. S (53)*	Vice President (Responsible for Operations - Plant III)-upto 28th February 2019	62.14	BE., MS (35)	20th June 2016	Advik Hi Tech (P) Limited
Mr. Tarun Tandon (46)	Senior General Manager (Responsible for Operations - Plant II, Plant VII & Plant IX)	59.55	BE.,SMP., DMM (25)	16th October 2009	Mahle Filter Systems India Ltd.
Mr. Malarvannan R (48)	Chief People Officer (Responsible for Human Resources)	58.93	PGDPM & MHRM., PGDBM (23)	15th July 2015	Young Brand Apparel (P) Limited
Mr. V. Balaji Chinnappan (54)	Vice President & Head Operations (Responsible for Manufacturing Operations)	57.43	BE., MBA (32)	9th April 2007	Roots Industries Limited
Mr. G. Sundararaman(52)*	President (Responsible for Engineering and Manufacturing activities) Upto 30th April 2018	9.90	B.E., (Mechanical) & PG Diploma in Business Administration (29)	27th July 2015	Royal Enfield (Unit Eicher Motors Limited)
Mr. K. Ramesh (58)*	Chief Financial Officer (Responsible for Finance) -from 18th January 2019	9.48	B.Com., ICWA (38)	18th January 2019	Yazaki India (P) Limited

* Worked for part of the year.

- Mrs. Vanitha Mohan and Mr. Vikram Mohan are related to each other. Mrs. Vanitha Mohan is Mr. Vikram Mohan's Mother.
- Mrs. Vanitha Mohan and Mr. Vikram Mohan owns more than 2% of the equity shares of the Company as on 31st March 2019.
- Gross remuneration comprises salary, commission, allowances, monetary value of perquisites and the Company's contribution to provident fund, gratuity fund and superannuation fund.
- No person has received remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

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ANNEXURE "F" TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Company's Philosophy on Corporate Governance envisages striving for excellence in all facets of its operations through socially and environmentally acceptable means. The Company wants to be a responsible corporate citizen and share the benefits with society and also will make its customers, employees, suppliers and shareholders feel proud of their association with the Company through highest level of fairness and transparency in its dealings.

2. BOARD OF DIRECTORS :

a. Composition of the Board:

As on 31st March 2019, the Company's Board comprised of 7 Directors. The Board consists of 2 (29%) Executive Directors of whom one is a Woman Director and 5 (71%) Non-Executive Directors, of whom all are Independent Directors of whom one is Woman Director. Details are given in the table below;

The members of the Board are well-experienced professionals and industrialists. The day-to-day management and affairs are handled by Mr. Vikram Mohan, Managing Director, subject to the supervision, control and direction of the Board of Directors and is supported by Mrs. Vanitha Mohan, Chairman. The composition of the Company's Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

b. Category of Directors, Attendance and Committee Membership :

Name of the Director	DIN	Category	Attendance Particulars		No. of Committee positions held including Pricol Limited				No. of shares held
			Board Meeting	Last AGM	Member		Chairman		
					*	#	*	#	
Mr. Suresh Jagannathan	00011326	Non-Executive - Independent	1	-	2	5	-	-	26,985
Mr. R. Vidhya Shankar	00002498	Non-Executive - Independent	6	✓	1	2	2	4	-
Mr. G. Soundararajan	00037995	Non-Executive - Independent	3	-	-	-	-	-	-
Mrs. Sriya Chari	07383240	Non-Executive - Independent	5	-	1	3	-	-	-
Mr. S.K. Sundararaman	00002691	Non-Executive Independent	6	-	6	10	-	-	-
Mrs. Vanitha Mohan Chairman	00002168	Executive - Promoter	6	✓	2	2	-	1	37,26,488
Mr. Vikram Mohan Managing Director	00089968	Executive - Promoter	5	✓	1	2	-	-	35,21,175

As detailed in the table above, none of the directors is a member of more than Ten Board level Committees of public companies in which they are Directors nor a Chairman of more than five such Committees.

* As per regulation 26 of the SEBI LODR, only Chairman / Member of Audit Committee and Stakeholders Relationship Committee considered.

All Statutory Committees referred under SEBI LODR and Companies Act, 2013 considered.

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

c. No. of Directorship in other Companies including the Name of Listed companies

Name of the Director	No. of Directorship in other Companies			Name of other Listed Company	Category of directorship in that Listed Company(s)
	Public Company	Private Company	Foreign Company		
Mr. Suresh Jagannathan	2	5	-	1. Kovilpatti Lakshmi Roller Flour Mills Limited (Formerly KLRFL Limited) 2. Elgi Rubber Company Limited	1. Managing Director 2. Independent Director
Mr. R. Vidhya Shankar	1	-	-	1. L. G. Balakrishnan & Bros Ltd	1. Independent Director
Mr. G. Soundararajan	-	6	2	Nil	NA
Mrs. Sriya Chari	1	3	-	1. India Motor Parts and Accessories Limited	1. Independent Director
Mr. S.K. Sundararaman	5	5	-	1. Shiva Mills Limited (formerly STYL Textile Ventures Ltd) 2. Shanthy Gears Limited 3. Shiva Texyarn Limited	1. Director 2. Director 3. Managing Director
Mrs. Vanitha Mohan	2	5	-	Nil	NA
Mr. Vikram Mohan	5	4	2	Nil	NA

d. Mrs. Vanitha Mohan and Mr. Vikram Mohan are related to each other. Mrs. Vanitha Mohan is mother of Mr. Vikram Mohan. No other directors are related to each other.

e. A chart or a matrix setting out the skills / expertise / competence of the Board of Directors:

To carry out the duties and responsibilities of a director in the Company, following skills / expertise / competence of the Board of Directors were identified.

Knowledge, Skills and Experience																			
Board Members	Years on Board	Board Experience & Governance	Strategic Planning	Risk and compliance oversight	Financial Knowledge	Auto Component Industry Exposure	Business Management	Human Resource Management	Compliance & Legal Management	Integrity Ethics	Influencer and negotiator	Critical and innovative thinker	Leadership	Gender	Age	Previous board experience	Qualification Mix	Executive / Non Executive	Promoter / Non Promoter
Skills (Governance - G) Industry - I Personal - P Others - O)		G	G	G	G	I	I	I	I	P	P	P	P	O	O	O	O	O	O
Essential (E) / Desirable (D)		E	E	E	E	D	E	D	D	E	E	E	E	D	D	D	D	D	D

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

- f. Board confirms that in the opinion of the Board, the Independent Directors fulfill the conditions specified for Independent Directors in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.
- g. There is no resignation by any of the Independent Directors during the year 2018-19.
- h. The Company conducts familiarisation programmes for the Independent Directors and the details of such programmes have been disclosed on the website of the Company and the weblink there to is <http://pricol.com/Data/policy/Familiarisation-Programme-for-Independent-Directors-March-2019.pdf>. An exclusive meeting of the Independent Directors of the Company was held on 19th March 2019 without the attendance of the Non-Independent Directors and members of the management to discuss inter alia the matters specified under Schedule IV of the Companies Act, 2013.

i. Board Meetings

The Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for the meetings of the Board and Audit Committee in order to assist the Directors in planning their schedules to participate in the meetings.

During the year 2018-19, the Board met 6 times on 30th May 2018, 26th June 2018, 8th August 2018, 8th November 2018, 7th February 2019 and 19th March 2019 and the gap between two meetings did not exceed 120 days

j. Brief note on Directors seeking appointment / reappointment at the ensuing AGM

Mr. Vikram Mohan, Director is retiring at the ensuing Annual General Meeting. He is eligible and offers himself for re-appointment. The Board appointed him as Managing Director, for period of three years with effect from 1st April 2019 to 31st March 2022, subject to the approval of the Shareholders. The Board recommends the appointment of Mr. Vikram Mohan as Managing Director, liable to retire by rotation.

Mr. V. Balaji Chinnappan was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 15th June 2019 and whose term of office expires at this Annual General Meeting ('AGM'). The Board also appointed him as Whole Time Director, with designation Chief Operating Officer, for a period commencing from 15th June 2019 to 31st March 2022, subject to the approval of the Shareholders. The Board recommends the appointment of Mr. V. Balaji Chinnappan as a Director, liable to retire by rotation. The notice period of Whole Time Director (s) shall be decided by the Board.

Mr. K. Ilango was appointed as an Additional Director (Independent) of the Company by the Board of Directors at its meeting held on 15th June 2019 and whose term of office expires at this Annual General Meeting ('AGM'). The Board recommends the appointment of Mr. K. Ilango as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 15th June 2019 to 14th June 2024.

Mr. P. Shanmugasundaram was appointed as an Additional Director (Independent) of the Company by the Board of Directors at its meeting held on 15th June 2019 and whose term of office expires at this Annual General Meeting ('AGM'). The Board recommends the appointment of Mr. P. Shanmugasundaram as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 15th June 2019 to 14th June 2024.

Brief resume, nature of expertise in specific functional areas, disclosure of relationships between director inter-se, names of listed entities in which the person also holds the directorship and the membership of Committees of the board and their shareholding in the Company, of the aforesaid director(s) seeking appointment / reappointment at the ensuing AGM, were given in the Notice of the Annual General Meeting.

The Board of Directors at their meeting held on 30th May, 2019 on the recommendation of the Nomination and Remuneration Committee and on the basis of performance evaluation of Independent Directors, recommended the reappointment of Mr. Suresh Jagannathan & Mr. R. Vidhya Shankar, as Independent Directors of the Company for a second term of five years with effect from 1st August 2019 to 31st July 2024. Their reappointment is subject to the approval of the shareholders through Postal Ballot by way of a Special Resolution. The postal ballot notice dated 30th May 2019 was already dispatched to the shareholders.

Mr. G. Soundararajan, Independent Director whose tenure ends on 31st July 2019 did not opt for reappointment for the second term due to his other unavoidable commitments and pre-occupations. The Board appreciates the valuable services rendered by him during his tenure of office as Director of the Company.

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

3. AUDIT COMMITTEE:

- a. The Committee is mandated with the same terms of reference as specified in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also conforms to the provisions of Section 177 of the Companies Act, 2013.
- b. **Composition, Name of Members / Chairman, Meetings held and Members present during the year 2018-2019**

Name of the Member	Category	Date of Meeting / Members present					
		30th May 2018	26th June 2018	8th August 2018	8th November 2018	7th February 2019	19th March 2019
Mr. R. Vidhya Shankar (Chairman)	Non-Executive - Independent	✓	✓	✓	✓	✓	✓
Mrs. Sriya Chari	Non-Executive - Independent	✓	✓	✓	✓	—	✓
Mr. S. K. Sundararaman	Non-Executive - Independent	NA	✓	✓	✓	✓	✓
Mrs. Vanitha Mohan	Executive - Promoter	✓	✓	✓	✓	✓	✓

Mr. P. Shanmugasundaram, Non-Executive Independent Director was included as a member of the Committee with effect from 15th June 2019.

- c. The Company Secretary acts as the Secretary to the Committee. Director Finance, Chief Financial Officer, Chief Marketing Officer, Internal Audit team and the Statutory Auditors of the Company are permanent invitees to the meetings of the Audit Committee. The heads of various monitoring / operating departments are invited to the meetings, as and when required to explain details about the operations.

4. NOMINATION AND REMUNERATION COMMITTEE :

- a. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees.
- b. The Committee shall identify the persons who are qualified to become Directors / Senior Management Personnel of the Company in accordance with the criteria laid down, recommend to the Board their appointment, the remuneration including commission, perquisites and benefits payable to the Directors and their removal. It shall also carry out the evaluation of every Director's performance.
- c. **Composition, Name of Members / Chairman, Meetings held and Members present during the year 2018-2019 :**

Name of the Member	Category	Date of Meeting / Members present			
		4th April 2018	4th September 2018	5th December 2018	19th March 2019
Mr. R. Vidhya Shankar (Chairman)	Non-Executive- Independent	✓	✓	✓	✓
Mr. G. Soundararajan	Non-Executive- Independent	✓	✓	✓	✓
Mrs. Sriya Chari	Non-Executive- Independent	✓	✓	✓	✓

Mr. P. Shanmugasundaram, Non-Executive Independent Director was included as a member of the Committee in place of Mr. G. Soundararajan, with effect from 15th June 2019.

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

d. **Nomination and Remuneration Policy :**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the policy on the nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

The Objectives of the Policy are:

- I. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- II. To evaluate the performance of the Directors, Key Managerial Personnel and Senior Management and provide necessary reports to the Board for their further evaluation.
- III. To recommend the remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- IV. To provide to the Key Managerial Personnel and Senior Management, rewards linked directly to their effort, performance, dedication and achievement in relation to the Company's operations.
- V. To attract, retain, motivate and promote talent and to ensure the long term sustainability of talented managerial persons and create a competitive advantage.
- VI. To devise a policy on Board diversity.
- VII. To develop a succession plan for the Board and to regularly review the plan.

The Nomination and Remuneration policy of the Company has been disclosed on the website of the Company and the web link thereto is <http://www.pricol.com/Data/Policy/Nomination-and-Remuneration-Policy.pdf>.

e. **Performance evaluation criteria for Independent Directors:**

Performance of Independent Directors has to be evaluated by the Board of Directors, based on the following criteria:

- I. Evaluation Criteria laid down under Nomination and Remuneration Policy.
- II. Code of Conduct as laid down by the Board and
- III. Code of Independent Directors prescribed in Schedule IV read with Section 149 (8)

5. **REMUNERATION TO DIRECTORS :**

The remuneration payable to the Executive Directors is determined by the Board on the recommendation of the Nomination and Remuneration Committee with the approval of the shareholders at the Annual General Meeting. The Company pays remuneration by way of Salary, Allowances, Perquisites and Benefits (fixed component) and commission (variable component) to its Executive Directors.

The sitting fees and commission will be distributed broadly on the basis of Board Meetings and Committee Meetings attended by the Non-Executive Directors. The company has not provided any Stock Options to any of its directors and employees.

The remuneration paid / payable to the Executive Directors for the year 2018 - 19

₹ Lakhs

Name of the Director	Designation	Service Contract	Salary, perquisites & benefits (Gross)	Commission	Total
Mrs. Vanitha Mohan	Chairman	1st April 2018 to 31st March 2021	102.38	—	102.38
Mr. Vikram Mohan	Managing Director	1st April 2016 to 31st March 2019	134.31	—	134.31

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

The remuneration paid / payable to the Non-Executive Directors for the year 2018-2019 and the shares held by them are given below : ₹ Lakhs

Name of the Non-Executive Director	Commission	Sitting fee	No. of Shares held on 31st March, 2019
Mr. Suresh Jagannathan	—	0.20	26,985
Mr. R.Vidhya Shankar	—	3.20	—
Mr. G. Soundararajan	—	0.95	—
Mrs. Sriya Chari	—	2.25	—
Mr. S. K. Sundararaman	—	2.25	—

The Company had availed the services of Mr.R.Vidhya Shankar, Advocate who is a Non-Executive-Independent Director, in his professional capacity and paid ₹ 6.85 Lakhs. The said transaction value does not exceed ten per cent of the gross turnover of his legal firm.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Committee comprises of Mrs.Vanitha Mohan, Mr.Vikram Mohan and Mr.R.Vidhya Shankar. Mr. S.K. Sundararaman, Non- Executive Director was included as a member of the Committee with effect from 15th June 2019. The Committee approves the issue of new / duplicate share certificates.

The Committee oversees and reviews all matters connected with share transfers / transmission / demat / remat / issue of share certificates and other issues pertaining to shares. The Committee specifically look into the various aspects of interest of shareholders / stakeholders. The Committee also looks into the investor relations / grievances and redressal of the same, on a periodical basis.

The Committee met 5 times during the year on 27th April 2018, 19th July 2018, 29th October 2018, 8th November 2018 and 22nd January 2019. Mr.Vidhya Shankar chaired all the meetings. Mr.T.G.Thamizhanban, Company Secretary is the Compliance Officer.

During the year, 2 letters were received as complaint from the investors regarding non-receipt of dividend warrants / annual reports / share certificates etc., and all of them were replied / resolved to their satisfaction. No transfer / dematerialisation / investor complaints are kept pending.

7. GENERAL BODY MEETINGS :

Year	Date & Time	Special Resolution	Location
2016 – 1/2016 EGM	11th January 2016 03.00 p.m.	a. Sub-division of Equity Shares b. Conversion of Private into Public Company	Registered Office, 109, Race Course, Coimbatore - 641 018
2016 – 2/2016 EGM	22nd July 2016 03.00 p.m.	a. Change in Object Clause b. Change in Articles	
2016 – 5th AGM	17th August 2016 12.00 p.m.	NIL	
2016 – 3/2016 EGM	25th October 2016 11.00 a.m.	a. Creation of Charge b. Fixing Borrowing powers of the Board of Directors	
2017 – 6th AGM	23rd August 2017 4.30 p.m.	a. Amendment to Articles of Association	Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore - 641 018
2018 – 7th AGM	22nd August 2018 4.30 p.m.	a. Appointment and Remuneration of Mrs.Vanitha Mohan, Chairman b. Authorisation for Conversion of Loans of the Company into Equity Shares as per Loan agreement	

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

- Court convened meeting of the members held during the year 2018-19 : NIL
- Special resolution passed during the year 2018 - 19, through postal ballot : NIL
- Person who conducted the postal ballot exercise : - Not Applicable
- During 2019 - 2020, postal ballot notice dated 30th May 2019 is sent to the members to get their approval for the reappointment of Mr.R.Vidhya Shankar and Mr.Suresh Jagannathan, Independent Directors, for their second term of five years, by way of special resolutions.

8. MEANS OF COMMUNICATION :

The quarterly / annual financial results of the Company are published in The New Indian Express (English), Business Line (English) and The Hindu (Tamil). The financial results and the annual reports of the Company are uploaded on the Company's website: www.pricol.com and on the Stock Exchange websites, www.bseindia.com and www.nseindia.com. Periodically the Company is making presentations to institutional investors and to analysts.

Management discussion & Analysis forms part of the Annual Report.

9. GENERAL SHAREHOLDER INFORMATION :

a. Annual General Meeting

Date & Time : Thursday, 29th August 2019, 4.30 p.m.
Venue : 'ARDRA', No. 9, North Huzur Road
 (Near Anna Statue), Coimbatore – 641 018

b. Financial Year : 1st April, 2018 to 31st March, 2019

c. Date of Book closure : Not Applicable

d. Financial Calendar

Financial reporting for the quarter ending	Financial Calendar
30th June, 2019	Between 15th July and 14th August 2019
30th September, 2019	Between 15th October and 14th November 2019
31st December, 2019	Between 15th January and 14th February 2020
31st March, 2020	Between 15th April and 30th May 2020

e. Particulars of Dividend : No Dividend has been recommended for the Financial Year 2018-19.

f. Listing on Stock Exchanges : **National Stock Exchange of India Limited** **BSE Limited**
 Exchange Plaza, C-1, Block G, Phiroze Jeejeebhoy Towers,
 Bandra Kurla Complex, Dalal Street,
 Bandra (E), Mumbai - 400 051 Mumbai- 400 001

g. Stock Code : National Stock Exchange : PRICOLLTD
 BSE Limited : 540293

h. International Security Identification Number (ISIN) : INE726V01018

i. Listing and Custodial Fee : Annual Listing Fees for the year 2019-20 were paid to National Stock Exchange of India Limited and BSE Limited. Custodial Fees for the year 2019-20 to Central Depository Services (India) Limited and National Securities Depository Limited, were paid.

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

j. Stock Market Data:

Month	National Stock Exchange				BSE Limited			
	Price (₹)		CNX- 500 (Points)		Price (₹)		BSE- Small Cap (Points)	
	High	Low	High	Low	High	Low	High	Low
April-18	102.90	87.45	9503.60	8933.45	102.80	87.25	18409.96	17060.47
May-18	98.15	78.50	9531.65	9046.70	98.20	78.25	18457.26	16884.44
June-18	80.90	63.75	9423.20	9018.05	85.00	63.00	17259.20	15708.80
July-18	79.00	64.00	9657.60	9060.60	79.10	63.00	16591.71	15602.97
August-18	78.50	60.60	10027.00	9579.70	78.45	63.55	17216.74	16531.09
September-18	66.40	48.50	10049.85	9041.65	66.50	48.45	17334.16	14325.21
October-18	57.90	45.00	9185.50	8370.80	58.00	44.70	14751.93	13396.84
November-18	54.95	46.00	9134.35	8742.50	55.85	45.00	14742.04	14253.98
December-18	58.60	46.95	9258.35	8646.55	58.65	47.00	14855.31	13715.61
January-19	52.50	40.75	9206.05	8825.60	52.25	41.30	14790.99	13652.03
February-19	44.80	34.20	9179.75	8729.70	44.00	34.30	14064.51	13099.46
March-19	43.40	34.85	9667.45	8994.00	42.80	35.00	15034.53	13719.80

k. Registrar and Transfer Agents:

For Physical transfer and Dematerialisation of shares:

The Company has appointed M/s. Integrated Registry Management Services Private Limited, 2nd Floor, "KENCES" Towers, No.1, Ramakrishna street, North Usman Road, T.Nagar, Chennai - 600 017 as Common Transfer Agent for all aspects of investor servicing relating to shares in both physical and demat form.

l. Share Transfer System:

The Company's shares are required to be compulsorily traded in the Stock Exchanges in dematerialised form. Shares in physical mode which are lodged for transfer are processed and returned within the stipulated time, if the documents are complete in all respects. Physical shares received for dematerialisation are processed and completed within the stipulated time if the documents are complete in all respects. Bad deliveries are promptly returned to Depository Participants (DP's) under advice to shareholders. The Company obtains from M/s. S.Krishnamurthy & Co., Company Secretaries, Chennai the following certificates:

- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on half-yearly basis, for due compliance of share transfer formalities by the Share Transfer Agent of the Company.
- Pursuant to SEBI (Depositories and Participants) Regulations, 2018, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) with the total issued / paid up capital of the Company.

m. Distribution of Shareholding as on 31st March 2019:

Shares held by	No. of Holders*	No. of Shares*	% of Total Paid - up Capital
1 to 500	32,832	51,55,191	5.43
501 to 1000	4,140	34,48,358	3.63
1001 to 2000	2,289	35,24,687	3.72
2001 to 3000	920	23,49,593	2.48
3001 to 4000	444	15,90,448	1.67
4001 to 5000	417	19,45,149	2.05
5001 to 10000	630	46,06,615	4.86
10001 and above	595	7,21,76,680	76.16
Total	42,267	9,47,96,721	100.00

* Based on PAN consolidated

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

n. Dematerialisation of shares and liquidity as on 31st March 2019:

Shares of the Company can be held and traded in Electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialised form.

Particulars	No. of holders	% of No of holders	No. of Shares	% of Total Paid - up Capital
i) National Securities Depository Limited (NSDL)	25,504	60.34	7,17,87,469	75.73
ii) Central Depository Services (India) Limited (CDSL)	16,079	38.04	2,12,72,167	22.44
Demat Form (i + ii)	41,583	98.38	9,30,59,636	98.17
iii) Physical Form	684	1.62	17,37,085	1.83
Total	42,267	100.00	9,47,96,721	100.00

o. Transfer of Unclaimed Shares to Demat Account:

In terms of the Listing Agreement entered with the Stock Exchanges, intimations have been sent to the shareholders to claim the unclaimed shares. Even after the reminders some of the shares have not been claimed by the Shareholders and as per clause 5A of the Listing Agreement entered with the Stock Exchanges these shares have been kept in a separate Demat Account opened for this purpose. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Particulars	No. of shareholders	No. of shares
Opening	a	764
Transferred from Unclaimed Shares Suspense account upto 31st March 2018	b	318
Closing Balance as on 31st March 2018	c = a-b	446
Claimed during the year 2018-19		61
Transferred from Unclaimed Shares Suspense account during the year 2018-19	d	61
Closing Balance as on 31st March 2019	e = c-d	385

The shareholders are requested to contact the Registrar and Share Transfer Agent for claiming the shares.

p. As on 31st March 2019, there are no Outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

q. Commodity price risk or foreign exchange risk and hedging activities : Refer Note No. 2.57 to Notes to Financial Statements.

r. Plant locations:

Plant I

132, Mettupalayam Road,
Perianaickenpalayam,
Coimbatore - 641 020,
Tamilnadu, India.

Plant II

Plot No.34 & 35, Sector 4,
IMT Manesar, Gurugram - 122 050,
Haryana, India.

Plant III

4/558, Mettupalayam Road,
Chinnamathampalayam,
Bililichi Village, Press Colony Post,
Coimbatore - 641 019, Tamilnadu, India.

Plant V

Global - Rasoni, Industrial Park,
Gat No.180-187, Alandi - Markal Road,
Phulgaon, Haveli Taluka,
Pune - 412 216, Maharashtra, India.

Plant VII

Plot no.45, Sector 11,
Integrated Industrial Estate,
Pantnagar, SIDCUL,
Rudrapur - 263 153, Uttarakhand, India.

Plant IX

Plot No - 120, Sector - 8,
IMT Manesar, Gurugram - 122 050,
Haryana, India.

Plant X

650, Benjamin Road,
Sri City - 517 646,
Andhra Pradesh, India.

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

s. Address for correspondence:

**Registrar & Transfer Agents
M/s. Integrated Registry
Management Services Private Limited**

Unit: Pricol Limited,
2nd Floor, " Kences Towers ",
No.1, Ramakrishna Street, North Usman Road,
T. Nagar, Chennai – 600 017, India.
Phone : + 91 44 28140801 – 03
Fax : + 91 44 28142479
Email : srirams@integratedindia.in

Company
Secretarial Department

Pricol Limited
109 Race Course,
Coimbatore – 641 018, India.
Phone : + 91 422 4336238 / 6272
Fax : + 91 422 4336299
Email : cs@pricol.co.in / investor@pricol.co.in

t. Website address : www.pricol.com

u. Name of the Compliance Officer : Mr.T.G.Thamizhanban, Company Secretary

10. DISCLOSURES :

- a. The Company has not entered into any materially significant related party transactions that may have potential conflict with the interest of the Company at large. Details of transactions with related parties are provided in Note No. 2.65 to Notes to Financial Statements in accordance with the provision of Indian Accounting Standards. The Company has formulated a policy on related party transactions which has been placed on the website of the Company and the web link thereto is <http://pricol.com/Data/policy/Policy-on-Related-Party-Transaction.pdf>
- b. There was no instance of non-compliance by the Company on any matters relating to the capital markets, nor was there any penalties, strictures, imposed by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;
- c. The Company has established a Vigil Mechanism / Whistle Blower Policy to enable the Stakeholders of the Company to report their genuine concerns and grievances. The Policy provides for adequate safeguards against victimization of stakeholders who avail of the vigil mechanism and direct access to the Chairman of the Audit Committee of the Company, in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

The Company hereby affirms that no stakeholders including Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the website of the Company and the weblink thereto is <http://pricol.com/Data/policy/Whistle-Blower-Policy.pdf>.

- d. The Company has complied with all the mandatory requirement of corporate governance norms as specified in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e. The Company has formulated a Policy on Subsidiary & Material Subsidiary Company and has placed it on the website of the Company and the web link thereto is <http://pricol.com/Data/policy/Pricol-Policy-on-Subsidiary&Material-Subsidiary-Company.pdf>
- f. Disclosure of commodity price risks and commodity hedging activities. Refer Note No. 2.57 to Notes to Financial Statements.
- g. During the financial year, the company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).
- h. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority, is annexed as part of this report.
- i. The board accepted all the recommendation of the Committees of the Board which is mandatorily required, in the relevant financial year.

ANNEXURE "F" TO DIRECTORS' REPORT (Contd.,)

- j. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, is as follows:

₹ Lakhs	
Particulars	Pricol Limited and Subsidiaries
Tax Audit	17.75
Statutory Audit	42.50
Other Services	12.47

- k. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) had been constituted in compliance with the provisions of above Act, to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any sexual harassment complaint during the year 2018-19.

- l. The company has complied with all the requirements as specified in sub-paras (2) to (10) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Corporate Governance report.
- m. The Company has complied with the following Discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
- Adopted the best practices to ensure a regime of financial statements with unmodified audit opinion.
- n. The company has complied with all the requirements specified in Regulation 17 to 27 and disseminate the information under a separate section on the website, as required under clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board
Vanitha Mohan
 Chairman
 (DIN : 00002168)

Coimbatore
 21st June, 2019

CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and senior management personnel. The code of conduct is available on the website of the Company under the web link <http://pricol.com/Data/policy/Code-of-Conduct-BOD&SM.pdf>. The declaration of the Managing Director is given below:

DECLARATION

All the Board members and senior management personnel affirmed compliance with the code of conduct of the Company for the financial year ended 31st March 2019.

Vikram Mohan
 Managing Director
 (DIN : 00089968)

Coimbatore
 21st June, 2019

**CORPORATE GOVERNANCE
COMPLIANCE CERTIFICATE**

**CERTIFICATE OF
NON-DISQUALIFICATION OF DIRECTORS**

To

The Members
Pricol Limited
(CIN: L34200TZ2011PLC022194)
109, Race Course, Coimbatore - 641018.

I have examined all the relevant records of Pricol Limited ("hereinafter called as the "Company") for the purpose of certifying compliance with the conditions of Corporate Governance stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2019. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance with the conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring compliance with the conditions of corporate governance.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

P. Eswaramoorthy and Company

Company Secretaries

P.Eswaramoorthy

Proprietor

FCS No. : 6510

C.P.No. 7069

Coimbatore
30th May, 2019

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members
Pricol Limited
(CIN: L34200TZ2011PLC022194)
109, Race Course, Coimbatore - 641018.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of PRICOL LIMITED having CIN:L34200TZ2011PLC022194, and having Regd. Office at 109, Race Course, Coimbatore-641018, Tamil Nadu, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Subclause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

P. Eswaramoorthy and Company

Company Secretaries

P.Eswaramoorthy

Proprietor

FCS No. : 6510

C.P.No. 7069

Coimbatore
30th May, 2019

★★★★★

TEN YEARS PERFORMANCE AT A GLANCE

OPERATING RESULTS

₹ Lakhs

Year Ended 31st March	2010		2011		2012		2013		2014		2015		2016		2017		2018		2019	
	Erstwhile Pricol Limited	2010	Erstwhile Pricol Limited	2011	Erstwhile Pricol Limited	2012	Erstwhile Pricol Limited	2013	Erstwhile Pricol Limited	2014	Erstwhile Pricol Limited	2015	Erstwhile Pricol Limited	2016	Erstwhile Pricol Limited	2017	Erstwhile Pricol Limited	2018	Erstwhile Pricol Limited	2019
Net Sales & Services - Domestic - Export	63,380.64	71,001.54	78,867.46	81,630.87	93,147.93	82,825.96	83,024.30	88,996.47	68,996.84	69,966.84	12,859.12	14,027.83	14,027.83	10,052.82	8,409.61	10,052.82	10,052.82	1,13,155.51	1,09,564.18	1,22,195.63
Total Net Sales & Services	10,858.60	10,629.33	14,280.47	81,630.87	93,147.93	82,825.96	83,024.30	68,996.47	12,859.12	14,027.83	14,027.83	14,027.83	10,052.82	8,409.61	10,052.82	10,052.82	10,052.82	1,13,155.51	1,09,564.18	1,22,195.63
Gross Surplus from Operation	9,095.12	7,687.32	7,373.24	7,687.32	7,373.24	6,043.65	6,581.28	6,996.84	6,043.65	6,581.28	6,581.28	2,328.39	2,328.39	10,665.39	13,186.52	10,665.39	10,665.39	15,050.28	15,050.28	9,626.44
Other Income	332.97	571.47	214.65	571.47	214.65	151.60	362.25	214.65	151.60	362.25	200.57	200.57	699.96	429.46	699.96	429.46	699.96	667.46	667.46	592.53
Depreciation & Amortisation Expense (a)	3,517.83	3,370.40	2,919.11	3,370.40	2,919.11	3,195.01	3,066.46	3,066.46	3,195.01	3,066.46	3,525.45	3,525.45	3,417.37	6,599.73	6,599.73	3,417.37	6,599.73	7,156.53	7,156.53	8,019.74
Finance Costs (b)	3,164.52	2,731.16	2,979.21	2,731.16	2,979.21	1,633.07	651.96	651.96	1,633.07	651.96	789.00	789.00	931.19	784.14	784.14	931.19	784.14	1,139.39	1,139.39	1,808.74
Profit / (Loss) from operations before Exceptional Items and Tax	2,745.74	2,157.23	1,689.57	2,157.23	1,689.57	1,367.17	3,225.11	1,367.17	1,367.17	3,225.11	(1,785.49)	(1,785.49)	7,016.79	6,232.11	6,232.11	7,016.79	7,421.82	7,421.82	390.49	
Exceptional Items (Net)	—	—	4,942.03	—	4,942.03	—	5,163.34	—	—	5,163.34	(467.68)	(467.68)	(1,001.62)	—	—	(1,001.62)	—	—	(23,197.75)	
Profit / (Loss) Before Tax (PBT) (c)	2,745.74	2,157.23	6,631.60	2,157.23	6,631.60	1,367.17	8,388.45	1,367.17	1,367.17	8,388.45	(2,253.17)	(2,253.17)	6,015.17	6,232.11	6,232.11	6,015.17	7,421.82	7,421.82	(22,807.26)	
Tax Provision incl. Deferred Tax	197.71	(154.25)	990.00	(154.25)	990.00	(206.87)	1,688.52	(206.87)	(206.87)	1,688.52	(453.45)	(453.45)	1,695.43	1,564.73	1,564.73	1,695.43	2,074.46	2,074.46	(14.31)	
Profit / (Loss) After Tax (PAT) (d)	2,548.03	2,311.48	5,641.60	2,311.48	5,641.60	1,574.04	6,699.93	1,574.04	1,574.04	6,699.93	(1,799.72)	(1,799.72)	4,319.74	4,667.38	4,667.38	4,319.74	5,347.36	5,347.36	(22,792.95)	
Other Comprehensive Income for the year after tax	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	(112.87)	(112.87)	NA	160.64	160.64	31.09	
Total Comprehensive Income for the year	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4,554.51	4,554.51	NA	5,508.00	5,508.00	(22,761.86)	
Dividend (including tax) (e)	419.79	627.60	836.80	627.60	836.80	421.18	884.48	421.18	421.18	884.48	—	—	1,140.95	1,140.95	1,140.95	1,140.95	1,142.82	1,142.82	—	
Retained Profit / (Loss)	2,128.24	1,683.88	4,804.80	1,683.88	4,804.80	1,152.86	5,815.45	1,152.86	1,152.86	5,815.45	(1,799.72)	(1,799.72)	3,178.79	3,413.56	3,413.56	3,178.79	4,365.18	4,365.18	(22,761.86)	
As at 31st March	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
SOURCES OF FUNDS																				
Share Capital	900.00	900.00	900.00	900.00	900.00	900.00	945.00	945.00	945.00	945.00	947.97	947.97	947.97	947.97	947.97	947.97	947.97	947.97	947.97	947.97
Reserves & Surplus	16,911.21	18,595.09	23,399.89	24,552.75	31,133.20	25,805.92	28,984.71	24,552.75	24,552.75	31,133.20	25,805.92	28,984.71	28,984.71	82,612.01	82,612.01	86,979.06	86,979.06	86,979.06	86,979.06	63,074.38
Money received against Share Warrants	—	—	202.50	202.50	—	—	—	202.50	202.50	—	—	—	—	—	—	—	—	—	—	—
Networth (f)	17,811.21	19,495.09	24,502.39	25,655.25	32,078.20	26,753.89	29,932.68	25,655.25	25,655.25	32,078.20	26,753.89	29,932.68	29,932.68	83,559.98	83,559.98	87,927.03	87,927.03	87,927.03	87,927.03	64,022.35
Deferred Tax Liability / (Asset)	(568.10)	70.00	510.00	400.00	810.00	140.00	(100.00)	400.00	400.00	810.00	140.00	(100.00)	(100.00)	3,714.00	3,714.00	3,714.00	5,000.00	5,000.00	12,725.27	5,470.94
Loan Funds (g)	25,599.76	23,806.03	17,385.60	10,492.40	4,394.17	6,401.02	5,000.00	10,492.40	10,492.40	4,394.17	6,401.02	5,000.00	5,000.00	10,834.74	10,834.74	12,725.27	12,725.27	12,725.27	12,725.27	26,022.67
Total Capital Employed (h)	42,842.87	43,371.12	42,397.99	36,547.65	37,282.37	33,294.91	34,832.68	36,547.65	36,547.65	37,282.37	33,294.91	34,832.68	34,832.68	98,108.72	98,108.72	1,06,120.85	1,06,120.85	1,06,120.85	1,06,120.85	95,515.96

TEN YEARS PERFORMANCE AT A GLANCE (Contd.,) OPERATING RESULTS

As at 31st March	2010		2011		2012		2013		2014		2015		2016		2017		2018		2019		
	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	
APPLICATION OF FUNDS																					
Gross Fixed Assets	51,273.69	51,381.11	50,437.90	51,806.39	50,415.97	45,570.14	47,033.34	82,983.19	88,957.61	97,175.34											
Accumulated Depreciation	28,043.15	29,796.58	31,306.29	33,471.32	32,317.98	27,963.29	28,987.74	12,604.25	19,474.67	27,401.60											
Net Fixed Assets	23,230.54	21,584.53	19,131.61	18,335.07	18,097.99	17,606.85	18,045.60	70,378.94	69,482.94	69,773.74											
Investments	2,524.07	2,524.07	3,024.07	3,880.50	6,038.53	5,275.63	9,544.15	11,526.42	15,527.62	4,676.07											
Other Assets (Net)	17,088.26	19,262.52	20,242.31	14,332.08	13,145.85	10,412.43	7,242.93	16,203.36	21,110.29	21,066.15											
Net Assets Employed	42,842.87	43,371.12	42,397.99	36,547.65	37,282.37	33,294.91	34,832.68	98,108.72	1,06,120.85	95,515.96											
Year Ended 31st March	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019											
PERFORMANCE INDICATORS																					
Equity shares (Nos. in Lakhs)	(i)	900.00	900.00	900.00	900.00	945.00	947.97	947.97	947.97	947.97											
Face Value of Equity Share (₹)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00											
Earnings per share (EPS) (₹)	(d/i)	2.83	2.57	6.27	1.75	7.16	(1.90)	4.56	4.92	5.64											
Diluted Earnings per share (₹)		2.83	2.57	6.18	1.67	7.16	(1.90)	4.56	4.92	5.64											
Dividend per share (₹)		0.40	0.60	0.80	0.40	0.80	—	1.00	1.00	—											
Networth per share (NWPS) (₹)	(f/i)	19.79	21.66	27.22	28.51	33.95	28.22	31.58	88.15	92.75											
Return on Average																					
Networth (RONW) (%)	*	15.21	12.39	25.65	6.28	23.21	(6.12)	15.24	5.69	6.24											
Return on Average Capital																					
Employed (ROCE) (%)	**	13.26	11.34	22.41	7.60	24.49	(4.15)	20.39	7.64	8.38											
Total Debt to Networth	(g / f)	1.44	1.22	0.71	0.41	0.14	0.24	0.17	0.13	0.14											
Interest Coverage Ratio	(a + b + c) / b	2.98	3.02	4.21	3.79	18.57	2.61	11.13	17.36	13.79											

* RONW = [PAT / { (Previous year Networth + Current Year Networth) / 2 }] x 100

** ROCE = [(PBT + Interest) / { (Previous Year Capital Employed + Current Year Capital Employed) / 2 }] x 100

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS

To the Members of Pricol Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Pricol Limited ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2019, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and standalone Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "standalone financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") of the state of affairs (financial position) of the Company as at March 31, 2019, and loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the Note 2.42 to the standalone financial statements regarding the proposed disposal of Investment in wholly owned subsidiaries, including its step down subsidiaries, and the provision made thereon. The net realisable value of the Investments and potential devolvement on account of guarantee were arrived at based on management's best estimates and assumptions, which have been relied upon by us.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report.

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

S.No.	Key Audit Matters	How our audit addressed the Key Audit Matter
1	<p>Non current Investments held for sale: The gross carrying value of the Investments classified as held for sale is ₹ 20,145.07 Lakhs and the provision made for Impairment loss is ₹ 20,067.01 Lakhs and provision on account of devolvement of guarantee (cost to sell) is ₹ 3,130.74 Lakhs. We identified the determination of impairment loss of these investments as a key audit matter due to the significant judgements involved in the determination by the Management of the Net realisable value and the estimation of cost to sell.</p> <p>Refer to Note No. 2.17, 2.32 and 2.42</p>	<p>Validated the assumptions and judgements made by the management in estimating the Net Realisable Value.</p> <p>Evaluating the reasonableness of the management's estimation of the cost to sell.</p> <p>Assessing the appropriateness of the selling price estimated by the management, by comparing the estimated sale price with an independent valuation report.</p>
2	<p>Trade Receivables and Provision for expected credit loss: The Trade Receivable as at March 31, 2019 is ₹ 18,758.95 Lakhs, bad debts written off (Net) is ₹ 24.51 Lakhs and the credit to the Statement of Profit and Loss by way of excess provision for credit loss written back for the year ended March 31, 2019 is ₹ 105.94 Lakhs. The collectability of the Company's aged Trade Receivables and the determination of provision for bad and doubtful debts of Trade Receivables is a Key Audit Matter due to the judgement involved in assessing the recoverability.</p> <p>Refer to Note No. 2.12, 2.35 and 2.41</p>	<p>Evaluated and tested the Company's processes for trade receivables, including the credit control, collection and provisioning processes.</p> <p>Evaluated the management estimates used to determine the provision for bad and doubtful debts.</p> <p>Reviewed the ageing, tested the validity of the receivables, discussed with the management the disputes, if any, with customers, understood and evaluated the reason for delay in realisation of the receivable and possibility of realisation of the aged receivable.</p> <p>Tested the sufficiency of the Provision for bad and doubtful debts charged in the Statement of Profit and Loss for the year ended March 31, 2019.</p>
3	<p>Provisions for pending legal cases -</p> <p>As at March 31, 2019 the Company has a provision of ₹ 598.89 Lakhs as against various outstanding litigations of ₹ 2,007.29 Lakhs.</p> <p>These provisions are estimated using a significant degree of management judgement.</p> <p>Refer to Note No. 2.23(a) and 2.45</p>	<p>Assessing the adequacy of provisions by discussing with the management and reviewing correspondence with the respective authorities;</p> <p>Relying on judicial pronouncements;</p> <p>Obtaining opinion / views from the company's external legal advisors regarding the likely outcome, magnitude and exposure to the relevant litigations and claims.</p>

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, for example, Directors' Report and Management Analysis including Annexures thereon but does not include the standalone financial statements and our Auditor's report thereon. The other information is expected to be made available to us after the date of our audit report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information, as stated above, which is expected to be received after the date of our audit report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows 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 relevant rules issued thereunder.

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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The corresponding figures and financial information of the Company for the year ended March 31, 2018 included in these standalone financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 audited by the predecessor auditor whose report for the year ended March 31, 2018 dated May 30, 2018 expressed an unmodified opinion on those standalone financial statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "**Annexure 1**", 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 standalone Balance Sheet, the standalone Statement of Profit and Loss, the standalone Cash Flow Statement and the standalone 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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
 - e. On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "**Annexure 2**".
 - g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

(Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer to Note No. 2.45 to the standalone financial statements;
- ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer to Note No. 2.44 to the standalone financial statements;

- iii) Dues of ₹ 7.08 Lakhs to Investor Education and Protection Fund (IEPF) pertaining to FY 2010-11 were pending to be transferred on account of certain technical glitches with MCA portal which is yet to be resolved. The due date for transferring the amount to IEPF was October 17, 2018. The Company is co-ordinating with the respective intermediaries to rectify the same.

For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Registration No. 000066S

Coimbatore
15th June, 2019

V S Srinivasan
Partner
Membership No. 13729

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Pricol Limited** on the standalone financial statements for the year ended March 31, 2019]

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. As informed, material discrepancies noticed on physical verification carried out during the year have been properly dealt with in the books of account.
- iii) The Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
 - a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.
 - b) The schedule of repayment of principal and payment of interest in respect of such loans has been stipulated and the repayments or receipts are regular.
 - c) In respect of the aforesaid loans, there is no overdue amount of loans granted to companies, firms, Limited Liability Partnerships, or other parties listed in the register maintained under Section 189 of the Act.
- iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under with regard to the acceptance of deposits.
- vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT (Contd.,)

provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, goods and services tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax,

goods and services tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, value added tax, goods and services tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount ₹ Lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks		
Central Excise Act / Service Tax Act / Customs Act	i) Excise Duty ii) Service Tax iii) Excise Duty iv) Service Tax v) Customs* Customs Duty Penalty vi) Excise Duty vii) Service Tax viii) Customs Duty ix) Excise Duty x) Service Tax xi) Customs Duty	60.18 154.03 689.04 0.60 208.10 218.06 37.04 7.88 8.95 288.09 28.05 12.83	1999 to 2017	High Court High Court CESTAT CESTAT CESTAT Commissioner, Appeals Commissioner, Appeals Joint Secretary - Ministry of Finance Departmental adjudication Departmental adjudication Departmental adjudication	* ₹ 66.43 Lakhs has been paid under protest		
Central Sales Tax Act	CST	177.60		2009-10 to 2011-12		Additional Commissioner	—
	VAT	116.84		2011-12 to 2013-14		Commissioner, Appeals	—
		2,007.29					

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT (Contd.,)

- | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).</p> | <p>not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.</p> |
| <p>ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public issue offer / further public offer (including debt instruments). Money raised by way of term loans has been applied by the company for the purposes for which they were raised.</p> | <p>xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.</p> |
| <p>x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.</p> | <p>xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.</p> |
| <p>xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.</p> | <p>xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.</p> |
| <p>xii) In our opinion and according to the information and explanations given to us, the Company is</p> | <p>xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.</p> |

For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Registration No. : 000066S

V S Srinivasan
Partner
Membership No. : 13729

Coimbatore
15th June, 2019

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Pricol Limited** on the standalone financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Pricol Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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 ("ICAI"). 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 over financial reporting 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over financial reporting 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS (Contd.,)

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT (Contd.,)

reasonable assurance regarding the reliability of financial reporting and the preparation of 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 reasonable assurance that transactions are recorded as necessary to permit preparation of 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 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 ICAI.

For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Registration No. : 000066S

V S Srinivasan
Partner
Coimbatore
15th June, 2019

V S Srinivasan
Partner
Membership No. : 13729

STANDALONE BALANCE SHEET AS AT 31st MARCH 2019

	Note No.	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
I. ASSETS			
1) Non-current Assets			
a) Property, Plant and Equipment	2.1	41,045.71	38,119.48
b) Capital Work-in-progress	2.2	1,360.17	2,010.89
c) Investment Property	2.3	993.94	1,036.14
d) Goodwill	2.4	10,927.40	11,920.80
e) Other Intangible assets	2.5	15,446.52	15,670.62
f) Intangible Assets under Development	2.6	—	725.01
g) Financial Assets			
i) Investments	2.7	4,676.07	15,527.62
ii) Others	2.8	625.64	516.98
h) Other Non-current Assets	2.9	7,179.78	7,522.40
Total Non-current Assets		82,255.23	93,049.94
2) Current Assets			
a) Inventories	2.10	17,932.87	19,218.07
b) Financial Assets			
i) Investments	2.11	268.82	180.94
ii) Trade Receivables	2.12	18,758.95	20,579.93
iii) Cash and Cash equivalents	2.13	404.82	333.16
iv) Bank Balances other than (iii) above	2.14	660.79	529.46
v) Others	2.15	277.56	748.87
c) Other Current Assets	2.16	1,516.38	1,952.59
Total Current Assets		39,820.19	43,543.02
Non-Current Investments held for Sale	2.17	78.06	—
Non-Current Assets held for Sale	2.18	3,442.91	2,500.00
		3,520.97	2,500.00
		43,341.16	46,043.02
TOTAL ASSETS		1,25,596.39	1,39,092.96
II. EQUITY AND LIABILITIES			
1) Equity			
a) Equity Share Capital	2.19	947.97	947.97
b) Other Equity	2.20	63,074.38	86,979.06
Total Equity		64,022.35	87,927.03
2) Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	2.21	9,697.80	1,833.33
ii) Others	2.22	62.50	119.76
b) Provisions	2.23	1,148.22	1,123.03
c) Deferred Tax Liabilities (Net)	2.24	5,470.94	5,468.55
d) Other Non-current Liabilities	2.25	23.71	35.38
Total Non-current Liabilities		16,403.17	8,580.05

STANDALONE BALANCE SHEET AS AT 31st MARCH 2019

	Note No.	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
Standalone Balance Sheet as at 31st March 2019 (Contd.,)			
3) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	2.26	14,570.79	9,558.61
ii) Trade Payables	2.27		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		186.45	271.05
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		20,486.89	24,759.13
iii) Others	2.28	6,000.01	6,549.37
b) Other Current Liabilities	2.29	353.33	715.29
c) Provisions	2.30	442.66	568.67
d) Current Tax Liabilities (Net)	2.31	—	163.76
Total Current Liabilities		42,040.13	42,585.88
Liabilities associated with Non Current Investments held for Sale	2.32	3,130.74	—
		45,170.87	42,585.88
TOTAL EQUITY AND LIABILITIES		1,25,596.39	1,39,092.96

Significant Accounting Policies & Notes form an integral part of the Financial Statements

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
15th June 2019

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

**STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31st MARCH 2019**

	Note No.	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
INCOME			
Revenue from Operations	2.33	1,29,789.60	1,20,589.50
Other Operating Revenue	2.34	8,009.12	14,169.18
Other Income	2.35	592.53	667.46
Total Income		1,38,391.25	1,35,426.14
EXPENSES			
Cost of Materials Consumed	2.36	88,080.33	79,381.67
Purchases of Stock-in-Trade		7,552.50	6,427.51
Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	2.37	921.08	(1,280.70)
Excise Duty		—	2,918.06
Employee Benefits Expense	2.38	16,400.49	16,002.50
Finance Costs	2.39	1,808.74	1,139.39
Depreciation and Amortisation Expense	2.40	8,019.74	7,156.53
Other Expenses	2.41	15,217.88	16,259.36
Total Expenses		1,38,000.76	1,28,004.32
Profit before Exceptional Items and Tax		390.49	7,421.82
Less : Exceptional Item	2.42	23,197.75	—
Profit / (Loss) Before Tax		(22,807.26)	7,421.82
Less : Tax Expense			
Current Tax		95.80	2,015.62
Deferred Tax		(14.31)	1,669.54
MAT Credit		(95.80)	(1,610.70)
Profit / (Loss) for the year	(A)	(22,792.95)	5,347.36

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2019

	Note No.	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
Standalone Statement of Profit & Loss for the year ended 31st March 2019 (Contd.,)			
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurement of post employment benefit obligations		47.79	245.65
Income tax relating to these items		(16.70)	(85.01)
Other Comprehensive Income for the year after tax	(B)	31.09	160.64
Total Comprehensive Income for the year	(A) + (B)	(22,761.86)	5,508.00
Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees	2.43		
Basic & Diluted		(24.04)	5.64

Significant Accounting Policies & Notes form an integral part of the Financial Statements

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
15th June 2019

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

a) Equity Share Capital	₹ Lakhs
Balance as on 1st April 2017	947.97
Movement during the year 2017-18	—
Balance as on 31st March 2018	947.97
Movement during the year 2018-19	—
Balance as on 31st March 2019	947.97

b) Other Equity	₹ Lakhs			
	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance as on 1st April 2017	80,961.56	1,763.32	(112.87)	82,612.01
- Profit for the year 2017-18	—	5,347.36	—	5,347.36
- Other Comprehensive Income, Net of Income Tax	—	—	160.64	160.64
- Payment of Dividend including Dividend Distribution Tax	—	(1,140.95)	—	(1,140.95)
Balance as on 31st March 2018	80,961.56	5,969.73	47.77	86,979.06
- Profit for the year 2018-19	—	(22,792.95)	—	(22,792.95)
- Other Comprehensive Income, Net of Income Tax	—	—	31.09	31.09
- Payment of Dividend including Dividend Distribution Tax	—	(1,142.82)	—	(1,142.82)
Balance as on 31st March 2019	80,961.56	(17,966.04)	78.86	63,074.38

Significant Accounting Policies & Notes form an integral part of the Financial Statements

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
15th June 2019

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Vanitha Mohan
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(DIN : 00089968)

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax	(22,807.26)	7,421.82
Adjustments for :		
Depreciation & Amortisation Expense	8,019.74	7,156.53
Bad debts written off	185.30	283.96
Provision for Impairment of Non Current Investments	23,197.75	—
Excess Provision for credit loss written back	(105.94)	(302.69)
Provision for doubtful debts and advances / (write back)	(160.79)	167.84
(Profit) / Loss on sale / disposal of Property, Plant and Equipment (Net)	174.50	(11.89)
Interest received	(53.13)	(47.40)
Exchange Fluctuation (Gain) / Loss on Re-statement	18.40	4.74
Gain on Fair Valuation of Investments at Fair Value through P & L	(12.88)	(5.86)
Provision / (Reversal) of Impairment Loss	(133.99)	1,911.93
Finance Costs	1,808.74	1,139.39
	<u>32,937.70</u>	<u>10,296.55</u>
Operating Profit before working capital changes	10,130.44	17,718.37
Adjustments for :-		
(Increase) / Decrease in Trade Receivables	1,826.20	(3,207.00)
(Increase) / Decrease in Inventories	1,285.20	(3,805.73)
(Increase) / Decrease in Other Assets	662.59	(1,054.22)
Increase / (Decrease) in Trade Payables	(4,299.03)	7,309.04
Increase / (Decrease) in Other Payables	(1,495.73)	(343.06)
	<u>(2,020.77)</u>	<u>(1,100.97)</u>
Cash generated from Operations	8,109.67	16,617.40
Direct taxes	351.20	(2,018.82)
Net cash from operating activities	<u>8,460.87</u>	<u>14,598.58</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and Equipment	(10,310.80)	(10,734.27)
Sale of Property, Plant and Equipment	1,016.84	73.70
Adjustment for capital advances	(167.40)	528.53
Purchase of Investments	(9,368.52)	(4,151.20)
Interest received	53.13	47.40
Net Cash (used in) / from investing activities	<u>(18,776.75)</u>	<u>(14,235.84)</u>

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
Standalone Cash Flow Statement for the year ended 31st March 2019 (Contd.,)		
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from / (Repayment of) Current Borrowings (Net)	5,012.18	1,890.53
Repayment of Long Term Borrowings	(1,602.78)	(3,166.67)
Proceeds from Long Term Borrowings	9,888.00	3,166.67
Dividend & Tax on Dividend Paid	(1,126.07)	(1,123.61)
Finance Costs paid	(1,783.79)	(1,127.57)
Net Cash from / (used in) financing activities	<u>10,387.54</u>	<u>(360.65)</u>
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		
	71.66	2.09
Cash and cash equivalents as at 1.4.2018 and 1.4.2017 (Opening Balance)	333.16	331.07
Cash and cash equivalents as at 31.3.2019 and 31.3.2018 (Closing Balance) (Refer to Note No. 2.13)	<u>404.82</u>	<u>333.16</u>

Significant Accounting Policies & Notes form an integral part of the Financial Statements

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
15th June 2019

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

1. SIGNIFICANT ACCOUNTING POLICIES

i. Corporate Information :

Pricol Limited is a company incorporated on 18th May, 2011 and is engaged in the business of manufacturing and selling of Instrument clusters and other allied automobile components to Original Equipment Manufacturers (OEM) and replacement markets. Pursuant to the Scheme of Amalgamation sanctioned by the Honourable High Court of Judicature at Madras, Erstwhile Pricol Limited (Transferor Company) amalgamated with Pricol Pune Limited (Transferee Company) with the appointed date as 1st April 2015 and the Transferee Company was renamed from "Pricol Pune Limited" to "Pricol Limited" with effect from 18th November 2016. The Equity Shares of the Company are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

ii. General Information and Statement of Compliance with Ind AS :

These standalone financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. The financial statements for the year ended 31st March 2019 were authorised and approved for issue by the Board of Directors on 15th June 2019.

iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS Schedule III of the Companies Act, 2013.

The financial statements have been prepared & presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on the basis stated above, except for Accounting for Leases that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use under Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

iv. Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumptions".

v. Current versus non-current classification

The entity presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- It is 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 classified as current, when :

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

The entity classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

vi. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee(₹)which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest lakh with two decimal.

a) Initial recognition

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

b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss on a net basis within other gains / (losses) in the year in which they arise.

vii. Revenue Recognition:

Sale of goods

Revenue from customers is recognised when the company satisfies performance obligation by transferring promised goods or services to the

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

customers. Revenue is measured based on transaction price, which is the fair value of the consideration received / receivable net of returns and allowances, trade discounts and GST.

Revenue from sale of goods and associated services is recognised at the point of time when the goods are sold or services rendered.

The Company considers any other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the goods, the Company considers the effect of variable consideration, the existence of significant financing components, non cash consideration and consideration payable to the customer, if any. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 30 days to 120 days, which is consistent with market practice. The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

Dividend

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Interest Income

Interest income from a financial asset is recognised using Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Claims

Claims made by the company including price escalations and those made on the Company are recognised in the Statement of Profit and Loss as and when the claims are accepted / liability is crystallised.

viii. Property, Plant and Equipment & Depreciation:

Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used for more than a period of twelve months. They are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Own manufactured assets are capitalised at cost including an appropriate share of overheads. Financing costs (if any) relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period upto which such assets are ready for their intended use.

Items such as spare parts, stand-by equipment and servicing equipment are capitalised if they meet the definition of Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment (PPE) is provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except leasehold buildings under operating lease arrangements, which are amortised over the leasehold period and Dies, Tools and Moulds which are depreciated over a period of 3 years.

Where the cost of a part of the PPE is significant to the total cost of the PPE and if that part of the PPE has a different useful life than the main PPE, the useful life of that part is determined separately for depreciation.

The Company has used the following useful lives to provide depreciation on its Property, Plant and Equipment:

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

Class of Assets	Useful Lives
Factory Buildings	30 years
Leasehold Buildings	Over the period of lease
Plant & Machinery	7.5 years (Triple Shift)
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Dies, Tools and Moulds	3 years
Computer Equipments	
- Servers and Networks	6 years
- End User Devices	3 years
Spares	3 to 15 years

The management believes that the useful lives adopted reflect the expected pattern of consumption of future economic benefits.

The depreciation method applied to an asset is reviewed at each financial year-end and if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged prospectively to reflect the changed pattern.

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of Property, Plant and Equipment 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.

ix. Investment property :

Investment property is a property, being a land or a building or part of a building or both, held by the owner or by the lessee under a finance lease, to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment properties (if any), are measured

initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred.

x. Intangible assets and amortisation :

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

The Company has used the following useful lives to amortise its intangible assets, which the management believes, reflect the expected pattern of consumption of future economic benefits:

Class of Assets	Useful Lives
Specialised Software	4 Years
Fees for Technical Know-how	4 Years
Intangible Assets acquired on Amalgamation	15 Years (Based on a technical opinion)
Goodwill	15 Years

xi. Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

xii. Impairment of Non Financial assets:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.

xiii. Impairment of Financial assets:

The Company assesses at each date of balance sheet whether a financial asset or a group of

financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

xiv. 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 best economic interest.

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 in directly observable, or
- **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.

xv. 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.

a. 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement:

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments 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 :

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 trade and other receivables.

Debt instruments at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met :

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI).

Debt instruments at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments', are measured at fair value either through statement of profit and loss or other comprehensive income. The Company makes an irrevocable election to present in OCI the subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in the OCI. Any gains or losses on de-recognition is recognised in the OCI and are not recycled to the statement of profit and loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised 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.

Investment in Subsidiaries, Associates and Joint ventures:

The Company's investment in equity instruments of Subsidiaries, Associates and Joint ventures are accounted for at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint ventures, the difference between net disposal proceeds and the

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

carrying amounts are recognised in the Statement of Profit and Loss.

b. Financial Liabilities:

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

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 Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised 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.

- **Trade and other payables:**

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are

presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

- **Other financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss.

De-recognition of Financial Liabilities:

A financial liability is de-recognised 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 de-recognition 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 and loss.

- c. **Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

xvi. Borrowing costs:

Borrowing costs directly attributable to acquisition / construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use / sale. All other borrowing costs are charged to statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

xvii. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in 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.

xviii. Employee benefits:

a. Short Term and other long term employee benefits :

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

b. Post-Employment Benefits:

● Defined Contribution Plans:

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Superannuation Fund. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

● Defined Benefit Plans:

For defined benefit retirement plans, the

cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in OCI in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

xix. Provisions:

A provision is recognised when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. 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.

xx. 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 company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

recognise a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognised but are disclosed when the inflow of economic benefits are probable.

xxi. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xxii. 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.

xxiii. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. 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 directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. 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.

b. Deferred tax:

Deferred tax is provided 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 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.

The carrying amount of deferred tax assets are 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 based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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c. Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate from the lessor's expected inflationary cost increase.

xxiv. Inventories:

Inventories are valued at lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The basis of determining cost for various categories of inventories is as follows:-

- i) **Raw Materials, Packing Materials & Stores and Spares:** Weighted average basis.
- ii) **Finished Goods and Work-In-Progress:** Cost of Direct Material, Labour & Other Manufacturing Overheads.

Stores & Spares which do not meet the definition of Property, Plant and Equipment are accounted as inventories.

xxv. Leases:

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalised at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

xxvi. Business combination:

The Company accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Company measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration (if any). Consideration transferred does not include amounts related to settlement of pre-existing relationships.

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SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

Any contingent consideration (if any) is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

xxvii. Exceptional Items:

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to the significance of their nature or amount.

xxviii. Financial guarantee contracts:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Significant accounting Judgements, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that

affect the reported balances 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies:

a) Recognition of deferred tax assets :

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

b) Provision and contingent liability :

On an ongoing basis, the Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

c) Useful lives of depreciable assets :

Management reviews the useful lives of depreciable assets at each reporting date. As at 31st March, 2019 management assessed that the useful lives represent the expected

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

d) Evaluation of indicators for impairment of assets:

The evaluation of applicable indicators for impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

e) Defined benefit obligation:

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

f) Fair value measurements:

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

g) Allowances for uncollected accounts receivable and advances:

Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the

impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

Recent accounting pronouncements on Standards issued or modified but not yet effective:

Ind AS 116-Leases:

Ind AS 116 will replace the existing standard on Ind AS 17-Leases and its related interpretations.

The Standards sets out the principles for the recognition, measurement, presentation and disclosure of lease contracts for the lessor as well as the lessee. Ind AS 116 introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all lease contracts with a lease term of more than 12 months, unless the underlying value of asset is of low value. The Standard also contains enhanced disclosure requirements for the lessees. Currently, operating leases are charged to Statement of Profit and Loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1st April, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application under which the lessee records the lease liability at the present value of the remaining lease payments discounted at the increment borrowing rate and the right to use the asset either at its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the

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date of initial application or an amount equal to the lease liability as adjusted by any prepaid or accrued lease payments.

The company is in the process of evaluating the impact on the adoption of Ind AS 116.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or

the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019. The Company will adopt the standard on 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1st April, 2019 without adjusting comparatives.

The company is in the process of evaluating the impact on the adoption of this standard.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)
2.1. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ Lakhs

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Gross Carrying Value										
As at 1st April, 2017	10,521.24	772.52	13,875.99	289.03	15,577.36	593.40	269.77	52.98	1,983.00	43,935.29
Additions during 2017-18	351.52	134.91	1,469.64	78.70	7,150.65	51.32	0.44	4.82	390.72	9,632.72
Deletions during 2017-18	—	—	—	—	145.66	4.09	—	—	2.87	152.62
Re-classified as held for Sale (Refer to Note No. 2.18)	1,973.18	482.44	2,151.61	—	—	—	—	—	—	4,607.23
As at 31st March, 2018	8,899.58	424.99	13,194.02	367.73	22,582.35	640.63	270.21	57.80	2,370.85	48,808.16
Additions during 2018-19	432.35	465.63	2,341.59	6.73	5,377.00	176.43	3.41	17.94	450.61	9,271.69
Deletions during 2018-19	—	—	—	—	188.87	7.84	0.10	—	3.35	200.16
Re-classified as held for Sale (Refer to Note No. 2.18)	761.33	—	—	—	—	—	—	—	—	761.33
As at 31st March, 2019	8,570.60	890.62	15,535.61	374.46	27,770.48	809.22	273.52	75.74	2,818.11	57,118.36

₹ Lakhs

Accumulated Depreciation

As at 1st April 2017	—	18.88	1,368.98	30.35	4,062.93	89.93	58.00	19.36	675.22	6,323.65
Depreciation for the year 2017-18	—	7.67	752.90	36.99	3,275.98	65.38	37.83	13.62	460.77	4,651.14
Withdrawn during the year 2017-18	—	—	—	—	85.65	3.28	—	—	1.88	90.81
Re-classified as held for Sale (Refer to Note No. 2.18)	—	14.85	180.45	—	—	—	—	—	—	195.30
As at 31st March, 2018	—	11.70	1,941.43	67.34	7,253.26	152.03	95.83	32.98	1,134.11	10,688.68
Depreciation for the year 2018-19	—	9.14	753.52	36.56	4,053.29	70.27	35.33	7.55	511.12	5,476.78
Withdrawn during the year 2018-19	—	—	—	—	84.73	3.44	0.08	—	4.56	92.81
Re-classified as held for Sale (Refer to Note No. 2.18)	—	—	—	—	—	—	—	—	—	—
As at 31st March, 2019	—	20.84	2,694.95	103.90	11,221.82	218.86	131.08	40.53	1,640.67	16,072.65

₹ Lakhs

Net Carrying Value

As at 1st April, 2017	10,521.24	753.64	12,507.01	258.68	11,514.43	503.47	211.77	33.62	1,307.78	37,611.64
As at 31st March, 2018	8,899.58	413.29	11,252.59	300.39	15,329.09	488.60	174.38	24.82	1,236.74	38,119.48
As at 31st March, 2019	8,570.60	869.78	12,840.66	270.56	16,548.66	590.36	142.44	35.21	1,177.44	41,045.71

Certain Property, Plant and Equipment have been given as security against non-current borrowings availed by the company (Refer to Note No. 2.21 & 2.26) and borrowings availed by certain subsidiaries.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.2. CAPITAL WORK-IN-PROGRESS

₹ Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Capital Work-in-progress	2,010.89	1,790.69
Add : Addition during the year	9,752.55	9,852.92
Less : Deletion during the year	9,271.69	9,632.72
Less : Re-classified as held for sale (Refer to Note No. 2.18)	1,131.58	—
Closing Capital Work-in-progress	1,360.17	2,010.89

2.3. INVESTMENT PROPERTY

₹ Lakhs

Particulars	Freehold Land	Freehold Building	Total
Gross Carrying Value			
As at 1st April, 2017	462.00	700.00	1,162.00
Additions during 2017-18	—	—	—
Deletions during 2017-18	—	—	—
As at 31st March, 2018	462.00	700.00	1,162.00
Additions during 2018-19	—	—	—
Deletions during 2018-19	—	—	—
As at 31st March, 2019	462.00	700.00	1,162.00

Accumulated Depreciation

₹ Lakhs

As at 1st April, 2017	—	83.67	83.67
Depreciation for the year 2017-18	—	42.19	42.19
Withdrawn during the year 2017-18	—	—	—
As at 31st March, 2018	—	125.86	125.86
Depreciation for the year 2018-19	—	42.20	42.20
Withdrawn during the year 2018-19	—	—	—
As at 31st March, 2019	—	168.06	168.06

Net Carrying Value

₹ Lakhs

As at 1st April, 2017	462.00	616.33	1,078.33
As at 31st March, 2018	462.00	574.14	1,036.14
As at 31st March, 2019	462.00	531.94	993.94

The above Investment property has been given as security against borrowings availed by a subsidiary company. The Company has identified Land and Building at Karamadai to be in the nature of investment property as they are being held to earn rentals.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

INVESTMENT PROPERTY (Contd.,)

i) Amount recognised in Statement of Profit and Loss for investment properties ₹ Lakhs

Particulars	2018-19	2017-18
Rental Income	24.34	24.42
Less: Depreciation expense	42.20	42.19
Profit / (Loss) from Investment Property	(17.86)	(17.77)

ii) Fair Valuation of Investment Property : ₹ 1,162.00 Lakhs

The fair valuation of investment property was obtained as at the date of transition to Ind AS i.e., 1st April 2016.

The Management believes that the fair valuation of the investment property as on the Balance Sheet date would not be significantly different from the valuation obtained earlier.

2.4. GOODWILL

₹ Lakhs

Particulars	Amount
Gross Carrying Value	
As at 1st April, 2017	15,479.67
Additions during 2017-18	—
Deletions during 2017-18	—
As at 31st March, 2018	15,479.67
Additions during 2018-19	—
Deletions during 2018-19	—
As at 31st March, 2019	15,479.67

Accumulated Amortisation

₹ Lakhs

As at 1st April, 2017	2,565.47
Amortisation for the year 2017-18	993.40
Withdrawn during the year 2017-18	—
As at 31st March, 2018	3,558.87
Amortisation for the year 2018-19	993.40
Withdrawn during the year 2018-19	—
As at 31st March, 2019	4,552.27

Net Carrying Value

₹ Lakhs

As at 1st April, 2017	12,914.20
As at 31st March, 2018	11,920.80
As at 31st March, 2019	10,927.40

Refer to Note No. 2.50 in relation to Scheme of Amalgamation and accounting treatment.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.5. OTHER INTANGIBLE ASSETS

₹ Lakhs

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total
Gross Carrying Value					
As at 1st April, 2017	1,059.31	510.82	4,914.00	14,116.00	20,600.13
Additions during 2017-18	171.75	—	—	—	171.75
Deletions during 2017-18	—	—	—	—	—
As at 31st March, 2018	1,231.06	510.82	4,914.00	14,116.00	20,771.88
Additions during 2018-19	196.21	1,087.05	—	—	1,283.26
Deletions during 2018-19	—	—	—	—	—
As at 31st March, 2019	1,427.27	1,597.87	4,914.00	14,116.00	22,055.14

Accumulated Amortisation

₹ Lakhs

As at 1st April, 2017	595.45	498.67	655.20	1,882.14	3,631.46
Amortisation for the year 2017-18	194.66	6.47	327.60	941.07	1,469.80
Withdrawn during the year 2017-18	—	—	—	—	—
As at 31st March, 2018	790.11	505.14	982.80	2,823.21	5,101.26
Amortisation for the year 2018-19	190.94	47.75	327.60	941.07	1,507.36
Withdrawn during the year 2018-19	—	—	—	—	—
As at 31st March, 2019	981.05	552.89	1,310.40	3,764.28	6,608.62

Net Carrying Value

₹ Lakhs

As at 1st April, 2017	463.86	12.15	4,258.80	12,233.86	16,968.67
As at 31st March, 2018	440.95	5.68	3,931.20	11,292.79	15,670.62
As at 31st March, 2019	446.22	1,044.98	3,603.60	10,351.72	15,446.52

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

₹ Lakhs

	As at 31st March 2019	As at 31st March 2018
2.6. INTANGIBLE ASSETS UNDER DEVELOPMENT		
Opening Carrying Value	725.01	15.41
Add : Addition during the year	558.25	881.35
Less : Deletion during the year	1,283.26	171.75
Closing Carrying Value	—	725.01

2.7. INVESTMENTS

Investments in Equity Instruments, fully paid-up

In Subsidiaries (at Cost)

In Equity Shares, unquoted

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
a) 2,48,02,741 Equity Shares of Euro 1/- each fully paid-up in Pricol Espana S.L. Spain. # (Previous year - 1,39,41,642 Equity Shares of Euro 1/- each) (Extent of holding - 100%)	19,445.07	10,748.17
b) 7,500 Equity Shares of USD 1,000/- each fully paid-up in PT Pricol Surya Indonesia (Previous year - 7,500 Equity Shares of USD 1,000/- each) (Extent of holding - 100%)	4,525.69	4,525.69
c) 2,50,000 Equity Shares of USD 1/- each fully paid-up in Pricol Asia Pte Limited, Singapore (Previous year - 2,50,000 Equity Shares of USD 1/- each) (Extent of holding - 100%)	150.38	150.38
d) 7,00,00,000 Equity Shares of ₹ 1/- each fully paid-up in Pricol Wiping Systems India Limited (Previous year - 1,00,00,000 Equity Shares of ₹ 1/- each) (Extent of holding - 100%)	700.00	103.38
	24,821.14	15,527.62
Less : Investments in Subsidiaries re-classified as held for Sale (Refer to Note No. 2.17 & 2.42)	20,145.07	—
	4,676.07	15,527.62

These shares have been given as a security against foreign currency term loan availed by Pricol Espana S.L. Spain.

Particulars	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
Investments in Equity Instruments		
Aggregate amount of quoted investments	—	—
Aggregate market value of quoted investments	—	—
Aggregate amount of unquoted investments	4,676.07	15,527.62
Aggregate amount of impairment in value of investments	—	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.8. OTHER FINANCIAL ASSETS		
Unsecured, Considered good		
Security Deposits	625.64	516.98
Unsecured, Considered Doubtful		
Security Deposits - Credit Impaired	26.10	26.10
Less : Allowance for Doubtful Deposits	<u>26.10</u>	<u>26.10</u>
	<u>625.64</u>	<u>516.98</u>
2.9. OTHER NON-CURRENT ASSETS		
Unsecured, Considered good		
Capital Advances	1,293.38	1,125.98
Others		
Advance Tax, Net of Provision	247.83	858.58
MAT Credit Entitlement (Refer to Note No. 2.59)	5,453.15	5,357.36
Prepaid Lease Expense	106.82	101.88
Deposits with Government Authorities	78.60	78.60
Unsecured, Considered Doubtful		
Capital Advances - Credit Impaired	10.27	3.37
Less : Provision for Doubtful Advances	<u>10.27</u>	<u>3.37</u>
	<u>7,179.78</u>	<u>7,522.40</u>
2.10. INVENTORIES		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials & Components	9,630.19	10,179.71
Goods-in-Transit - Raw Materials & Components	1,177.89	1,040.94
Work-in-progress	1,411.31	1,151.20
Finished Goods	5,024.43	6,045.53
Land - Stock-in-Trade	—	173.14
Stores & Spares	411.93	363.48
Traded Goods	277.12	264.07
	<u>17,932.87</u>	<u>19,218.07</u>

Inventories have been given as security for the borrowings availed by the Company. Refer to Note No. 2.26.

Inventories as stated above is net of Provision for / (Reversal) of Non / Slow Moving Inventory of ₹ 262.38 Lakhs - Previous year - (₹ 202.27 Lakhs)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

INVENTORIES (Contd.,)

Cost of Inventory recognised as an expense

Particulars	₹ Lakhs	
	For the year ended 31st March 2019	For the year ended 31st March 2018
Cost of Materials Consumed	88,080.33	79,381.67
Cost of Traded Goods sold	7,539.45	6,440.31
Cost of Land held as Stock-in-Trade	173.14	1,245.86
Stores and Spares	458.51	456.90

2.11. INVESTMENTS

₹ Lakhs

Sl. No.	Particulars	31-3-2019	31-3-2018
Investments in Mutual Funds (at Fair Value through P&L)			
Quoted - Non Trade			
1.	ICICI Prudential Regular Savings Fund - Growth	9.76	9.02
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	9.05	8.78
3.	Aditya Birla Sun Life Regular Savings Fund - Growth - Regular Plan	9.33	9.16
4.	ICICI Prudential Banking & PSU Debt Fund - Growth	81.93	77.12
5.	Kotak Dynamic Bond Fund Regular Plan - Growth	83.68	76.86
6.	Aditya Birla Sunlife Liquid Fund - Growth - Regular Plan	75.07	—
	Total	268.82	180.94
	Aggregate Amount of Quoted Investments	268.82	180.94
	Aggregate Market Value of Quoted Investments	268.82	180.94

No. of Units as on the closing date

in Numbers

Sl. No.	Particulars	31-3-2019	31-3-2018
1.	ICICI Prudential Regular Savings Fund - Growth	22,904.26	22,904.26
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	38,980.06	38,980.06
3.	Aditya Birla Sun Life Regular Savings Fund - Growth - Regular Plan	23,972.27	23,972.27
4.	ICICI Prudential Banking & PSU Debt Fund - Growth	3,86,016.32	3,86,016.32
5.	Kotak Dynamic Bond Fund Regular Plan - Growth	3,44,800.10	3,44,800.10
6.	Aditya Birla Sunlife Liquid Fund - Growth - Regular Plan	25,110.29	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.12. TRADE RECEIVABLES		
Unsecured, Considered Good	19,096.63	21,191.39
Trade Receivables which have significant increase in credit risk	—	—
Trade Receivables - Credit Impaired	—	—
Less : Allowance for Credit Loss	337.68	611.46
	<u>18,758.95</u>	<u>20,579.93</u>

Trade Receivables have been given as security for the borrowings availed by the Company. Refer to Note No. 2.26.

Trade Receivables are non interest bearing and generally on credit terms in the range of 30 - 120 days.

The company's exposure to credit and currency risk and loss allowances related to Trade Receivables are disclosed in Note No. 2.52.

2.13. CASH AND CASH EQUIVALENTS

Balances with Banks		
In Current Account	313.39	220.37
In Deposit Account (with original maturity of 3 months or less)	72.40	97.91
Cash on hand	19.03	14.88
	<u>404.82</u>	<u>333.16</u>

2.14. BANK BALANCES OTHER THAN ABOVE**Earmarked Balances**

In Unpaid Dividend Account	105.33	88.57
In Margin Money Account #	120.96	116.72

Others

In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)	434.50	324.17
	<u>660.79</u>	<u>529.46</u>

Unpaid Dividend Account (pertaining to the year 2010-11) includes Demand Draft for an amount ₹ 7.08 Lakhs in favour of Ministry of Corporate Affairs which is pending for transfer to Investor Education and Protection Fund. (Refer to Note No. 2.28)

Margin Money with banks is towards issue of Bank Guarantee.

2.15. OTHER FINANCIAL ASSETS

Accrued Income #	52.18	34.11
Receivable from Wholly Owned / Stepdown Subsidiaries (Refer to Note No. 2.65)	225.38	714.76
	<u>277.56</u>	<u>748.87</u>

Includes Export Incentives Receivable and Interest Accrued from Banks.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.16. OTHER CURRENT ASSETS		
Unsecured Considered Good		
GST / Excise / Sales Tax / Custom Receivables	827.28	1,123.71
Others		
Advances to Suppliers	291.37	432.53
Advances for Expenses	98.43	86.30
Prepaid Expenses	299.30	223.97
Gratuity Fund (Refer to Note No. 2.56)	—	86.08
Unsecured Considered Doubtful		
Advances to Suppliers - Credit Impaired	7.90	7.96
Less : Provision for Doubtful Advances	7.90	7.96
	—	—
	<u>1,516.38</u>	<u>1,952.59</u>

2.17. NON CURRENT INVESTMENTS HELD FOR SALE**Investments in Equity Instruments, fully paid-up****In Subsidiaries (at Cost)****In Equity Shares, unquoted**

a) 2,48,02,741 Equity Shares of Euro 1/- each fully paid-up in Pricol Espana S.L. Spain.	19,445.07	—
b) 7,00,00,000 Equity Shares of ₹ 1/- each fully paid-up in Pricol Wiping Systems India Limited	700.00	—
	<u>20,145.07</u>	—
Less : Provision for Impairment	20,067.01	—
	<u>78.06</u>	—

Particulars	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
Investments in Equity Instruments		
Aggregate amount of quoted investments	—	—
Aggregate market value of quoted investments	—	—
Aggregate amount of unquoted investments	20,145.07	—
Aggregate amount of impairment in value of investments	20,067.01	—

Refer to Note No. 2.42 for description of facts and circumstances leading to the planned disposal of investment.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.18. NON CURRENT ASSETS HELD FOR SALE		
(Measured at Fair Value less costs to sell)		
Land and Building	4,089.27	4,411.93
Building under construction	1,131.58	—
	5,220.85	4,411.93
Less : Provision for Impairment	1,777.94	1,911.93
	3,442.91	2,500.00

An impairment loss of ₹ 1,911.93 Lakhs for write down of the disposal group to its lower of its carrying amount and its fair value less cost to sell has been recognised under other expenses during the year 2017-18.

During the year 2018-19, a portion of land and building held for sale as stated above was disposed off for a consideration of ₹ 950.00 Lakhs. The impairment loss of ₹ 333.99 Lakhs pertaining to the portion of land and building which was previously provided for had been reversed and actual loss of ₹ 123.55 Lakhs had been accounted for.

In respect of Non-current assets held for sale pertaining to Plant V, Pune, there is no progress on the said matter during the financial year 2018-19 in spite of several discussions. The gross carrying value of the assets as at 31st March 2019 amounts to ₹ 3,327.94 Lakhs. A further impairment loss of ₹ 200.00 Lakhs has been recognised during the year based on its estimated realisable value.

During the year 2018-19, the company has identified Land and Building under construction (CWIP) pertains to Plant XI, Hosur as Assets held for Sale. The gross carrying value of such assets amounts to ₹ 1,892.91 Lakhs. In the opinion of the management, these assets would realise atleast to the extent of carrying value.

These assets do not meet the definition of discontinued operation as per Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operation".

	₹ Lakhs	
Particulars	2018-19	2017-18
Movement of Non Current Assets held for Sale		
Opening Gross Carrying Value	4,411.93	—
Add : Addition during the year - Land	761.33	4,411.93
Add : Addition during the year - Building under construction	1,131.58	—
Less : Sold during the year	1,083.99	—
Closing Gross Carrying Value	5,220.85	4,411.93
Movement of Provision for impairment in respect of Non Current Assets held for Sale		
Opening Balance	1,911.93	—
Add : Addition	200.00	1,911.93
Less : Reversed	333.99	—
Closing Balance	1,777.94	1,911.93
Closing Net Carrying Value	3,442.91	2,500.00

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
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2.19. EQUITY SHARE CAPITAL

Authorised

58,20,00,000 Equity Shares of ₹ 1/- each (As at 31st March 2018 - 58,20,00,000 Equity shares of ₹ 1/- each)	5,820.00	5,820.00
----------------------------------------------------------------------------------------------------------------	----------	----------

Issued, Subscribed and Paid-up

9,47,96,721 Equity Shares of ₹ 1/- each (As at 31st March 2018- 9,47,96,721 Equity shares of ₹ 1/- each)	947.97	947.97
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Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting period :

	31-3-2019		31-3-2018	
	No. of Shares in Lakhs	₹ Lakhs	No. of Shares in Lakhs	₹ Lakhs
At the beginning / closing of the period	947.97	947.97	947.97	947.97

Terms / rights attached to equity shares :

The company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Shareholders holding more than 5% shares in the company :

	31-3-2019		31-3-2018	
	No. of Shares	% held	No. of Shares	% held
- Vijay Mohan	91,40,278	9.64%	91,40,278	9.64%
- Pricol Holdings Limited	85,56,926	9.03%	85,56,926	9.03%
- Viren Mohan	66,58,409	7.02%	66,58,409	7.02%

Details of Shares held by Holding Company :

There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2019.

Details of Shares issued for consideration other than Cash :

9,47,96,721 shares of ₹ 1/- each were allotted for consideration other than cash during the financial year 2016-17 in terms of the Scheme of Amalgamation with Erstwhile Pricol Limited which was sanctioned by the Hon'ble High Court of Judicature at Madras on 6th October 2016.

There are no shares allotted by way of Bonus Shares and there have been no shares bought back in the immediately preceding five years.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.20. OTHER EQUITY		
Securities Premium		
Balance - Opening / Closing	80,961.56	80,961.56
Surplus / (Deficit) in the Statement of Profit & Loss		
Opening Balance	5,969.73	1,763.32
Add : Profit / (Loss) for the year	(22,792.95)	5,347.36
Less : Payment of Dividend and Dividend Distribution Tax	<u>1,142.82</u>	<u>1,140.95</u>
	(17,966.04)	5,969.73
Other Comprehensive Income		
Opening Balance	47.77	(112.87)
Add : Addition during the year	<u>31.09</u>	<u>160.64</u>
	78.86	47.77
	<u>63,074.38</u>	<u>86,979.06</u>

2.21. BORROWINGS

	Non-current portion		Current Maturities	
	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
Secured Loans at amortised cost :				
Rupee Term Loan From Banks	9,889.67	1,833.33	1,826.67	1,333.33
Less : Unamortised portion of Finance Charges	<u>191.87</u>	—	<u>72.59</u>	—
	<u>9,697.80</u>	1,833.33	<u>1,754.08</u>	1,333.33

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

BORROWINGS (Contd.,)

Description	Frequency / No. of Instalments Due	Maturity	As at 31-03-2019 ₹ Lakhs	As at 31-03-2018 ₹ Lakhs	Security	Interest Rate / Effective Interest Rate (EIR)
HDFC Bank Limited	Equal Quarterly / 8 of ₹ 166.67 Lakhs	Feb-21	1,333.34	2,000.00	Note 1	One year MCLR
Bank of Bahrain and Kuwait B.S.C - Loan I	Equal Quarterly / 3 of ₹ 166.67 Lakhs	Oct-19	500.00	1,166.66	Note 2	One year MCLR plus 0.10%
Bank of Bahrain and Kuwait B.S.C - Loan II	Equal Quarterly / 18 of ₹ 140.00 Lakhs	Aug-23	2,520.00	—	Note 3	One year MCLR plus 0.50%
Indusind Bank Limited (Availed ₹ 3,000 Lakhs during the year 2018-19 against the Sanctioned Limit of ₹ 5,000 Lakhs)	Quarterly / 5 of ₹ 100.00 Lakhs till 2021 Quarterly / 15 of ₹ 300 Lakhs till 2024	Jan-20 to Oct-24	3,000.00	—	Note 4	One year MCLR plus 0.70% EIR-11.51%
The South Indian Bank Limited (Availed ₹ 4,363 Lakhs during the year 2018-19 against the Sanctioned Limit of ₹ 5,000 Lakhs)	Equal Quarterly / 16 of ₹ 312.50 Lakhs	May-20 to Feb-24	4,363.00	—	Note 5	One year MCLR plus 0.80% EIR-11.22%

The above maturity is based on the total principal outstanding gross of issuance expenses.

Note 1 : Exclusive charge by hypothecation of specific plant and machinery.

Note 2 : Movable fixed assets of Plant V situated at Gat No. 180-187, Global Rasoni Industrial Park, Alandi-Markal Road, Phulgaon, Tal-Haveli, Pune - 412 216.

Note 3 & 4 : Specific immovable property situated at Plant I, Perianaickenpalayam, Coimbatore.

Note 5 : Specific immovable property situated at Plant I, Perianaickenpalayam, Coimbatore and exclusive charge on the immovable property situated at Plant X, 650, Benjamin Road, Sri City - 517 646, Andhra Pradesh.

For Current Maturities of Long Term Debt Refer to Note No. 2.28.

2.22. OTHER FINANCIAL LIABILITIES

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
Obligations under Financial Lease Arrangements	1.09	11.52
Fair Valuation of Financial Guarantees	4.17	41.37
Rental Advance Received	57.24	66.87
	62.50	119.76

2.23. PROVISIONS

a) For Central Excise Demands & Litigations (Refer to Note No. 2.44)	598.89	691.58
b) For Potential Statutory Liabilities (Refer to Note No. 2.44)	549.33	431.45
	1,148.22	1,123.03

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.24. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability - (Refer to Note No. 2.54)		
On Fixed Assets	6,855.84	6,492.17
On Other temporary differences	92.41	—
A	<u>6,948.25</u>	<u>6,492.17</u>
Deferred Tax Asset (Refer to Note No. 2.54)		
On Disallowance under the Income Tax Act	1,287.60	966.24
On Unused tax losses	139.30	—
On Other temporary differences	50.41	57.38
B	<u>1,477.31</u>	<u>1,023.62</u>
Deferred Tax Liabilities (Net)	A - B	
	<u>5,470.94</u>	<u>5,468.55</u>
2.25. OTHER NON-CURRENT LIABILITIES		
Deferred Income from Government grants	23.71	35.38
	<u>23.71</u>	<u>35.38</u>
2.26. BORROWINGS		
Secured Loans		
Working Capital Facilities from Banks		
- In Rupee	9,585.89	3,077.30
Unsecured Loans		
a) Working Capital Facilities from Banks		
- In Rupee	4,984.90	4,981.50
b) Working Capital Facilities from Financial Institution and others		
- In Rupee	—	1,499.81
	<u>14,570.79</u>	<u>9,558.61</u>
Working Capital Facilities from State Bank of India, ICICI Bank and HDFC Bank are secured by pari-passu first charge on the current assets of the company. Working Capital Facilities are further secured by pari-passu second charge on the specific immovable properties situated at Plant I - Perianaickenpalayam, Coimbatore District, Tamilnadu.		
Working Capital Facilities from Banks are repayable on demand and carries interest rates varying from 9.50% to 10.05% p.a.		
2.27. TRADE PAYABLES		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer to Note No. 2.61)	186.45	271.05
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	20,486.89	24,759.13
	<u>20,673.34</u>	<u>25,030.18</u>

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.28. OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (Refer to Note No. 2.21)	1,754.08	1,333.33
Interest accrued and not due on borrowings	87.14	62.19
Unpaid Dividend	98.24	88.57
Dues to Investor Education and Protection Fund #	7.08	—
Employee Benefits Payable	2,095.37	1,978.55
Payable for Expenses	1,958.10	3,086.73
	<u>6,000.01</u>	<u>6,549.37</u>

Dues of ₹ 7.08 Lakhs to Investor Education and Protection Fund (IEPF) pertaining to FY 2010-11 were pending to be transferred on account of certain technical glitches with MCA portal which is yet to be resolved. The due date for transferring the amount to IEPF was October 17, 2018. The Company is co-ordinating with the respective intermediaries to rectify the same.

2.29. OTHER CURRENT LIABILITIES

Statutory Dues Payable	353.33	415.29
Other Payables #	—	300.00
	<u>353.33</u>	<u>715.29</u>

Represent advance received against disposal of asset held for sale.

2.30. PROVISIONS

For Employee Benefits :		
- Gratuity (Refer to Note No. 2.56)	8.99	—
For Labour Settlement (Refer to Note No. 2.44)	261.72	261.72
For Warranty (Refer to Note No. 2.44)	171.95	306.95
	<u>442.66</u>	<u>568.67</u>

2.31. CURRENT TAX LIABILITIES (NET)

For Taxation	—	163.76
	<u>—</u>	<u>163.76</u>

**2.32. LIABILITIES ASSOCIATED WITH
NON CURRENT INVESTMENTS HELD FOR SALE**

Estimated Devolvement on account of Guarantee (Refer to Note No. 2.42)	3,130.74	—
	<u>3,130.74</u>	<u>—</u>

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
2.33. REVENUE FROM OPERATIONS		
Sale of Products and Services		
Domestic	1,20,178.05	1,10,890.40
Export	7,593.97	8,107.26
Traded Goods	1,786.00	1,405.02
Service Income	231.58	186.82
	<u>1,29,789.60</u>	<u>1,20,589.50</u>
Disaggregation of Revenue :-		
1. Dashboard Instruments & Accessories	76,751.96	72,433.47
2. Oil Pumps	11,606.93	13,482.46
3. Chain Tensioners	5,083.55	4,833.81
4. Other Auto Components	9,868.74	2,262.70
5. Other Products & Service Income	26,478.42	24,659.00
	<u>1,29,789.60</u>	<u>1,17,671.44</u>
Excise Duty	—	2,918.06
	<u>1,29,789.60</u>	<u>1,20,589.50</u>
Revenue from operations, was disclosed Gross of Excise Duty till 30th June, 2017. The Government of India has implemented Goods and Services Tax ("GST") from 1st July, 2017 replacing excise duty, service tax and other indirect taxes. Accordingly, the excise duty till 30th June, 2017 has been shown under Expenditure.		
Effect of adoption of Ind AS 115 :		
Revenue from contract with customers establishes a five step approach to revenue recognition that include identifying contract with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations and recognising revenue when or as performance obligations are satisfied. The adoption of this standard did not have a material impact on the revenue from operation and statement of profit and loss for the year ended 31st March 2019.		
2.34. OTHER OPERATING REVENUE		
Sale of Land held as Stock-in-Trade	1,183.50	8,375.63
Export Incentives	119.87	114.85
Sale of Traded Goods - Others	6,705.75	5,678.70
	<u>8,009.12</u>	<u>14,169.18</u>
2.35. OTHER INCOME		
Interest Income		
From Banks	39.14	37.77
From other financial assets carried at amortised cost	13.99	9.63
From Others	174.93	—
Gain on Fair Valuation of Investments at Fair Value through P & L	12.88	5.86
Income from Lease Obligation	138.75	135.69
Deferred Income from Government Grant	11.67	11.67
Profit on Sale of Property, Plant and Equipment (Net)	—	32.15
Miscellaneous Income	95.23	90.69
Insurance Claim	—	41.31
Excess Provision for credit loss written back	105.94	302.69
	<u>592.53</u>	<u>667.46</u>

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
2.36. COST OF MATERIALS CONSUMED		
Materials Consumed (Refer to Note No. 2.49)	<u>88,080.33</u>	<u>79,381.67</u>
2.37. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Work-in-progress	1,151.20	945.80
Finished Goods	6,045.53	3,711.57
Traded Goods	264.07	276.87
Land-Stock-in-Trade	<u>173.14</u>	<u>1,419.00</u>
	7,633.94	6,353.24
Less : Closing Stock		
Work-in-progress	1,411.31	1,151.20
Finished Goods	5,024.43	6,045.53
Traded Goods	277.12	264.07
Land-Stock-in-Trade	<u>—</u>	<u>173.14</u>
	6,712.86	7,633.94
	<u>921.08</u>	<u>(1,280.70)</u>
2.38. EMPLOYEE BENEFITS EXPENSE		
Pay, Allowances and Bonus	14,157.40	13,962.94
Contribution to Provident and other funds	780.21	825.13
Welfare Expenses	<u>1,462.88</u>	<u>1,214.43</u>
	16,400.49	16,002.50
2.39. FINANCE COSTS		
Interest on Borrowings	1,713.96	1,042.17
Other Borrowing Costs	46.26	4.32
Applicable Net Gain / (Loss) on foreign currency transactions & translation	47.02	91.07
Interest on Finance Lease Obligations	1.24	1.24
Unwinding of interest on financial instruments carried at amortised cost	<u>0.26</u>	<u>0.59</u>
	1,808.74	1,139.39
2.40. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation (Refer to Note No. 2.1 & Note No. 2.3)	5,518.98	4,693.33
Amortisation of Intangibles (Refer to Note No. 2.4 & Note No. 2.5)	<u>2,500.76</u>	<u>2,463.20</u>
	8,019.74	7,156.53

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
2.41. OTHER EXPENSES		
Power & Utilities	2,270.20	2,073.95
Stores & Spares Consumed	159.89	69.15
Repairs and Maintenance :		
- Machinery	1,588.45	1,303.22
- Building	132.30	177.41
- Others	183.00	151.44
Printing & Stationery	106.67	111.80
Postage & Telephone	199.73	187.84
Lease Expenses	716.30	523.33
Rates, Taxes & Licence	316.23	152.32
Insurance	225.75	226.53
Bank Charges	49.82	56.51
Travelling & Conveyance	910.32	1,230.46
Freight & Forwarding and Selling Expenses	2,849.32	2,721.54
Advertisement & Sales Promotion	166.85	160.98
Commission & Discount on Sales	598.99	554.48
Royalty	51.20	70.05
Bad Debts Written off	185.30	283.96
Provision for / (write back of) doubtful debts and advances	(160.79)	167.84
	24.51	451.80
Provision for Statutory Liabilities	117.88	30.16
Commission / Sitting Fees to Non-Whole Time Directors	8.85	39.20
Auditors' Remuneration (Refer to Note No. 2.47)	70.80	68.24
Professional Charges	3,924.14	3,699.73
Loss on Sale of Property, Plant and Equipment (Net)	80.18	—
Loss on Exchange Fluctuation (Net)	322.63	80.85
Assets Discarded / Written Off	94.32	20.26
Provision for Impairment Loss - Assets held for Sale	200.00	1,911.93
Less : Reversal of Impairment Loss on Assets held for Sale (Refer to Note No. 2.18)	333.99	—
	(133.99)	1,911.93
Miscellaneous Expenses	156.47	134.61
CSR Expenses (Refer to Note No. 2.60)	21.77	49.57
Donations	5.30	2.00
	15,217.88	16,259.36

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.42. EXCEPTIONAL ITEMS

The Board has, subject to shareholders and regulatory approvals, taken a considered decision to hive off its investment in its wholly owned subsidiary, Pricol Espana S.L., Spain, primarily to hive off the step down subsidiary unit at Brazil which requires continuous investments for its day to day operations. The Board is necessitated to hive off its other step down subsidiaries, Pricol Wiping Systems Czech s.r.o and Pricol Wiping Systems Mexico S.A. de C.V. along with the Investment in Pricol Wiping Systems India Limited as a strategic / bundled offer, reckoning commonality of customer base and in order to minimise the financial impact of the disposal. The decision was taken to arrest further flow of funds into markets which are not conducive for sustaining the business at the current levels and also which does not seem to revive in the near future. Consequently, these investments have been classified as Non-current Investments held for sale in accordance with Ind AS 105 - "Non Current Assets held for sale and Discontinued Operations". A provision of ₹ 23,197.75 Lakhs, including an estimated devolvement on account of guarantee, has been made based on a preliminary assessment of estimated realisable value of the Investments less cost to sell. Any additional provision to be made or excess provision to be reversed will be appropriately dealt with in the year in which the transaction reaches finality.

2.43. EARNINGS PER SHARE

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
Profit / (Loss) After Tax	(22,792.95)	5,347.36
Weighted Average No. of Shares Outstanding Basic & Diluted (Nos. in Lakhs.)	947.97	947.97
Basic / Diluted Earnings per share (in ₹)	(24.04)	5.64
Face Value per Equity Share (in ₹)	1.00	1.00

2.44. PROVISIONS AS ON THE CLOSING DATE :

₹ Lakhs

Particulars	Non Current Provisions			Current Provisions			Total Provisions
	Excise Demands & Litigations	Potential Statutory Liabilities	Total	Labour Settlement	Warranty	Total	
Balance as on 1-4-2017	691.58	401.29	1,092.87	261.72	—	261.72	1,354.59
Add : Addition	—	30.16	30.16	—	306.95	306.95	337.11
Less : Utilised / Reversed	—	—	—	—	—	—	—
Balance as on 31-3-2018	691.58	431.45	1,123.03	261.72	306.95	568.67	1,691.70
Add : Addition	—	117.88	117.88	—	171.95	171.95	289.83
Less : Utilised / Reversed	92.69	—	92.69	—	306.95	306.95	399.64
Balance as on 31-3-2019	598.89	549.33	1,148.22	261.72	171.95	433.67	1,581.89

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.45. CONTINGENT LIABILITIES AND COMMITMENTS AS ON THE CLOSING DATE :		
i) CONTINGENT LIABILITIES		
a) On account of Pending Litigations :		
Sales Tax Matters (excluding Interest if any)	294.44	177.60
Excise, Service Tax and Customs Matters # (excluding Interest if any)	1,113.96	1,953.19
# Of which ₹ 66.43 Lakhs has been paid under protest	<u>1,408.40</u>	<u>2,130.79</u>
b) During the year about 454 operators went on an indefinite strike on 21st August 2018. Post reconciliation, the strike was withdrawn on 29th November 2018 and 152 operators resumed the work whereas the others were temporarily transferred to other plants who were required to report to duty within 21 days. However, 293 operators did not adhere to the transfer order. After several notice to the employees, the services of the operators were terminated against which the operators preferred legal recourse. The matter is "subjudice".		
c) Others :		
Letter of Credit	951.33	1,052.72
Guarantees	390.80	132.31
	<u>1,342.13</u>	<u>1,185.03</u>
ii) COMMITMENTS		
Estimated Value of Contracts remaining to be executed on Capital account	<u>1,538.65</u>	<u>1,356.82</u>
2.46. RESEARCH AND DEVELOPMENT EXPENDITURE:		
	<u>2018-19</u> ₹ Lakhs	<u>2017-18</u> ₹ Lakhs
Capital	471.50	240.58
Revenue	4,042.16	3,572.17
	<u>4,513.66</u>	<u>3,812.75</u>

Note : Research and Development expenses of Revenue nature have been classified under the relevant heads of accounts in the Statement of Profit and Loss and the expenditure of capital nature is grouped under fixed assets.

2.47. PAYMENTS TO AUDITORS (EXCLUSIVE OF SERVICE TAX / GST) :

For Audit	37.50	37.50
For Taxation Matters	16.00	17.05
For Certification & Others*	12.05	11.29
For Company Law Matters	4.00	—
Reimbursement of Expenses	1.25	2.40
	<u>70.80</u>	<u>68.24</u>

* For the year 2018-19, the amount includes ₹ 4.83 Lakhs paid to predecessor Auditor.

2.48. Balances in parties accounts are subject to confirmation / reconciliation. Appropriate adjustments, if any, will be made as and when the balances are reconciled.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.49. COST OF MATERIALS CONSUMED :

	2018-19		2017-18	
	₹ Lakhs	%	₹ Lakhs	%
Imported	18,554.83	21.07	17,768.57	22.38
Indigenous	69,525.50	78.93	61,613.10	77.62
	88,080.33	100.00	79,381.67	100.00

In view of the considerable number of items diverse in composition, size and nature, it is not practicable to furnish particulars of materials consumed.

2.50. AMALGAMATION OF ERSTWHILE PRICOL LIMITED WITH THE COMPANY :

The Hon'ble High Court of Judicature at Madras vide its order dated 6th October, 2016 has sanctioned the Scheme of Amalgamation of erstwhile Pricol Limited ('Transferor Company') with erstwhile Pricol Pune Limited ('Transferee Company') with the appointed date as 1st April, 2015. Pursuant to the Scheme of Amalgamation, the Transferee Company was renamed as "Pricol Limited" vide fresh Certificate of Incorporation granted by Ministry of Corporate Affairs on 18th November, 2016.

The Amalgamation was accounted in financial year 2016-17 under the "Purchase Method" as per the then prevailing Accounting Standard 14 – "Accounting for Amalgamation", as per the Scheme of Amalgamation approved by the High Court of Judicature at Madras, which is different from the accounting treatment prescribed under Ind AS 103 – "Business Combinations". The intangible assets, including Goodwill represented by Customer relationship and Assembled work force, are being amortised over its estimated useful life of 15 years from the appointed date.

2.51. FAIR VALUE MEASUREMENTS

i. Financial instruments by category

The carrying value of financial instruments by categories as at 31st March 2019 were as follows:

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised Cost	₹ Lakhs	
					Total Carrying value	Total Fair value
Financial Assets						
Investments	2.7 & 2.11	268.82	—	4,676.07	4,944.89	4,944.89
Trade receivables	2.12	—	—	18,758.95	18,758.95	18,758.95
Cash and cash equivalents	2.13	—	—	404.82	404.82	404.82
Other bank balances	2.14	—	—	660.79	660.79	660.79
Other Financial assets	2.8 & 2.15	—	—	903.20	903.20	903.20
Financial Liabilities						
Borrowings	2.21, 2.26 & 2.28	—	—	26,022.67	26,022.67	26,022.67
Trade payables	2.27	—	—	20,673.34	20,673.34	20,673.34
Other financial liabilities excluding Current Maturities of Long Term Debt	2.22 & 2.28	—	—	4,308.43	4,308.43	4,308.43

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FAIR VALUE MEASUREMENTS (Contd.,)

The carrying value of financial instruments by categories as at 31st March 2018 were as follows:

₹ Lakhs

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised Cost	Total Carrying value	Total Fair value
Financial Assets						
Investments	2.7 & 2.11	180.94	—	15,527.62	15,708.56	15,708.56
Trade receivables	2.12	—	—	20,579.93	20,579.93	20,579.93
Cash and cash equivalents	2.13	—	—	333.16	333.16	333.16
Other bank balances	2.14	—	—	529.46	529.46	529.46
Other Financial assets	2.8 & 2.15	—	—	1,265.85	1,265.85	1,265.85
Financial Liabilities						
Borrowings	2.21, 2.26 & 2.28	—	—	12,725.27	12,725.27	12,725.27
Trade payables	2.27	—	—	25,030.18	25,030.18	25,030.18
Other financial liabilities excluding Current Maturities of Long Term Debt	2.22 & 2.28	—	—	5,335.80	5,335.80	5,335.80

- ii. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. 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.

Investments in subsidiaries are carried at cost.

iii. **Fair values hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy.

The three Levels are defined based on the observability of significant inputs to the measurement, as follows :

Level 1 : Quoted prices (unadjusted) in active markets for financial instruments.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FAIR VALUE MEASUREMENTS (Contd.,)

Given below are the fair values based on their hierarchy.

₹ Lakhs

Particulars	Carrying Amount as on 31-3-2019	As at 31-3-2019			Carrying Amount as on 31-3-2018	As at 31-3-2018		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets measured at Fair value through Profit and Loss excluding investment in subsidiaries								
Investments in Mutual Funds	268.82	268.82	—	—	180.94	180.94	—	—
Financial Assets not measured at Fair value*								
Trade receivables	18,758.95	—	—	—	20,579.93	—	—	—
Cash and cash equivalents	404.82	—	—	—	333.16	—	—	—
Other bank balances	660.79	—	—	—	529.46	—	—	—
Others Financial assets	903.20	—	—	—	1,265.85	—	—	—
Financial Liabilities not measured at fair value*								
Borrowings								
- Current	16,324.87	—	—	—	10,891.94	—	—	—
- Non-Current	9,697.80	—	—	—	1,833.33	—	—	—
Trade payables	20,673.34	—	—	—	25,030.18	—	—	—
Other financial liabilities excluding Current Maturities of Long Term Debt	4,308.43	—	—	—	5,335.80	—	—	—

* The Company has not disclosed the fair values for short term / current financial instruments (such as short term trade receivables, short term trade payables, Current Loans and Short term borrowings etc.) because their carrying amounts are a reasonable approximation of Fair value.

iv. Measurement of fair values:

The basis of measurement in respect of each class of financial assets and liabilities are disclosed in point no. xv of significant accounting policies.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.52. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities.	Rolling cash flow forecasts
Market risk – Interest rate risk	Long-term borrowings at variable rates.	Cash flow forecasting, Sensitivity analysis
Market risk – Financial Currency Risk	Adverse movements in the exchange rate between the Rupee and any relevant foreign currency.	Internal Foreign Currency Exposure and risk management policy

a. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk management

Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk B: Moderate credit risk C: High credit risk

Assets Group	Description of category	Provision for expected credit loss *
Low credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12 month expected credit loss / life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	12 month expected credit loss / life time expected credit loss
High credit risk	Assets where there is a high probability of default.	12 month expected credit loss / life time expected credit loss / fully provided for

* Life time expected credit loss (if required) is provided for trade receivables and for those financial assets where the credit risk has increased significantly, since the initial recognition.

Based on business environment in which the Company operates, a default on a financial asset is considered when the counterparty fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Any subsequent recoveries made are recognised in statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Classification of Financial assets among risk categories:

₹ Lakhs

Credit rating	Particulars	31-3-2019	31-3-2018
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	25,672.65	38,416.96
Moderate credit risk	Nil	—	—
High credit risk	Nil	—	—

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities:

₹ Lakhs

31-3-2019	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	14,570.79	1,754.08	9,697.80	—	26,022.67
Trade payables	—	20,673.34	—	—	20,673.34
Other financial liabilities excluding Current Maturities of Long Term Debt	—	4,245.93	62.50	—	4,308.43
Total	14,570.79	26,673.35	9,760.30	—	51,004.44

31-3-2018	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	9,558.61	1,333.33	1,833.33	—	12,725.27
Trade payables	—	25,030.18	—	—	25,030.18
Other financial liabilities excluding Current Maturities of Long Term Debt	—	5,216.04	119.76	—	5,335.80
Total	9,558.61	31,579.55	1,953.09	—	43,091.25

c. Interest rate risk

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. However, the company's variable rate borrowings are subject to interest rate risk.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Below is the overall exposure of the borrowings :

Interest rate risk exposure ₹ Lakhs

Particulars	31-3-2019	31-3-2018
Fixed rate borrowing	—	—
Variable rate borrowing	26,022.67	12,725.27
Total	26,022.67	12,725.27

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change (100 basis points) in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on variable rate borrowings, as follows:

Interest sensitivity ₹ Lakhs

Particulars	2018-19	2017-18
Interest rates - increase / decrease by 100 basis points	178.95	140.55

d. Financial currency risk

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency results in increase in the Company's overall debt position in Rupee terms without the Company having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Company's receivables in foreign currency. In order to hedge exchange rate risk, the Company has a policy to hedge cash flows (either using natural hedge or an artificial hedge) upto a specific tenure using forward exchange contracts and hedges based on their Internal Foreign Currency Exposure and risk management policy as approved by the management and in accordance with the applicable regulations where the Company operates.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

The carrying amounts of the Company's monetary assets and monetary liabilities at the end of the reporting period are as follows:

As at 31st March 2019

₹ Lakhs

Particulars	INR	CHF	EUR	JPY	USD	GBP	BRL	Total
Financial Assets								
i) Investments	4,944.89	—	—	—	—	—	—	4,944.89
ii) Others	903.20	—	—	—	—	—	—	903.20
iii) Trade Receivables	16,550.15	—	477.47	0.04	1,681.11	50.18	—	18,758.95
iv) Cash and Cash equivalents	403.92	—	0.78	—	0.12	—	—	404.82
v) Bank Balances other than (iv) above	628.10	—	16.86	15.83	—	—	—	660.79
Total Financial Assets	23,430.26	—	495.11	15.87	1,681.23	50.18	—	25,672.65
Financial Liabilities								
i) Borrowings	26,022.67	—	—	—	—	—	—	26,022.67
ii) Other Financial Liabilities excluding Current Maturities of Long Term Debt	4,308.43	—	—	—	—	—	—	4,308.43
iii) Trade Payables	18,064.76	41.49	52.59	802.15	1,712.35	—	—	20,673.34
Total Financial Liabilities	48,395.86	41.49	52.59	802.15	1,712.35	—	—	51,004.44

As at 31st March, 2018

₹ Lakhs

Particulars	INR	CHF	EUR	JPY	USD	GBP	BRL	Total
Financial Assets								
i) Investments	15,708.56	—	—	—	—	—	—	15,708.56
ii) Others	1,265.85	—	—	—	—	—	—	1,265.85
iii) Trade Receivables	18,902.78	—	366.69	0.28	1,245.63	64.55	—	20,579.93
iv) Cash and Cash equivalents	333.00	—	—	—	0.16	—	—	333.16
v) Bank Balances other than (iv) above	515.44	—	6.80	5.98	1.24	—	—	529.46
Total Financial Assets	36,725.63	—	373.49	6.26	1,247.03	64.55	—	38,416.96
Financial Liabilities								
i) Borrowings	12,725.27	—	—	—	—	—	—	12,725.27
ii) Other Financial Liabilities excluding Current Maturities of Long Term Debt	5,335.80	—	—	—	—	—	—	5,335.80
iii) Trade Payables	19,963.39	109.38	74.59	991.14	3,889.77	—	1.91	25,030.18
Total Financial Liabilities	38,024.46	109.38	74.59	991.14	3,889.77	—	1.91	43,091.25

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant.

Impact on Profit / (Loss) for the year for a 1% change:

₹ Lakhs

Particulars	31-3-2019	31-3-2018
Increase / decrease by 1%	13.11	(15.60)

2.53. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
Borrowings (long-term and short-term, including current maturities of long term borrowings)	26,022.67	12,725.27
Less: Cash and cash equivalents	404.82	333.16
Less: Other Bank Balances (Balances with maturity more than 3 months)	660.79	529.46
Less: Margin Money against Borrowings	—	—
Net Debt (A)	24,957.06	11,862.65
Equity Share Capital	947.97	947.97
Other Equity	63,074.38	86,979.06
Total Equity (B)	64,022.35	87,927.03
Net Debt to Equity Ratio (A) / (B)	38.98%	13.49%

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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

₹ Lakhs

2.54. NOTES ON TAXATION :

a. Income tax expense for the year reconciled to the accounting profit:

	As at 31-3-2019	As at 31-3-2018
Profit / (Loss) before Tax	(22,807.26)	7,421.82
Enacted tax rate in India	34.944%	34.608%
Income tax expense	(7,969.77)	2,568.54
Tax Effect on the following :		
- Weighted Deductions u/s 35(2AB) & 32AC(1A)	(252.98)	(204.35)
- Impairment Loss of Non Current Investments and other Expenses not deductible in determining taxable profits	8,289.62	27.55
- Non-recognition of brought forward capital tax losses	(35.09)	(426.69)
- Others	(46.09)	109.41
Tax Expense for the year	(14.31)	2,074.46
Effective Income tax rate	(0.06%)	27.95%

The above workings are based on the provisional computation of tax expenses and are subject to finalisation including that of tax audit.

b. Income tax recognised in other comprehensive income

Deferred tax

Remeasurement of defined benefit obligation - Expense / (Income)	16.70	85.01
Total income tax recognised in OCI	16.70	85.01

c. Statement of Changes in Deferred tax assets / Liabilities

₹ Lakhs

Particulars	Deferred Tax Liabilities (a)	Deferred Tax Assets (b)			Total (a) - (b)
	On Fixed Assets and others	On Disallowance under the Income Tax Act	On Unused Tax losses	On Other temporary differences	
At 1st April, 2017	6,143.48	516.33	1,857.00	56.15	3,714.00
Recognised in Profit and Loss	348.69	534.92	(1,857.00)	1.23	1,669.54
Recognised in OCI	—	(85.01)	—	—	85.01
At 31st March 2018	6,492.17	966.24	—	57.38	5,468.55
Recognised in Profit and Loss	456.08	338.06	139.30	(6.97)	(14.31)
Recognised in OCI	—	(16.70)	—	—	16.70
At 31st March 2019	6,948.25	1,287.60	139.30	50.41	5,470.94

₹ Lakhs

Particulars	As at 31-3-2019	As at 31-3-2018
Tax Losses carried forward (including Capital Losses)	4,922.84	3,460.12
Tax Losses for which no deferred tax asset were recognised (including Capital Losses)	4,524.21	3,460.12

Significant Management Judgements are involved in determining provision for tax, deferred tax and recoverability of deferred tax asset. The recoverability of Deferred Tax Asset is based on estimates of taxable income in future and the management is fairly confident that there will be sufficient future profits to utilise the deferred tax asset.

The figures for tax losses disclosed above are based on Income Tax returns filed / provisional computation of tax for the Financial Year 2018-19 and are subject to change based on Income Tax assessments and appeals. (Refer to Note No. 2.59)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.55. DISCLOSURE REQUIREMENTS UNDER IND AS 17 "LEASES"

As Lessee:**Finance Lease Arrangements:**

The Company has identified certain lease arrangements as a Long term finance Lease arrangement. Details of such arrangements are given below:

Description of the Property	Date of Commencement	Period of Lease
Land - Plant 6 * at Pantnagar	26th March 2006	90
Land - Plant 7 at Pantnagar	4th December 2006	90

* During the year 2018-19, the Company disposed off this Land. Refer to Note No. 2.18.

The minimum lease payments and the present value of minimum lease payments in respect of aforesaid Land acquired under the finance leases are as follows :

Particulars	As at 31st March 2019		As at 31st March 2018	
	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Present value of minimum lease payments
Not Later than 1 year	0.12	—	0.12	—
Later than one year but not later than five years	0.47	—	0.47	—
Later than five years	8.54	—	8.66	—
Total	9.13	—	9.25	—
Less: Future Finance Charges	—	—	—	—
Total	9.13	—	9.25	—

Operating Lease Arrangements

1) Lease rentals charged for right to use certain assets are :

Particulars	₹ Lakhs	
	2018-19	2017-18
Operating Lease Expenses Charged to the Statement of Profit and Loss	716.30	523.33

2) Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	₹ Lakhs	
	As at 31-3-2019	As at 31-3-2018
Not later than one year	468.08	320.08
Later than one year but not later than five years	2,080.57	1,429.42
Later than five years	1,381.15	1,045.51
Total	3,929.80	2,795.01

As Lessor :**Finance Lease Arrangements**

The Company has not entered into any Finance lease arrangements as a Lessor.

Operating Lease Arrangements

The Company has entered into certain operating lease arrangements for renting its assets or part thereof.

1) Total Rental income recognised in the Statement of Profit and Loss :

Particulars	₹ Lakhs	
	2018-19	2017-18
Rental Income	138.75	135.69

2) The Company has not entered into any non-cancellable operating lease and hence the disclosure in respect of future expected minimum lease rentals receivable is not applicable.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.56. EMPLOYEE BENEFITS

Defined contribution plan

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

₹ Lakhs

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund	504.09	574.32
Employer's Contribution to Superannuation Fund	36.91	25.84

Particulars	2018-19	2017-18
Defined contribution plan contribution towards Key Managerial Personnel	21.17	29.94

Defined Benefit Plan

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

₹ Lakhs

Particulars	Gratuity (Funded)	
	2018-19	2017-18
i) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the year	2,984.47	3,107.01
Current Service Cost	180.20	181.25
Interest Cost	214.43	212.70
Remeasurements		
Effect of changes in demographic assumptions	—	—
Effect of changes in financial assumptions	23.60	(107.99)
Effect of experience adjustments	(91.54)	(160.77)
Benefits Paid	(303.72)	(247.73)
Transfer of obligation due to Transfer of		
Employees to Group Entities	—	—
Defined Benefit Obligation at year end	3,007.44	2,984.47
- Non-current	2,826.47	2,747.02
- Current	180.97	237.45

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

₹ Lakhs

Particulars	Gratuity (Funded)	
	2018-19	2017-18
ii) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at beginning of year	3,070.55	2,743.13
Interest Income	229.71	207.26
Remeasurements:		
Return on plan assets (excluding interest income)	(20.15)	(23.11)
Employer Contribution	22.06	391.00
Benefits Paid	(303.72)	(247.73)
Transfer of obligation due to Transfer of Employees to Group Entities	—	—
Fair value of Plan Assets at year end	2,998.45	3,070.55
iii) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	2,998.45	3,070.55
Present value of Obligation	3,007.44	2,984.47
Amount recognised in Balance Sheet - Surplus / (Deficit)	(8.99)	86.08
- Non-current	—	—
- Current	(8.99)	86.08
iv) Expenses recognised during the year		
In Income Statement		
Current Service Cost	180.20	181.25
Interest Cost	214.43	212.70
Return on Plan Assets	(229.71)	(207.26)
Net (Income) / Expense for the period recognised in Statement of Profit and Loss	164.92	186.69
In Other Comprehensive Income		
Remeasurement of net defined benefit liability		
Effect of changes in demographic assumptions	—	—
Effect of changes in financial assumptions	23.60	(107.99)
Effect of experience adjustments	(91.54)	(160.77)
Return on plan assets (excluding interest income)	20.15	23.11
Changes in asset ceiling (excluding interest income)	—	—
Net (Income) / Expense for the period recognised in OCI	(47.79)	(245.65)
v) Investment Details :		

Particulars	As at 31-3-2019		As at 31-3-2018	
	₹ Lakhs	% invested	₹ Lakhs	% invested
GOI Securities	580.20	19.35	745.84	24.29
State Government Securities	1,679.73	56.02	1,737.62	56.59
NCD / Bonds	627.88	20.94	421.89	13.74
Others (including bank balances)	110.64	3.69	165.20	5.38
Total	2,998.45	100.00	3,070.55	100.00

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

vi) Actuarial assumptions

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Discount Rate (per annum)	7.47%	7.57%
Rate of escalation in Salary (per annum)	Uniform 10.00%	Uniform 10.00%
Attrition Rate	Uniform 4.00%	Uniform 4.00%
Retirement Age	58	58
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Disability	Nil	Nil

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

vii) The expected future contribution and estimated future benefit payments from the fund are as follows:

Particulars	Amount ₹ Lakhs
a) Expected contribution to the fund during the year ending March 31, 2020	137.18
b) Estimated benefit payments from the fund for the year ending March 31:	
Year 1	180.97
Year 2	236.37
Year 3	224.74
Year 4	249.13
Year 5	234.16
Next 5 years	1,216.08
Total	2,341.45

viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below :

Defined benefit obligation at the end of the period	₹ Lakhs	
	As at 31-3-2019	As at 31-3-2018
Discount rate +100 basis points	2,783.86	2,760.13
Discount rate -100 basis points	3,261.64	3,240.11
Salary Increase Rate +1%	3,238.35	3,217.09
Salary Increase Rate -1%	2,799.56	2,775.53
Attrition Rate +1%	2,973.96	2,951.16
Attrition Rate -1%	3,044.31	3,021.19

These plans typically expose the Company to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

Name of the Risk and its Description

- Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Interest risk** - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
- Longevity risk** - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary risk** - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Disclosure relating to KMPs:

₹ Lakhs

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Expense towards defined benefit plan for Key Management Personnel	37.66	33.79

2.57. a) DETAILS OF FOREIGN CURRENCY EXPOSURES THAT ARE HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE :

Particulars	Foreign Currency	2018-19	2017-18	2018-19	2017-18
		Amount of Foreign Currency in Lakhs		Equivalent Amount in ₹ Lakhs	
Buyers Credit	USD	—	43.11	—	2,781.33
Trade Payables	USD	24.76	—	1,712.35	—

b) DETAILS OF FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE :

Particulars	Foreign Currency	2018-19	2017-18	2018-19	2017-18
		Amount of Foreign Currency in Lakhs		Equivalent Amount in ₹ Lakhs	
Trade Payables	CHF	0.60	1.60	41.49	109.38
	EUR	0.68	0.93	52.59	74.59
	SGD	—	0.01	—	0.24
	BRL	0.11	—	1.91	—
	JPY	1,283.02	1,610.57	802.15	991.14
	USD	—	17.04	—	1,108.44
Trade Receivables	EUR	6.14	4.55	477.47	366.69
	USD	24.30	19.15	1,681.11	1,245.63
	JPY	0.06	0.46	0.04	0.28
	GBP	0.55	0.70	50.18	64.55
Buyers Credit	USD	—	14.66	—	953.75

2.58. SEGMENT REPORTING :

As per Ind AS 108 "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.59. Income Tax Assessments are completed upto Assessment Year 2015-16. The Company has preferred appeals against certain disallowances made in the assessments. In the opinion of the Company the provision for taxation available in the books of accounts is adequate.

The company has filed revised returns / made additional claims in respect of certain deductions and exemptions. These claims have been rejected by the Assessing Officer against which the company has preferred an appeal before various appellate authorities. Certain claims allowed in appeal has been challenged by the Income Tax Department. Necessary adjustments in respect of Income Tax / MAT Credit Entitlements would be recognised in the books of account as and when the appeals are disposed off.

2.60. CSR EXPENDITURE :

₹ Lakhs

Particulars	2018-19	2017-18
i) Gross amount required to be spent by the Company during the year	108.30	33.70
ii) Amount spent during the year	21.77	49.57

Particulars	Incurred	Yet to be incurred	Total
a) Construction / acquisition of any asset	—	—	—
b) On other purpose other than (a) above	21.77	—	21.77

2.61. DISCLOSURE RELATING TO SUPPLIERS REGISTERED UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006 (MSMED Act, 2006) :

₹ Lakhs

Particulars	As at 31-3-2019	As at 31-3-2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in:		
Principal amount due to micro and small enterprises	186.45	271.05
Interest due on above	—	—
Total	186.45	271.05
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
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 for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	—	—
The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have confirmed.		

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.62. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorisation of these standalone financial statements.

2.63. Previous year's figures are reclassified wherever necessary to conform to the current year's classification.

2.64. All figures are in Lakhs unless otherwise stated.

2.65. RELATED PARTY DISCLOSURE AS PER INDIAN ACCOUNTING STANDARD 24 :

i) Names of related parties and description of relationship :

1. Enterprises where control exists :

Subsidiary Companies:

PT Pricol Surya Indonesia
 Pricol Asia Pte Limited, Singapore
 Pricol Espana Sociedad Limitada, Spain
 Pricol Wiping Systems India Limited

Step Down Subsidiaries:

Pricol Do Brasil Componentes Automotivos Ltda, Brazil - Subsidiary of Pricol Espana Sociedad Limitada
 Pricol Wiping Systems Czech s.r.o, Czech Republic - Subsidiary of Pricol Espana Sociedad Limitada
 PMP PAL International s.r.o, Czech Republic - Subsidiary of Pricol Wiping Systems Czech s.r.o (Merged with effect from 1st April 2018)
 Pricol Wiping Systems Mexico S.A.de C.V, Mexico - Subsidiary of Pricol Espana Sociedad Limitada
 PT Sri Pri Wiring Systems, Indonesia - Subsidiary of PT Pricol Surya Indonesia.

2. Related parties where significant influence exists and with whom transactions have taken place during the year :

- a) **Partnership firms under common control** : Bhavani Global Enterprises, Ellargi & Co, Libra Industries, Ramani & Shankar.
- b) **Private Companies** : Bull Machines Private Limited (Upto 28th February, 2018), C.R.I. Pumps Private Limited, Pricol Gourmet Private Limited (Formerly, V.M. Hospitality).
- c) **Public Companies** : Pricol Holdings Limited, PPL Enterprises Limited, Pricol Travel Limited, Pricol Properties Limited, Pricol Engineering Industries Limited, Pricol Corporate Services Limited, Target Manpower Services Limited, Pricol Retreats Limited (Formerly M and M Enterprises (India) Limited).
- d) **Trusts under common control** : N D Foundation, Siruthuli.
- e) **Key Management Personnel** : Mrs. Vanitha Mohan - (Chairman - Executive Director), Mr. Vikram Mohan - (Managing Director - Executive Director), Mr. R. Vidhya Shankar - (Non Executive Director), Mr. Suresh Jagannathan - (Non Executive Director), Mr. G. Soundararajan - (Non Executive Director), Mrs. Sriya Chari - (Non Executive Director), Mr. S. K. Sundararaman - (Non Executive Director) - from 30th May, 2018, Mr. C. R. Swaminathan - (Non Executive Director) - upto 28th February 2018, Mr. K. Murali Mohan - (Non Executive Director) - upto 31st March 2018, Mr. G. Sundararaman - (President) - upto 30th April 2018.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

RELATED PARTY DISCLOSURE AS PER INDIAN ACCOUNTING STANDARD 24 (Contd.,)

ii) Related party transactions:

₹ Lakhs

Nature of Transaction	Subsidiary & Step Down Subsidiary Companies		Key Management Personnel and their Relatives		Others	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Transactions during the year						
Purchase / Labour Charges	22,107.87	18,824.91	—	—	2,668.14	2,921.79
Sales / Job Work Charges	480.30	262.60	—	—	345.04	240.37
Receiving of Services / Reimbursement of Expenses Paid	3.08	79.11	257.16	520.37	7,081.78	6,982.45
Rendering of Services / Reimbursement of Expenses Received	440.95	865.68	—	—	323.86	222.56
Donation / CSR Expenses	—	—	—	—	20.00	43.00
Interest Received	2.13	—	—	—	—	—
Loans and Advances :						
a. Loans and advances given	200.00	—	—	—	163.98	—
b. Loans and advances repaid / Converted into Equity	200.00	—	—	—	—	—
Investments :						
a. Made during the year	9,293.52	4,001.21	—	—	—	—
b. Disposed during the year	—	—	—	—	—	—
Guarantees :						
a. Made during the year	—	26,112.34	—	—	—	—
b. Adjustment on Exchange Fluctuation	834.94	—	—	—	—	—
c. Released during the year	—	4,200.00	—	—	—	—

iii) Amount outstanding as at the balance sheet date :

₹ Lakhs

Nature of Transaction	Subsidiary & Step Down Subsidiary Companies		Key Management Personnel and their Relatives		Others	
	As on 31-3-2019	As on 31-3-2018	As on 31-3-2019	As on 31-3-2018	As on 31-3-2019	As on 31-3-2018
Trade Receivables & Other Receivables	410.66	855.16	—	—	1,095.94	780.36
Trade Payables & Other Payables	1,706.96	1,337.46	—	125.53	744.46	1,050.64
Investments	24,821.14	15,527.62	—	—	—	—
Guarantees	29,047.28	28,212.34	—	—	—	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.66. GUARANTEES TO SUBSIDIARIES DISCLOSURE AS REQUIRED UNDER SECTION 186 (4) OF COMPANIES ACT, 2013 :

Name of the Company	Currency	As at 31-3-2019		As at 31-3-2018		Purpose
		Foreign Currency in Lakhs	₹ Lakhs	Foreign Currency in Lakhs	₹ Lakhs	
Pricol Espana S.L. Spain	USD	268.80	18,593.25	268.80	17,483.85	Term Loan / Working Capital
PT Pricol Surya Indonesia	USD	30.00	2,100.00	30.00	2,100.00	Term Loan / Working Capital
Pricol do Brasil (Step down subsidiary of Pricol Espana S.L. Spain)	Euro	94.00	7,304.03	94.00	7,578.49	Term Loan / Working Capital
Pricol Wiping Systems India Limited	INR	—	1,050.00	—	1,050.00	Term Loan / Working Capital

2.67. DISCLOSURE AS REQUIRED UNDER REGULATION 53(f) SEBI LODR :

As at 31st March 2019

₹ Lakhs

Name of the Company	Status	Outstanding Amount Loan / Advance	Maximum Loan / Advance outstanding during the year	Investment in shares of the Company	Direct investment in shares of subsidiaries of the Company
Pricol Espana S.L. Spain	Subsidiary	—	—	—	19,445.07
PT Pricol Surya Indonesia	Subsidiary	—	—	—	4,521.52
Pricol Asia Pte Limited, Singapore	Subsidiary	—	—	—	150.38
Pricol Wiping Systems India Limited	Subsidiary	—	200.00	—	700.00

As at 31st March 2018

₹ Lakhs

Name of the Company	Status	Outstanding Amount Loan / Advance	Maximum Loan / Advance outstanding during the year	Investment in shares of the Company	Direct investment in shares of subsidiaries of the Company
Pricol Espana S.L. Spain	Subsidiary	—	—	—	10,714.35
PT Pricol Surya Indonesia	Subsidiary	—	—	—	4,521.52
Pricol Asia Pte Limited, Singapore	Subsidiary	—	—	—	150.38
Pricol Wiping Systems India Limited	Subsidiary	—	—	—	100.00

As per our report of even date attached

For VKS Aiyer & Co.

Chartered Accountants

ICAI Firm Regn. No. : 000066S

V S Srinivasan

Partner

Membership No. : 13729

Coimbatore

15th June 2019

For and on behalf of the Board

Vanitha Mohan

Chairman

(DIN : 00002168)

Vikram Mohan

Managing Director

(DIN : 00089968)

K. Ramesh

Chief Financial Officer

(ACMA No. : A9375)

T. G. Thamizhanban

Company Secretary

(FCS No. : 7897)

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of Pricol Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Pricol Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries including its Step down Subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and consolidated Statement of Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") of the state of affairs (financial position) of the Group as at March 31, 2019, and loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 2.41 of the consolidated financial statements regarding the proposed disposal of Investment in wholly owned subsidiaries, including its step down subsidiaries, and the consequent presentation of assets, liabilities and financial performance of the disposal group in the consolidated financial statement.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our audit report.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

S.No.	Key Audit Matters	How our audit addressed the Key Audit Matter
1	<p>Trade Receivables and Provision for expected credit loss: The Trade Receivable as at March 31, 2019 is ₹ 19,053.50 Lakhs, bad debts written off (Net) is ₹ 24.51 Lakhs and the credit to the Statement of Profit and Loss by way of excess provision for credit loss written back for the year ended March 31, 2019 is ₹ 105.94 Lakhs. The collectability of the Group's aged Trade Receivables and the determination of provision for bad and doubtful debts of Trade Receivables is a Key Audit Matter due to the judgement involved in assessing the recoverability.</p> <p>Refer to Note No. 2.11, 2.34 and 2.40</p>	<p>Evaluated and tested the Group's processes for trade receivables, including the credit control, collection and provisioning processes.</p> <p>Evaluated the management estimates used to determine the provision for bad and doubtful debts.</p> <p>Reviewed the ageing, tested the validity of the receivables, discussed with the management the disputes, if any, with customers, understood and evaluated the reason for delay in realisation of the receivable and possibility of realisation of the aged receivable.</p> <p>Tested the sufficiency of the Provision for bad and doubtful debts charged in the Statement of Profit and Loss for the year ended March 31, 2019.</p>
2	<p>Provisions for pending legal cases -</p> <p>As at 31st March 2019 the Company has a provision of ₹ 598.89 Lakhs as against various outstanding litigations of ₹ 2,007.29 Lakhs.</p> <p>These provisions are estimated using a significant degree of management judgement.</p> <p>Refer to Note No. 2.22(b) and 2.45</p>	<p>Assessing the adequacy of provisions by discussing with the management and reviewing correspondence with the respective authorities;</p> <p>Relying on judicial pronouncements;</p> <p>Obtaining opinion / views from the Group's external legal advisors regarding the likely outcome, magnitude and exposure to the relevant litigations and claims.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, for example, Directors' Report and Management Analysis including Annexures thereon but does not include the consolidated financial statements and our Auditor's report thereon. The other information containing the Management Discussion & Analysis, Board Report including Annexures to the Board Report, Corporate Governance and shareholder's information is expected to be made available to us after the date of our audit report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial

statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Management Discussion & Analysis, Board Report including Annexures to the Board Report, Corporate Governance and shareholder's information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Group 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 relevant rules issued thereunder.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditors' Responsibility for the audit of the Consolidated Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our

opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) evaluating the effect of any identified misstatements in the consolidated financial statements.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) The corresponding figures and financial information of the Group for the year ended March 31, 2018 included in these consolidated financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 audited by the predecessor auditor whose report for the year ended March 31, 2018 dated May 30, 2018 expressed an

unmodified opinion on those consolidated financial statements.

b) We did not audit the financial statements / financial information of 7 subsidiaries (including step-down subsidiaries), whose financial statements reflect total assets of ₹ 75,905.42 Lakhs and net assets of ₹ 17,917.44 Lakhs as at March 31, 2019, total revenues of ₹ 75,078.47 Lakhs and net cash outflows amounting to ₹ 774.73 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

These subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;
- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group, and the operating effectiveness of such controls, we give our separate Report in the "**Annexure**".
- g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act;
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group and its subsidiary company incorporated in India, to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer to Note No. 2.45 to the consolidated financial statements;
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer to Note No. 2.50 to the consolidated financial statements in respect of such items as it relates to the Group.
 - iii) Dues of ₹ 7.08 Lakhs to Investor Education and Protection Fund (IEPF) pertaining to FY 2010-11 of Holding Company were pending to be transferred on account of certain technical glitches with MCA portal which is yet to be resolved. The due date for transferring the amount to IEPF was October 17, 2018. The Holding Company is co-ordinating with the respective intermediaries to rectify the same.

For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Registration No. : 000066S

V S Srinivasan
Partner

Coimbatore
15th June, 2019

Membership No. : 13729

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Pricol Limited** on the consolidated financial statements for the year ended March 31, 2019]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Pricol Limited ("the Company") as of and for the year ended March 31, 2019, We have audited the internal financial controls over financial reporting of the Group, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group, which are companies incorporated in India, are 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 system over financial reporting.

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 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

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT (Contd.,)

reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 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, the Group, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 ICAI.

For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Registration No. : 000066S

Coimbatore
15th June, 2019

V S Srinivasan
Partner
Membership No. : 13729

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2019

	Note No.	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
I. ASSETS			
1) Non-current Assets			
a) Property, Plant and Equipment	2.1	42,486.36	48,097.63
b) Capital Work-in-progress	2.2	1,360.17	6,222.11
c) Investment Property	2.3	993.94	1,036.14
d) Goodwill	2.4	10,927.40	17,651.05
e) Other Intangible assets	2.5	15,446.51	16,654.94
f) Intangible Assets under Development	2.6	—	769.60
g) Other Financial Assets	2.7	625.64	518.23
h) Other Non-Current Assets	2.8	7,236.75	8,231.11
Total Non - Current Assets		79,076.77	99,180.81
2) Current Assets			
a) Inventories	2.9	18,248.96	28,805.88
b) Financial Assets			
i) Investments	2.10	268.82	180.94
ii) Trade Receivables	2.11	19,053.50	29,632.61
iii) Cash and Cash equivalents	2.12	3,895.97	6,430.08
iv) Bank Balances other than (iii) above	2.13	1,956.64	529.46
v) Others	2.14	52.18	38.70
c) Other Current Assets	2.15	2,077.58	5,825.15
Total Current Assets		45,553.65	71,442.82
Non-Current Assets held for Sale	2.16	3,442.91	2,500.00
Assets pertaining to Disposal Group	2.17	31,724.76	—
		35,167.67	2,500.00
		80,721.32	73,942.82
TOTAL ASSETS		1,59,798.09	1,73,123.63
II EQUITY AND LIABILITIES			
1) Equity			
a) Equity Share Capital	2.18	947.97	947.97
b) Other Equity	2.19	48,993.08	65,612.46
Total Equity		49,941.05	66,560.43
2) Non - Current Liabilities			
a) Financial Liabilities			
i) Borrowings	2.20	9,697.80	21,546.51
ii) Others	2.21	58.33	121.04
b) Provisions	2.22	1,316.76	1,877.16
c) Deferred Tax Liabilities (Net)	2.23	5,435.69	6,026.97
d) Other Non Current Liabilities	2.24	23.71	779.54
Total Non - Current Liabilities		16,532.29	30,351.22

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2019

	Note No.	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
Consolidated Balance Sheet as at 31st March 2019 (Contd.,)			
3) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	2.25	16,451.43	21,454.97
ii) Trade Payables	2.26		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		186.45	271.05
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		21,678.50	40,207.03
iii) Others	2.27	6,210.75	9,110.23
b) Other Current Liabilities	2.28	525.78	4,318.54
c) Provisions	2.29	442.66	568.67
d) Current Tax Liabilities (Net)	2.30	77.68	281.49
Total Current Liabilities		45,573.25	76,211.98
Liabilities associated with Disposal Group	2.31	47,751.50	—
		93,324.75	76,211.98
TOTAL EQUITY AND LIABILITIES		1,59,798.09	1,73,123.63

Significant Accounting Policies & Notes form an integral part of the Financial Statements

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
15th June 2019

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2019

	Note No.	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
CONTINUING OPERATIONS			
INCOME			
Revenue from Operations	2.32	1,31,970.24	1,24,414.07
Other Operating Revenue	2.33	8,009.12	14,169.18
Other Income	2.34	972.54	533.15
Total Income		1,40,951.90	1,39,116.40
EXPENSES			
Cost of Materials Consumed	2.35	87,763.55	80,218.20
Purchases of Stock-in-Trade		7,552.50	6,427.51
Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	2.36	926.30	(1,154.43)
Excise Duty		—	2,918.06
Employee Benefits Expense	2.37	17,431.08	16,928.56
Finance Costs	2.38	2,046.99	1,331.42
Depreciation and Amortisation Expense	2.39	8,237.98	7,396.84
Other Expenses	2.40	16,956.70	16,702.16
Total Expenses		1,40,915.10	1,30,768.32
Profit before Exceptional Items and Tax		36.80	8,348.08
Less : Exceptional Item		—	—
Profit before Tax from continuing operations		36.80	8,348.08
Less : Tax Expense			
Current Tax		224.09	2,154.00
Deferred Tax		(20.53)	1,711.50
MAT Credit		(95.80)	(1,610.60)
For earlier years		(12.79)	—
Profit / (Loss) for the year from continuing operations	(A)	(58.17)	6,093.18
DISCONTINUED OPERATIONS :	2.41		
Profit / (Loss) for the year from discontinued operations before tax		(17,319.61)	(11,191.75)
Less : Tax Expense of discontinued operations		8.22	(203.99)
Profit / (Loss) for the year from discontinued operations	(B)	(17,327.83)	(10,987.76)
Profit / (Loss) for the year	(C) = (A) + (B)	(17,386.00)	(4,894.58)

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2019

	Note No.	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
Consolidated Statement of Profit & Loss for the year ended 31st March 2019 (Contd.,)			
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurement of post employment benefit obligations		89.72	251.72
Income tax relating to these items		(26.85)	(86.53)
Items that will be reclassified to profit or loss :			
Exchange differences on translation of foreign operations		181.40	1.84
Exchange differences on translation of Discontinued operations		1,227.99	78.63
Other Comprehensive Income for the year after tax	(D)	1,472.26	245.66
Total Comprehensive Income for the year	(C) + (D)	(15,913.74)	(4,648.92)
Earnings per Equity Share for profit / (loss) from continuing operations (Face Value of ₹ 1/-) in Rupees	2.42		
Basic & Diluted		(0.06)	6.43
Earnings per Equity Share for profit / (loss) from discontinued operations (Face Value of ₹ 1/-) in Rupees	2.42		
Basic & Diluted		(18.28)	(11.59)
Earnings per Equity Share for profit / (loss) from continuing and Discontinued operations (Face Value of ₹ 1/-) in Rupees	2.42		
Basic & Diluted		(18.34)	(5.16)

Significant Accounting Policies & Notes form an integral part of the Financial Statements

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For VKS Aiyer & Co.
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V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
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Vanitha Mohan
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(DIN : 00002168)

Vikram Mohan
Managing Director
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Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

	₹ Lakhs
a) Equity Share Capital	
Balance as on 1st April 2017	947.97
Movement during the year 2017-18	—
Balance as on 31st March 2018	947.97
Movement during the year 2018-19	—
Balance as on 31st March 2019	947.97

	Reserves and Surplus				Other Comprehensive Income	
	Securities Premium	Capital Reserve	Retained Earnings	Foreign Exchange Translation Reserve	Remeasurement of post employment benefit obligations	Total
b) Other Equity						
Balance as on 1st April 2017	80,961.56	2,221.24	(10,566.77)	(911.40)	(112.87)	71,591.76
- Profit / (Loss) for the year 2017-18	—	—	(4,894.58)	—	—	(4,894.58)
- Addition during the year	—	384.65	—	—	—	384.65
- Other Comprehensive Income, Net of Income Tax	—	—	—	(493.61)	165.19	(328.42)
- Payment of Dividend including Dividend Distribution Tax	—	—	(1,140.95)	—	—	(1,140.95)
Balance as on 31st March 2018	80,961.56	2,605.89	(16,602.30)	(1,405.01)	52.32	65,612.46
- Profit / (Loss) for the year 2018-19	—	—	(17,386.00)	—	—	(17,386.00)
- Addition / Adjustments during the year	—	442.68	—	—	(5.50)	437.18
- Other Comprehensive Income, Net of Income Tax	—	—	—	1,409.39	62.87	1,472.26
- Payment of Dividend including Dividend Distribution Tax	—	—	(1,142.82)	—	—	(1,142.82)
Balance as on 31st March 2019	80,961.56	3,048.57	(35,131.12)	4.38	109.69	48,993.08

Significant Accounting Policies & Notes form an integral part of the Financial Statements

As per our report of even date attached
For VKS Aiyer & Co.

Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax from		
- Continuing operations	36.80	8,348.08
- Discontinued operations	(17,319.61)	(11,191.75)
Adjustments for :		
Depreciation & Amortisation Expense	9,994.74	8,583.55
Bad debts written off	185.69	579.21
Excess Provision for credit loss written back	(129.67)	—
Provision for doubtful debts and advances / (write back)	(71.83)	512.40
(Profit) / Loss on sale / disposal of Property, Plant and Equipment (Net)	40.53	(37.89)
Interest received	(124.55)	(86.14)
Effect of Change in Foreign Currency Translation Reserve	1,878.63	(453.93)
Exchange Fluctuation (Gain) / Loss on Re-statement	18.40	179.69
Gain on Fair Valuation of Investments at Fair Value through P&L	(12.88)	(5.86)
Provision / (Reversal) for Impairment Loss	(133.99)	949.84
Impairment of Goodwill on Consolidation	5,730.25	—
Finance Costs	5,444.03	3,018.27
	22,819.35	13,239.14
Operating Profit before working capital changes	5,536.54	10,395.47
Adjustments for :-		
(Increase) / Decrease in Trade Receivables and other Receivables	3,949.10	(4,271.81)
(Increase) / Decrease in Inventories	3,133.63	(4,008.24)
Increase / (Decrease) in Trade Payables and other Payables	(8,637.19)	9,687.29
	(1,554.46)	1,407.24
Cash generated from Operations	3,982.08	11,802.71
Direct taxes	384.28	(2,262.79)
Net cash from operating activities	4,366.36	9,539.92

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
Consolidated Cash Flow Statement for the year ended 31st March 2019 (Contd.,)		
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and Equipment	(10,875.97)	(14,642.39)
Sale of Property, Plant and Equipment	(368.07)	183.05
Adjustment for Capital Advances	42.58	(167.40)
Adjustments pertaining to acquisition of subsidiary	442.68	(9,942.94)
Purchase of Investments	(75.00)	(150.00)
Interest received	124.55	86.14
Net Cash (used in) / from investing activities	(10,709.23)	(24,633.54)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from / (Repayment of) Current Borrowings (Net)	406.88	6,077.07
Proceeds from / (Repayment of) Non Current Borrowings (Net)	11,814.79	16,379.97
Dividend & Tax on Dividend Paid	(1,126.07)	(1,123.61)
Finance Costs paid	(5,437.57)	(2,968.50)
Net Cash from / (used in) financing activities	5,658.03	18,364.93
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		
	(684.84)	3,271.31
Cash and Cash equivalents as at 1.4.2018 and 1.4.2017 (Opening Balance)	6,430.08	2,395.58
Add : Adjustments on account of acquisition of Subsidiaries	—	763.19
Less : Adjustment pertaining to Cash and Cash Equivalents of discontinued operations	1,849.27	—
Cash and cash equivalents as at 31.3.2019 and 31.3.2018 (Closing Balance) (Refer to Note No. 2.12)	3,895.97	6,430.08

Significant Accounting Policies & Notes form an integral part of the Financial Statements

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
15th June 2019

For and on behalf of the Board

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Managing Director
(DIN : 00089968)

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

1. SIGNIFICANT ACCOUNTING POLICIES

i. Corporate Information :

Pricol Limited is a company incorporated on 18th May 2011 and is engaged in the business of manufacturing and selling of Instrument clusters and other allied automobile components to Original Equipment Manufacturers (OEM) and replacement markets. Pursuant to the Scheme of Amalgamation sanctioned by the Honourable High Court of Judicature at Madras, Erstwhile Pricol Limited (Transferor Company) amalgamated with Pricol Pune Limited (Transferee Company) with the appointed date as 1st April, 2015 and the Transferee Company was renamed from "Pricol Pune Limited" to "Pricol Limited" with effect from 18th November 2016. The Equity shares of the company are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company along with its subsidiaries and Step down subsidiaries is referred to as the Group.

ii. General Information and Statement of Compliance with Ind AS:

These consolidated financial statements ('financial statements') of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented. The financial statements for the year ended 31st March 2019 were authorised and approved for issue by the Board of Directors on 15th June 2019.

iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS Schedule III of the Companies Act, 2013.

The financial statements have been prepared & presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on the basis stated above, except for Accounting for Leases that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use under Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

iv. Use of Estimates :

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Group to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed separately under the heading "Significant accounting judgements, estimates and assumptions".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

v. Current versus non-current classification

The entity presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- It is 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 classified as current, when:

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

The entity classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

vi. Principles of Consolidation:

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries as at 31st March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, related Non-Controlling Interest, if any, and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

The consolidated financial statement comprises the financial statements of the following subsidiaries:

Name of the subsidiary	Country of Incorporation	Extent of holding (%)
PT Pricol Surya Indonesia	Indonesia	100%
Pricol Asia Pte. Limited	Singapore	100%
Pricol Espana Sociedad Limitada	Spain	100%
Pricol Wiping Systems India Limited	India	100%
Pricol do Brasil Componentes Automotivos Ltda	Brazil	100%
Pricol Wiping Systems Mexico S.A. de C.V.,	Mexico	100%
PT Sripri Wiring Systems	Indonesia	100%
Pricol Wiping Systems Czech s.r.o.	Czech	100%

vii. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Group. All amounts have been rounded-off to the nearest lakh with two decimal.

a) Initial recognition

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

b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss on a net basis within other gains / (losses) in the year in which they arise.

c) Foreign Operations:

The assets and liabilities of foreign operations (subsidiaries, associates and joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency, at the exchange rates at the reporting date. The income and expenses of the foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if it approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity, except to the extent that the exchange differences are allocated to NCI (if any).

When a foreign operation is disposed off in its entirety or partially such that control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal.

viii. Revenue Recognition:

Sale of goods

Revenue from customers is recognised when the Group satisfies performance obligation by transferring promised goods or services to the customers. Revenue is measured based on transaction price, which is the fair value of the consideration received / receivable net of returns and allowances, trade discounts and GST.

Revenue from sale of goods and associated services is recognised at the point of time when the goods are sold or services rendered.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

The Group considers any other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the goods, the Group considers the effect of variable consideration, the existence of significant financing components, non cash consideration and consideration payable to the customer, if any. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 30 days to 120 days, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

Dividend

Dividend income from investments is recognised when the Group's right to receive payment has been established.

Interest Income

Interest income from a financial asset is recognised using Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Claims

Claims made by the Group including price escalations and those made on the Group are recognised in the Statement of Profit and Loss as and when the claims are accepted / liability is crystallised.

ix. Property, Plant and Equipment and Depreciation:

Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in the production or supply of goods or services or for administrative purposes and are expected to be used for more than a period of twelve months. They are measured at cost less accumulated depreciation and any accumulated impairment. Cost comprises of the purchase price including import duties and non-refundable purchase taxes after deducting trade discounts and rebates and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management. Own manufactured assets are capitalised at cost including an appropriate share of overheads. Financing costs (if any) relating to acquisition of assets which take substantial period of time to get ready for intended use are also

included to the extent they relate to the period upto which such assets are ready for their intended use.

Items such as spare parts, stand-by equipment and servicing equipment are capitalised if they meet the definition of Property, Plant and Equipment.

Depreciation on Property, Plant and Equipment (PPE) is provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except leasehold buildings under operating lease arrangements, which are amortised over the leasehold period and Dies, Tools and Moulds which are depreciated over a period of 3 years.

Where the cost of a part of the PPE is significant to the total cost of the PPE and if that part of the PPE has a different useful life than the main PPE, the useful life of that part is determined separately for depreciation.

The Group has used the following useful lives to provide depreciation on its Property, Plant and Equipment :

Class of Assets	Useful Lives
Factory Buildings	30 years
Leasehold Buildings	Over the period of lease
Plant & Machinery	7.5 years (Triple Shift)
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Dies, Tools and Moulds	3 years
Computer Equipments	
- Servers and Networks	6 years
- End User Devices	3 years
Spares	3 to 15 years

The management believes that the useful lives adopted reflect the expected pattern of consumption of future economic benefits.

The depreciation method applied to an asset is reviewed at each financial year-end and if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged prospectively to reflect the changed pattern.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of Property, Plant and Equipment 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 de-recognised.

x. Investment property:

Investment property is a property, being a land or a building or part of a building or both, held by the owner or by the lessee under a finance lease, to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred.

xi. Intangible assets and amortisation:

An intangible asset is an identifiable non-monetary asset without physical substance.

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

The Group has used the following useful lives to amortise its intangible assets which the management believes, reflect the expected pattern of consumption of future economic benefits:

Class of Assets	Useful Lives
Specialised Software	4 Years
Fees for Technical Know-how	4 Years
Intangible Assets acquired on Amalgamation	15 Years (Based on a technical opinion)
Goodwill	15 Years

xii. Non-current assets held for sale and discontinued operations:

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

When the Group is committed to sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets held for sale / for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell / distribute.

Assets and liabilities classified as held for sale / distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale / distribution to owners are not depreciated or amortised. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the statement of profit and loss.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment,

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in an associate or joint venture, the investment or the portion of the investment that will be disposed off is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

xiii. Impairment of Non Financial assets:

The Group periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognised.

xiv. Impairment of Financial assets:

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute

a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

xv. 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 best economic 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 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, or

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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- **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 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.

xvi. 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.

a. 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments 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:

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

Debt instruments at FVTOCI:

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI).

Debt instruments at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Equity investments (other than investments in subsidiaries and joint ventures):

All equity investments within the scope of Ind AS 109, 'Financial Instruments', are measured at fair value either through statement of profit and loss or other comprehensive income. The Group makes an irrevocable election to present in OCI the subsequent

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changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in the OCI. Any gains or losses on de-recognition is recognised in the OCI and are not recycled to the statement of profit and loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognised 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 Group 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.

b. Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost (if any) that is attributable to the acquisition of the financial liabilities is also adjusted.

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 Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised 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.

● Trade and other payables

These amounts represent liabilities for goods or services provided to the Group which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

● Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the profit or loss.

De-recognition of Financial Liabilities:

A financial liability is de-recognised 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 de-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

xvii. Borrowing costs:

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use / sale. All other borrowing costs are charged to statement of profit and loss.

xviii. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in 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.

xix. Employee benefits

a. Short Term and other long term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

b. Post-Employment Benefits

i. Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund and Superannuation Fund. The Group's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

ii. Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in OCI in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

xx. Provisions :

A provision is recognised when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. 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.

xxi. Contingent liabilities:

A contingent liability is a possible obligation that arises

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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 or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent Assets are not recognised but are disclosed when the inflow of economic benefits are probable.

xxii. Earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares (if any) are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xxiii. 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.

xxiv. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. 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 directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. 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.

b. Deferred tax:

Deferred tax is provided 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 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.

The carrying amount of deferred tax assets are 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 based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

c. Minimum Alternate Tax:

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is

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SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

convincing evidence that the Group will pay normal income tax.

Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

xxv. Inventories:

Inventories are valued at lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The basis of determining cost for various categories of inventories is as follows:-

- i) **Raw Materials, Packing Materials & Stores and Spares:** Weighted average basis.
- ii) **Finished Goods and Work-In-Progress:** Cost of Direct Material, Labour & Other Manufacturing Overheads.

Stores & Spares which do not meet the definition of Property, Plant and Equipment are accounted as inventories.

xxvi. Leases:

Assets acquired under lease where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalised at the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term, unless the payments are structured to increase in line with the expected general inflation to compensate from the lessor's expected inflationary cost increase.

xxvii. Business Combination:

The Group accounts for each business combination by applying the acquisition method. The acquisition date is

the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity. In assessing control, potential voting rights are considered only if the rights are substantive.

The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred, less the net recognised amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognised as capital reserve.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration (if any). Consideration transferred does not include amounts related to settlement of pre-existing relationships.

Any contingent consideration (if any) is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

xxviii. Financial Guarantee Contracts:

Financial Guarantee Contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability

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at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Significant accounting Judgements, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Group's accounting policies:

a) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

b) Provision and contingent liability:

On an ongoing basis, the Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements.

c) Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting date. As at 31st March, 2019 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

d) Evaluation of indicators for impairment of assets:

The evaluation of applicable indicators for impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

e) Defined benefit obligation:

Management's estimate of the Defined Benefit obligation is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may impact the obligation amount and the annual defined benefit expenses.

f) Fair value measurements:

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

g) Allowances for uncollected accounts receivable and advances :

Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs

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to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

Recent accounting pronouncements on Standards issued or modified but not yet effective:

Ind AS 116-Leases:

Ind AS 116 will replace the existing standard on Ind AS 17-Leases and its related interpretations

The Standards sets out the principles for the recognition, measurement, presentation and disclosure of lease contracts for the lessor as well as the lessee. Ind AS 116 introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all lease contracts with a lease term of more than 12 months, unless the underlying value of asset is of low value. The Standard also contains enhanced disclosure requirements for the lessees. Currently, operating leases are charged to Statement of Profit and Loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1st April, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application under which the lessee records the lease liability at the present value of the remaining lease payments discounted at the increment borrowing rate and the right to use the asset either at its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial

application or an amount equal to the lease liability as adjusted by any prepaid or accrued lease payments.

The Group is in the process of evaluating the impact on the adoption of Ind AS 116.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On 30th March, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April, 2019. The Group will adopt the standard on 1st April, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. 1st April, 2019 without adjusting comparatives.

The Group is in the process of evaluating the impact on the adoption of this standard.

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2.1. PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars	₹ Lakhs									
	Freehold Land	Leasehold Land	Freehold Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Gross Carrying Value										
As at 1st April, 2017	11,284.72	772.52	14,900.49	354.46	29,447.88	705.16	280.36	472.61	2,000.19	60,218.39
Additions during 2017-18	351.52	134.91	1,469.64	78.70	8,900.17	51.32	0.64	12.11	391.06	11,390.07
Assets acquired on Business Combination	—	836.13	258.40	71.91	3,207.81	24.62	5.92	8.31	16.16	4,429.26
Less : Deletions during 2017-18	—	—	—	—	1,868.01	4.09	—	—	2.87	1,874.97
Less : Re-classified as held for Sale (Refer to Note No. 2.16)	1,973.18	482.44	2,151.61	—	—	—	—	—	—	4,607.23
Translation Adjustment	(23.25)	—	(27.35)	2.02	(505.23)	(5.74)	(0.67)	(15.71)	(0.27)	(576.20)
As at 31st March, 2018	9,639.81	1,261.12	14,449.57	507.09	39,182.62	771.27	286.25	477.32	2,404.27	68,979.32
Additions during 2018-19	432.35	465.63	2,341.59	140.24	6,226.48	176.51	3.43	26.55	453.85	10,266.63
Less : Deletions during 2018-19	—	—	—	—	840.03	7.86	0.10	0.73	3.35	852.07
Less : Re-classified as held for Sale (Refer to Note No. 2.16)	761.33	—	—	—	—	—	—	—	—	761.33
Less : Re-classification to assets as held for sale as part of disposal group (Refer to Note No. 2.17)	99.34	836.13	244.26	200.66	14,629.91	100.21	14.86	176.61	60.52	16,362.50
Other Adjustments	—	—	(3.59)	(63.26)	640.13	(19.93)	(0.18)	24.38	22.54	600.09
Translation Adjustment	8.92	—	31.56	(8.95)	(1,151.83)	(10.56)	(1.02)	(8.94)	1.32	(1,139.50)
As at 31st March, 2019	9,220.41	890.62	16,574.87	374.46	29,427.46	809.22	273.52	341.97	2,818.11	60,730.64

Accumulated Depreciation

Particulars	₹ Lakhs									
	Freehold Land	Leasehold Land	Freehold Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 1st April, 2017	—	18.88	1,843.33	94.75	14,080.86	189.64	62.77	418.87	692.41	17,402.11
Depreciation for the year 2017-18	—	15.17	808.01	40.07	4,436.93	70.82	43.09	22.36	468.77	5,905.22
Less : Withdrawn during the year 2017-18	—	—	—	—	1,724.06	3.28	—	0.59	1.88	1,729.81
Less : Re-classified as held for Sale (Refer to Note No. 2.16)	—	14.85	180.45	—	—	—	—	—	—	195.30
Translation Adjustment	—	—	(13.36)	(3.12)	(463.88)	(5.25)	(0.30)	(14.89)	0.27	(500.53)
As at 31st March, 2018	—	19.20	2,458.13	131.70	16,329.85	251.93	105.56	425.75	1,159.57	20,881.69
Depreciation for the year 2018-19	—	23.46	816.14	43.77	5,622.40	72.29	40.46	28.15	528.39	7,175.06
Less : Withdrawn during the year 2018-19	—	—	—	55.35	253.07	3.47	0.13	(6.79)	4.56	309.79
Less : Re-classification to assets as held for sale as part of disposal group (Refer to Note No. 2.17)	—	21.82	12.97	9.81	8,471.41	91.94	13.94	156.09	43.96	8,821.94
Other Adjustments	—	—	—	—	68.22	—	—	—	—	68.22
Translation Adjustment	—	—	17.04	(6.40)	(741.75)	(9.96)	(0.89)	(8.25)	1.25	(748.96)
As at 31st March, 2019	—	20.84	3,278.34	103.91	12,554.24	218.85	131.06	296.35	1,640.69	18,244.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

PROPERTY, PLANT AND EQUIPMENT (PPE) (Contd.,)

Net Carrying Value

₹ Lakhs

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 1st April, 2017	11,284.72	753.64	13,056.56	259.71	15,367.02	515.52	217.59	53.74	1,307.78	42,816.28
As at 31st March, 2018	9,639.81	1,241.92	11,991.44	375.39	22,852.77	519.34	180.69	51.57	1,244.70	48,097.63
As at 31st March, 2019	9,220.41	869.78	13,296.53	270.55	16,873.22	590.37	142.46	45.62	1,177.42	42,486.36

Certain Property, Plant and Equipment have been given as security against non-current borrowings availed by the Group (Refer to Note No. 2.20 and 2.25).

2.2. CAPITAL WORK-IN-PROGRESS

₹ Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Opening Capital Work-in-progress	6,222.11	2,649.87
Add : Addition during the year	11,510.00	14,962.31
Less : Deletion during the year	10,266.63	11,390.07
Less : Re-classified as held for Sale (Refer to Note No. 2.16)	1,131.58	—
Less : Reclassification to assets as held for sale as part of disposal group (Refer to Note No. 2.17)	4,973.73	—
Closing Capital Work-in-progress	1,360.17	6,222.11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.3. INVESTMENT PROPERTY

₹ Lakhs

Particulars	Freehold Land	Freehold Building	Total
Gross Carrying Value			
As at 1st April, 2017	462.00	700.00	1,162.00
Additions during 2017-18	—	—	—
Deletions during 2017-18	—	—	—
As at 31st March, 2018	462.00	700.00	1,162.00
Additions during 2018-19	—	—	—
Deletions during 2018-19	—	—	—
As at 31st March, 2019	462.00	700.00	1,162.00

Accumulated Depreciation

₹ Lakhs

As at 1st April, 2017	—	83.67	83.67
Depreciation for the year 2017-18	—	42.19	42.19
Withdrawn during the year 2017-18	—	—	—
As at 31st March, 2018	—	125.86	125.86
Depreciation for the year 2018-19	—	42.20	42.20
Withdrawn during the year 2018-19	—	—	—
As at 31st March, 2019	—	168.06	168.06

Net Carrying Value

₹ Lakhs

As at 1st April, 2017	462.00	616.33	1,078.33
As at 31st March, 2018	462.00	574.14	1,036.14
As at 31st March, 2019	462.00	531.94	993.94

The above Investment Property has been given as security against borrowings availed by a subsidiary company.

The Company has identified Land and Building at Karamadai to be in the nature of investment property as they are being held to earn rentals :-

i) **Amount recognised in Statement of Profit and Loss for investment properties**

₹ Lakhs

Particulars	2018-19	2017-18
Rental Income	24.34	24.42
Less: Depreciation expense	42.20	42.19
Profit / (Loss) from Investment Property	(17.86)	(17.77)

ii) **Fair Valuation of Investment Property : ₹ 1,162.00 Lakhs**

The fair valuation of investment property was obtained as at the date of transition to IndAS i.e., 1st April 2016.

The Management believes that the fair valuation of the investment property as on the Balance Sheet date would not be significantly different from the valuation obtained earlier.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.4. GOODWILL

₹ Lakhs

Particulars	Goodwill \$	Goodwill on Consolidation	Total
Gross Carrying Value			
As at 1st April, 2017	15,479.67	—	15,479.67
Additions during 2017-18	—	5,730.25	5,730.25
Deletions during 2017-18	—	—	—
As at 31st March, 2018	15,479.67	5,730.25	21,209.92
Additions during 2018-19	—	—	—
Deletions during 2018-19	—	—	—
As at 31st March, 2019	15,479.67	5,730.25	21,209.92

Accumulated Amortisation

₹ Lakhs

As at 1st April, 2017	2,565.47	—	2,565.47
Amortisation for the year 2017-18	993.40	—	993.40
Withdrawn during the year 2017-18	—	—	—
As at 31st March, 2018	3,558.87	—	3,558.87
Amortisation for the year 2018-19	993.40	—	993.40
Withdrawn during the year 2018-19	—	—	—
Impairment during the year 2018-19	—	5,730.25	5,730.25
As at 31st March, 2019	4,552.27	5,730.25	10,282.52

Net Carrying Value

₹ Lakhs

As at 1st April, 2017	12,914.20	—	12,914.20
As at 31st March, 2018	11,920.80	5,730.25	17,651.05
As at 31st March, 2019	10,927.40	—	10,927.40

\$ Refer to Note No. 2.43 in relation to Scheme of Amalgamation and accounting treatment.

₹ Lakhs

Particulars	2018-19
Impairment pertaining to	
- Continuing Operations (Refer to Note No. 2.40)	559.58
- Discontinued Operations (Refer to Note No. 2.41)	5,170.67
	5,730.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.5. OTHER INTANGIBLE ASSETS

₹ Lakhs

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total
Gross Carrying Value					
As at 1st April, 2017	1,251.87	510.82	5,113.42	14,116.00	20,992.11
Additions during 2017-18	852.59	—	—	—	852.59
Assets acquired on Business Combination	293.38	—	—	—	293.38
Deletions during 2017-18	—	—	—	—	—
Translation Adjustment	45.95	—	(10.21)	—	35.74
As at 31st March, 2018	2,443.79	510.82	5,103.21	14,116.00	22,173.82
Additions during 2018-19	376.46	1,087.05	(0.09)	—	1,463.42
Deletions during 2018-19	—	—	—	—	—
Other Adjustments	(1.74)	—	—	—	(1.74)
Reclassification to assets as held for sale as part of disposal group (Refer to Note No. 2.17)	(1,285.81)	—	(170.22)	—	(1,456.03)
Translation Adjustment	(105.44)	—	(18.89)	—	(124.33)
As at 31st March, 2019	1,427.26	1,597.87	4,914.01	14,116.00	22,055.14

Accumulated Amortisation

₹ Lakhs

As at 1st April, 2017	767.04	498.67	739.75	1,882.14	3,887.60
Amortisation for the year 2017-18	357.58	6.47	337.37	941.07	1,642.49
Withdrawn during the year 2017-18	—	—	—	—	—
Translation Adjustment	(6.55)	—	(4.66)	—	(11.21)
As at 31st March, 2018	1,118.07	505.14	1,072.46	2,823.21	5,518.88
Amortisation for the year 2018-19	458.68	47.75	336.58	941.07	1,784.08
Other Adjustments	0.21	—	—	—	0.21
Withdrawn during the year 2018-19	59.90	—	1.01	—	60.91
Reclassification to assets as held for sale as part of disposal group (Refer to Note No. 2.17)	(499.76)	—	(88.25)	—	(588.01)
Translation Adjustment	(36.24)	—	(9.38)	—	(45.62)
As at 31st March, 2019	981.06	552.89	1,310.40	3,764.28	6,608.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

OTHER INTANGIBLE ASSETS (Contd.,)

Net Carrying Value						₹ Lakhs
Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total	
As at 1st April, 2017	484.83	12.15	4,373.67	12,233.86	17,104.51	
As at 31st March, 2018	1,325.72	5.68	4,030.75	11,292.79	16,654.94	
As at 31st March, 2019	446.20	1,044.98	3,603.61	10,351.72	15,446.51	

2.6. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	₹ Lakhs	
	As at 31st March 2019	As at 31st March 2018
Opening Carrying Value	769.60	15.41
Add : Addition during the year	728.94	881.35
Less : Reclassification to assets as held for sale as part of disposal group (Refer to Note No. 2.17)	35.12	—
Less : Deletion / Adjustment during the year	1,463.42	127.16
Closing Carrying Value	—	769.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.7. OTHER FINANCIAL ASSETS		
Unsecured, Considered good		
Security Deposits	625.64	516.98
Unsecured Considered Doubtful		
Security Deposits - Credit Impaired	26.10	26.10
Less : Allowance for Doubtful Deposits	26.10	26.10
	—	—
Fixed Deposits (with original maturity of period of more than 12 months)	—	1.25
	<u>625.64</u>	<u>518.23</u>
2.8. OTHER NON-CURRENT ASSETS		
Unsecured Considered good		
Capital Advances	1,293.38	1,335.96
Others		
Advance Tax, Net of Provision	304.80	1,193.45
MAT Credit Entitlement	5,453.15	5,357.36
Prepaid Lease Expense	106.82	101.88
Deposits with Government Authorities	78.60	242.46
Unsecured Considered Doubtful		
Capital Advances - Credit Impaired	10.27	3.37
Less : Provision for Doubtful Advances	10.27	3.37
	—	—
	<u>7,236.75</u>	<u>8,231.11</u>
2.9. INVENTORIES		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials & Components	9,872.97	16,215.85
Goods in Transit - Raw Materials & Components	1,177.89	2,486.41
Work-in-progress	1,446.58	2,062.15
Finished Goods	5,062.47	6,932.09
Land - Stock-in-Trade	—	173.14
Stores & Spares	411.93	672.17
Traded Goods	277.12	264.07
	<u>18,248.96</u>	<u>28,805.88</u>

Inventories have been given as security for the borrowings availed by the respective companies. Refer to Note No. 2.25.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

INVENTORIES (Contd.,)

Cost of Inventory recognised as an expense

₹ Lakhs

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
Cost of Materials Consumed	87,763.55	80,218.20
Cost of Traded Goods Sold	7,539.45	6,440.31
Cost of Land held as Stock-in-Trade	173.14	1,245.86
Stores and Spares	458.51	456.90

2.10. INVESTMENTS

Sl. No.	Particulars	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
Investments in Mutual Funds (at Fair Value through P & L)			
Quoted - Non Trade			
1.	ICICI Prudential Regular Savings Fund - Growth	9.76	9.02
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	9.05	8.78
3.	Aditya Birla Sun Life Regular Savings Fund - Growth - Regular Plan	9.33	9.16
4.	ICICI Prudential Banking & PSU Debt Fund - Growth	81.93	77.12
5.	Kotak Dynamic Bond Fund Regular Plan - Growth	83.68	76.86
6.	Aditya Birla Sunlife Liquid Fund - Growth - Regular Plan	75.07	—
	Total	268.82	180.94
	Aggregate amount of Quoted Investments	268.82	180.94
	Aggregate Market Value of Quoted Investments	268.82	180.94

No. of Units as on the closing date

in Numbers

Sl. No.	Particulars	31-3-2019	31-3-2018
1.	ICICI Prudential Regular Savings Fund - Growth	22,904.26	22,904.26
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	38,980.06	38,980.06
3.	Aditya Birla Sun Life Regular Savings Fund Growth - Regular Plan	23,972.27	23,972.27
4.	ICICI Prudential Banking & PSU Debt Fund - Growth	3,86,016.32	3,86,016.32
5.	Kotak Dynamic Bond Fund Regular Plan - Growth	3,44,800.10	3,44,800.10
6.	Aditya Birla Sunlife Liquid Fund - Growth - Regular Plan	25,110.29	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.11. TRADE RECEIVABLES		
Unsecured, Considered Good	19,391.18	30,564.90
Trade Receivables which have significant increase in credit risk	—	—
Trade Receivables - credit impaired	—	—
Less : Allowance for Credit Loss	337.68	932.29
	<u>19,053.50</u>	<u>29,632.61</u>

Trade Receivables have been given as security for the borrowings availed by the Group. Refer to Note No. 2.25.

Trade Receivables are non interest bearing and generally on credit terms in the range of 30 - 120 days.

The Group's exposure to credit and currency risk and loss allowances related to Trade Receivables are disclosed in Note No. 2.48.

2.12. CASH AND CASH EQUIVALENTS

Balances with Banks		
In Current Account	3,802.26	6,312.15
In Deposit Account (with original maturity of 3 months or less)	72.40	97.91
Cash on hand	21.31	20.02
	<u>3,895.97</u>	<u>6,430.08</u>

2.13. BANK BALANCES OTHER THAN ABOVE**Earmarked Balances**

In Unpaid Dividend Account	105.33	88.57
In Margin Money Account #	120.96	116.72

Others

In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)	1,730.35	324.17
	<u>1,956.64</u>	<u>529.46</u>

Unpaid Dividend Account (pertaining to the year 2010-11) includes Demand Draft for an amount ₹ 7.08 Lakhs in favour of Ministry of Corporate Affairs which is pending for transfer to Investor Education and Protection Fund with respect to Holding Company. (Refer to Note No. 2.27)

Margin Money with banks is towards issue of Bank Guarantee.

2.14. OTHER FINANCIAL ASSETS

Accrued Income #	52.18	38.70
	<u>52.18</u>	<u>38.70</u>

Includes Export Incentives Receivable and Interest Accrued from Banks.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.15. OTHER CURRENT ASSETS		
Unsecured Considered Good		
GST / Excise / Sales Tax / Custom Receivables	1,295.76	3,353.27
Others		
Advances to Suppliers	332.55	1,880.91
Advances for Expenses	124.57	105.06
Prepaid Expenses	324.70	399.83
Gratuity Fund (Refer to Note No. 2.49)	—	86.08
Unsecured Considered Doubtful		
Advances to Suppliers - Credit Impaired	7.90	7.96
Less : Provision for Doubtful Advances	7.90	7.96
	<u>—</u>	<u>—</u>
	<u>2,077.58</u>	<u>5,825.15</u>
2.16. NON CURRENT ASSETS HELD FOR SALE (Measured at Fair Value less costs to sell)		
Land and Building	4,089.27	4,411.93
Building under construction	1,131.58	—
	<u>5,220.85</u>	<u>4,411.93</u>
Less : Provision for Impairment	1,777.94	1,911.93
	<u>3,442.91</u>	<u>2,500.00</u>

An impairment loss of ₹ 1,911.93 Lakhs for write down of the disposal group to its lower of its carrying amount and its fair value less cost to sell has been recognised under other expenses during the year 2017-18.

During the year 2018-19, a portion of land and building held for sale as stated above was disposed off for a consideration of ₹ 950.00 Lakhs. The impairment loss of ₹ 333.99 Lakhs pertaining to the portion of land and building which was previously provided for had been reversed and actual loss of ₹ 123.55 Lakhs had been accounted for.

In respect of Non-current assets held for sale pertaining to Plant V, Pune, there is no progress on the said matter during the financial year 2018-19 inspite of several discussions. The gross carrying value of the assets as at 31st March 2019 amounts to ₹ 3,327.94 Lakhs. A further impairment loss of ₹ 200.00 Lakhs has been recognised during the year based on its estimated realisable value.

During the year 2018-19, the company has identified land and building under construction (CWIP) pertains to Plant XI, Hosur as Assets held for Sale. The carrying value of such assets amounts to ₹ 1,892.91 Lakhs. In the opinion of the management, these assets would realise atleast to the extent of carrying value.

These assets do not meet the definition of discontinued operation as per IndAS 105 "Non-current Assets Held for Sale and Discontinued operation".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

NON CURRENT ASSETS HELD FOR SALE(Contd.,)

Movement of Non Current Assets held for Sale :

₹ Lakhs

Particulars	2018-19	2017-18
Opening Gross Carrying Value	4,411.93	—
Add : Addition during the year - Land	761.33	4,411.93
Add : Addition during the year - Building under construction	1,131.58	—
Less : Sold during the year	1,083.99	—
Closing Gross Carrying Value	5,220.85	4,411.93

Movement of Provision for impairment in respect of Non Current Assets held for Sale :

₹ Lakhs

Opening Balance	1,911.93	—
Add : Addition	200.00	1,911.93
Less : Reversed	333.99	—
Closing Balance	1,777.94	1,911.93

Closing Net Carrying Value

3,442.91

2,500.00

2.17. ASSETS PERTAINING TO DISPOSAL GROUP
(Refer to Note No. 2.41)31-3-2019
₹ Lakhs31-3-2018
₹ Lakhs

Property, Plant and Equipment	7,540.56	—
Other Non Current Assets	6,378.87	—
Inventories	7,423.30	—
Trade Receivables	6,097.38	—
Other Current Assets	4,284.67	—
	<u>31,724.75</u>	<u>—</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.18. EQUITY SHARE CAPITAL		
Authorised		
58,20,00,000 Equity Shares of ₹ 1/-each (As at 31st March 2018 - 58,20,00,000 Equity Shares of ₹ 1/-each)	5,820.00	5,820.00
Issued, Subscribed and Paid-up		
9,47,96,721 Equity Shares of ₹ 1/-each (As at 31st March 2018 - 9,47,96,721 Equity Shares of ₹ 1/-each)	947.97	947.97

Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting period :

	31-3-2019		31-3-2018	
	No. of Shares in Lakhs	₹ Lakhs	No. of Shares in Lakhs	₹ Lakhs
Equity Shares				
At the beginning / closing of the period	947.97	947.97	947.97	947.97

Terms / rights attached to equity shares :

The company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of Shareholders holding more than 5% shares in the company :

	31-3-2019		31-3-2018	
	No. of Shares	% held	No. of Shares	% held
- Vijay Mohan	91,40,278	9.64%	91,40,278	9.64%
- Pricol Holdings Limited	85,56,926	9.03%	85,56,926	9.03%
- Viren Mohan	66,58,409	7.02%	66,58,409	7.02%

Details of Shares held by Holding Company :

There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2019.

Details of Shares issued for consideration other than Cash :

9,47,96,721 shares of ₹ 1/- each were allotted for consideration other than cash during the financial year 2016-17 in terms of the Scheme of Amalgamation with Erstwhile Pricol Limited which was sanctioned by the Hon'ble High Court of Judicature at Madras on 6th October 2016.

There are no shares allotted by way of Bonus Shares and there have been no shares bought back in the immediately preceding five years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs		31-3-2018 ₹ Lakhs
2.19. OTHER EQUITY			
Securities Premium			
Balance - Opening / Closing	80,961.56		80,961.56
Capital Reserve			
Opening Balance	2,605.89	2,221.24	
Add : Addition / Adjustments during the year #	442.68	384.65	
	<u>3,048.57</u>	<u>2,605.89</u>	
Surplus / (Deficit) in the Statement of Profit & Loss			
Opening Balance	(16,602.30)	(10,566.77)	
Add : Profit / (Loss) for the year	(17,386.00)	(4,894.58)	
Less : Payment of Dividend including Dividend Distribution Tax	1,142.82	1,140.95	
	<u>(35,131.12)</u>	<u>(16,602.30)</u>	
Other Comprehensive Income			
i) Foreign Exchange Translation Reserve			
Opening Balance	(1,405.01)	(911.40)	
Add : Addition / Adjustments during the year	1,409.39	(493.61)	
	<u>4.38</u>	<u>(1,405.01)</u>	
ii) Remeasurement of post employment benefit obligations			
Opening Balance	52.32	(112.87)	
Add : Addition / Adjustments during the year	57.37	165.19	
	<u>109.69</u>	<u>52.32</u>	
	<u>48,993.08</u>	<u>65,612.46</u>	

Addition / adjustments to Capital Reserve represents the excess of fair value of net assets acquired in respect of its wholly owned subsidiary Pricol Wiping Systems India Limited. (Refer to Note No. 2.58)

2.20. BORROWINGS

	Non-current portion		Current Maturities	
	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
Secured Loans at amortised cost :				
Rupee Term Loan From Banks	9,889.67	2,434.17	1,826.67	1,676.67
Foreign Currency Term Loan from Banks	—	19,112.34	—	146.70
Less : Unamortised portion of Finance Charges	191.87	—	72.59	—
	<u>9,697.80</u>	<u>21,546.51</u>	<u>1,754.08</u>	<u>1,823.37</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

BORROWINGS (Contd.,)

₹ Lakhs

Description	Frequency / No. of Installments Due	Maturity	As at 31-03-2019	As at 31-03-2018	Security	Interest Rate / Effective Interest Rate (EIR)
HDFC Bank Limited	Equal Quarterly / 8 of ₹ 166.67 Lakhs	Feb-21	1,333.34	2,000.00	Note 1	One year MCLR
Bank of Bahrain and Kuwait B.S.C - Loan I	Equal Quarterly / 3 of ₹ 166.67 Lakhs	Oct-19	500.00	1,166.68	Note 2	One year MCLR plus 0.10%
Bank of Bahrain and Kuwait B.S.C - Loan II	Equal Quarterly / 18 of ₹ 140.00 Lakhs	Aug-23	2,520.00	—	Note 3	One year MCLR plus 0.50%
Indusind Bank Limited (Availed ₹ 3,000 Lakhs during the year 2018-19 against the Sanctioned Limit of ₹ 5,000 Lakhs)	Quarterly / 5 of ₹ 100 Lakhs till 2021 Quarterly / 15 of ₹ 300 Lakhs till 2024	Jan-20 to Oct-24	3,000.00	—	Note 4	One year MCLR plus 0.70% EIR- 11.51%
The South Indian Bank Limited (Availed ₹ 4,363 Lakhs during the year 2018-19 against the Sanctioned Limit of ₹ 5,000 Lakhs)	Equal Quarterly / 16 of ₹ 312.50 Lakhs	May-20 to Feb-24	4,363.00	—	Note 5	One year MCLR plus 0.80% EIR- 11.22%
ICICI Bank Limited	Equal Quarterly / 11 of ₹ 85.83 Lakhs	Nov - 20	—	944.17	Note 6	One year MCLR plus 0.30%
ICICI Bank Limited - USD 155 Lakhs & USD 45 Lakhs	Structured Half Yearly / 10	Feb - 20 to Aug - 24	—	13,010.96	Note 7	6 Months USD Libor plus 2.12% p.a. and 6 Months USD Libor plus 3.12% respectively
Citi Bank N.A. - Euro 80 Lakhs	Equal Quarterly / 19 of Euro 4.21 Lakhs	Mar - 19 to Aug - 23	—	6,101.39	Note 8	6 Months Euribor plus 2.01% p. a.
PT Bank SBI Indonesia	Equal Monthly / 9 of USD 0.25 Lakhs	Dec - 18	—	146.68	Note 9	8% p.a.

The above maturity is based on the total principal outstanding gross of issuance expenses.

Note 1 : Exclusive charge by hypothecation of specific plant and machinery.

Note 2 : Movable fixed assets of Plant V situated at Gat No. 180-187, Global Raisoni Industrial Park, Alandi-Markal Road, Phulgaon, Tal-Haveli, Pune - 412216.

Note 3 & 4 : Specific immovable property situated at Plant I, Perianaickenpalayam, Coimbatore.

Note 5 : Specific immovable property situated at Plant I, Perianaickenpalayam, Coimbatore and exclusive charge on the immovable property situated at Plant X, 650, Benjamin Road, Sri City - 517 646, Andhra Pradesh.

Note 6 : Secured by Movable fixed assets situated in Satara, Maharashtra and Corporate Guarantee from Holding Company.

Note 7 : Secured by SBLC facility issued ICICI Bank India and further secured by first ranking charge on movable and immovable assets at Plant I and III situated at Coimbatore and Plant II situated at Gurugram, India.

Note 8 : Secured by movable and immovable property situated at Karamadai, Coimbatore and Property situated at Uttarkhand.

Note 9 : Secured by way of Land and factory building, inventories and corporate guarantee from holding company.

For Current Maturities of Long Term Debt Refer to Note No. 2.27.

For Liabilities associated with Discontinued operations - Refer Note to No. 2.31.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.21. OTHER FINANCIAL LIABILITIES		
Obligations under Financial Lease Arrangements	1.09	54.17
Rental Advance Received	57.24	66.87
	<u>58.33</u>	<u>121.04</u>
2.22. PROVISIONS		
a) For Employee Benefits :		
- Gratuity (Refer to Note No. 2.49)	168.54	171.74
b) For Central Excise Demands & Litigations (Refer to Note No. 2.50)	598.89	691.58
c) For Potential Statutory Liabilities (Refer to Note No. 2.50)	549.33	431.45
d) For Labour related Claims (Refer to Note No. 2.50)	—	582.39
	<u>1,316.76</u>	<u>1,877.16</u>
2.23. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability (Refer to Note No. 2.51)		
On Fixed Assets	6,884.76	7,134.35
On Other temporary differences	92.41	—
	<u>6,977.17</u>	<u>7,134.35</u>
	A	
Deferred Tax Asset (Refer to Note No. 2.51)		
On Disallowance under the Income Tax Act	1,351.78	993.02
On Unused tax losses	139.30	—
On Other temporary differences	50.40	114.36
	<u>1,541.48</u>	<u>1,107.38</u>
	B	
Deferred Tax Liabilities (Net)	A - B	
	<u>5,435.69</u>	<u>6,026.97</u>
2.24. OTHER NON CURRENT LIABILITIES		
Deferred Income From Government grants	23.71	64.29
Payable under Special Instalment Programme	—	428.03
Other Taxes Payable	—	287.22
	<u>23.71</u>	<u>779.54</u>
2.25. BORROWINGS		
Secured Loans		
Working Capital Facilities from Banks		
- In Rupee	9,585.89	3,297.49
- In Foreign Currency	1,880.64	10,257.67
Unsecured Loans		
a) Working Capital Facilities from Banks		
- In Rupee	4,984.90	4,981.50
b) Working Capital Facilities from Financial Institution and others		
- In Rupee	—	1,499.81
- In Foreign Currency	—	1,418.50
	<u>16,451.43</u>	<u>21,454.97</u>

Working Capital Facilities from banks are secured by pari-passu first charge on the current assets of the respective companies. The loans are further secured by second pari-passu charge on the specific immovable properties of the respective Companies. The loans are further Guaranteed by the holding company.

Working Capital Facilities from Banks are repayable on demand and carries interest rates varying from 9.50% to 10.05% p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.26. TRADE PAYABLES		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer to Note No. 2.59)	186.45	271.05
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	21,678.50	40,207.03
	<u>21,864.95</u>	<u>40,478.08</u>
2.27. OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (Refer to Note No. 2.20)	1,754.08	1,823.37
Interest accrued and not due on borrowings	87.14	100.14
Unpaid Dividend	98.24	88.57
Dues to Investor Education and Protection Fund #	7.08	—
Employee Benefits Payable	2,119.29	4,011.42
Payable for Expenses	2,144.92	3,086.73
	<u>6,210.75</u>	<u>9,110.23</u>
# Dues of ₹ 7.08 Lakhs to Investor Education and Protection Fund (IEPF) pertaining to FY 2010-11 of Holding Company were pending to be transferred on account of certain technical glitches with MCA portal which is yet to be resolved. The due date for transferring the amount to IEPF was October 17, 2018. The Holding Company is co-ordinating with the respective intermediaries to rectify the same.		
2.28. OTHER CURRENT LIABILITIES		
Statutory Dues Payable	353.33	1,674.80
Other Payables #	172.45	928.68
Unbilled Revenue	—	1,715.06
	<u>525.78</u>	<u>4,318.54</u>
# Represent advance received against disposal of asset held for sale and expenses		
2.29. PROVISIONS		
a) For Employee Benefits :		
- Gratuity (Refer to Note No. 2.49)	8.99	—
b) For Labour Settlement (Refer to Note No. 2.50)	261.72	261.72
c) For Warranty (Refer to Note No. 2.50)	171.95	306.95
	<u>442.66</u>	<u>568.67</u>
2.30. CURRENT TAX LIABILITIES (NET)		
For Taxation	77.68	281.49
	<u>77.68</u>	<u>281.49</u>
2.31. LIABILITIES ASSOCIATED WITH DISPOSAL GROUP (REFER TO NOTE NO. 2.41)		
Non Current Borrowings	21,722.45	—
Current Financial Liabilities	18,802.14	—
Other Liabilities including provisions	7,226.91	—
	<u>47,751.50</u>	<u>—</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.32. REVENUE FROM OPERATIONS		
Sale of Products and Services		
Domestic	1,21,892.60	1,13,175.07
Export	8,060.06	9,647.16
Traded Goods	1,786.00	1,405.02
Service Income	231.58	186.82
	1,31,970.24	1,24,414.07
Disaggregation of Revenue :-		
1. Dashboard Instruments & Accessories	78,932.60	76,258.04
2. Oil Pumps	11,606.93	13,482.46
3. Chain Tensioners	5,083.55	4,833.81
4. Other Auto Components	9,868.74	2,262.70
5. Other Products & Service Income	26,478.42	24,659.00
	1,31,970.24	1,21,496.01
Excise Duty	—	2,918.06
	1,31,970.24	1,24,414.07

Revenue from operations, was disclosed Gross of Excise Duty till 30th June, 2017. The Government of India has implemented Goods and Services Tax ("GST") from 1st July, 2017 replacing excise duty, service tax and other indirect taxes. Accordingly, the excise duty till 30th June, 2017 has been shown under Expenditure.

Effect of adoption of Ind AS 115 :

Revenue from contract with customers establishes a five step approach to revenue recognition that include identifying contract with customers, identifying performance obligations, determining transaction prices, allocating transaction prices to performance obligations and recognising revenue when or as performance obligations are satisfied. The adoption of this standard did not have a material impact on the revenue from operation and statement of profit and loss for the year ended 31st March 2019.

2.33. OTHER OPERATING REVENUE

Sale of Land held as Stock-in-Trade	1,183.50	8,375.63
Export Incentives	119.87	114.85
Sale of Traded Goods - Others	6,705.75	5,678.70
	8,009.12	14,169.18

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.34. OTHER INCOME		
Interest Income		
From Banks	108.74	74.81
From other financial assets carried at amortised cost	13.99	9.63
From Others	174.93	—
Gain on Fair Valuation of Investments at Fair Value through P&L	12.88	5.86
Income from Lease Obligation	138.39	135.44
Deferred Income from Government Grant	11.67	11.67
Profit on Sale of Property, Plant and Equipment (Net)	—	32.15
Miscellaneous Income	406.00	222.28
Insurance Claim	—	41.31
Excess Provision for credit loss written back	105.94	—
	<u>972.54</u>	<u>533.15</u>
2.35. COST OF MATERIALS CONSUMED		
Materials Consumed	<u>87,763.55</u>	<u>80,218.20</u>
2.36. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Work-in-progress	1,184.00	984.85
Finished Goods	6,091.26	3,858.04
Traded Goods	264.07	276.87
Land-Stock-in-Trade	173.14	1,419.00
	<u>7,712.47</u>	<u>6,538.76</u>
Add : Inventory Acquired on Amalgamation		
Work-in-progress	—	17.06
Finished Goods	—	2.22
Traded Goods	—	—
Land-Stock-in-Trade	—	—
	<u>—</u>	<u>19.28</u>
Less : Closing Stock		
Work-in-progress	1,446.58	1,184.00
Finished Goods	5,062.47	6,091.26
Traded Goods	277.12	264.07
Land-Stock-in-Trade	—	173.14
	<u>6,786.17</u>	<u>7,712.47</u>
	<u>926.30</u>	<u>(1,154.43)</u>
2.37. EMPLOYEE BENEFITS EXPENSE		
Pay, Allowances and Bonus	15,036.49	14,874.15
Contribution to Provident and other funds	830.52	839.96
Welfare Expenses	1,564.07	1,214.45
	<u>17,431.08</u>	<u>16,928.56</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
2.38. FINANCE COSTS		
Interest on Borrowings	1,952.21	1,234.20
Other Borrowing Costs	46.26	4.32
Applicable Net Gain / (Loss) on foreign currency transactions & translation	47.02	91.07
Interest on Finance Lease Obligations	1.24	1.24
Unwinding of interest on financial instruments carried at amortised cost	0.26	0.59
	<u>2,046.99</u>	<u>1,331.42</u>
2.39. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation (Refer to Note No. 2.1 & 2.3)	7,217.26	5,947.41
Amortisation of Intangibles (Refer to Note No. 2.4 & 2.5)	2,777.48	2,635.89
Less : Depreciation and Amortisation pertaining to disposal group	<u>1,756.76</u>	<u>1,186.46</u>
	<u>8,237.98</u>	<u>7,396.84</u>
2.40. OTHER EXPENSES		
Power & Utilities	2,303.46	2,109.78
Stores & Spares Consumed	159.89	69.15
Repairs and Maintenance :		
- Machinery	1,588.45	1,351.06
- Building	153.03	177.41
- Others	205.31	157.12
Printing & Stationery	118.28	119.99
Postage & Telephone	208.84	196.88
Lease Expenses	766.98	534.48
Rates, Taxes & Licence	361.15	244.64
Insurance	235.33	236.64
Bank Charges	107.49	61.45
Travelling & Conveyance	989.02	1,284.00
Freight & Forwarding and Selling Expenses	3,032.64	2,919.82
Advertisement & Sales Promotion	167.78	167.06
Commission & Discount on Sales	598.99	554.48
Royalty	51.20	70.05
Bad Debts Written off	185.30	283.96
Provision for / (write back of) doubtful debts and advances	<u>(160.79)</u>	<u>(134.85)</u>
	<u>24.51</u>	<u>149.11</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2019 ₹ Lakhs	31-3-2018 ₹ Lakhs
OTHER EXPENSES (Contd.,)		
Provision for Statutory Liabilities	117.88	30.16
Commission / Sitting Fees to Non-Whole Time Directors	8.85	39.20
Auditors' Remuneration (Refer to Note No. 2.44)	70.80	68.24
Professional Charges	4,359.57	3,886.09
Loss on Sale of Property, Plant and Equipment (Net)	80.18	—
Loss on Exchange Fluctuation (Net)	408.71	130.49
Assets Discarded / Written Off	94.32	20.26
Provision for Impairment Loss - Assets held for Sale	200.00	1,911.93
Less : Reversal of Impairment Loss on Assets held for Sale (Refer to Note No. 2.16)	333.99	—
	(133.99)	1,911.93
Impairment of Goodwill on Consolidation	559.58	—
Miscellaneous Expenses	286.59	161.10
CSR Expenses	21.77	49.57
Donations	10.09	2.00
	16,956.70	16,702.16

2.41. DISCONTINUED OPERATIONS

The Board has, subject to shareholders and regulatory approvals, taken a considered decision to hive off its investment in its wholly owned subsidiary, Pricol Espana S.L., Spain including its step down subsidiaries, Pricol do Brasil Componentes Automotivos Ltda, Pricol Wiping Systems Czech s.r.o and Pricol Wiping Systems Mexico S.A. de C.V. along with the Investment in Pricol Wiping Systems India Limited. The disposal of these investments represent a separate geographical area of operation and hence these have been classified as assets held for sale - Discontinued operations (Disposal Group) as required under Ind AS 105 - "Non Current Assets held for sale and Discontinued Operations" (Refer to Note No. xii of Significant accounting policies). Consequently, impairment of Goodwill on consolidation of ₹ 5,170.67 Lakhs has been provided. The assets and liabilities pertaining to the disposal group are presented separately in the Balance Sheet. Discontinued operation are excluded from the results of continuing operations and have been presented as a single amount as Profit / (Loss) from discontinued operation as required by the standard. The description of broad category of assets, liabilities, revenue, expenses and cash flow are given below.

	₹ Lakhs	
	As at 31-03-2019	As at 31-03-2018
1) Description of Assets		
Property, Plant and Equipment	7,540.56	—
Other Non Current Assets	6,378.87	—
Inventories	7,423.30	—
Trade Receivables	6,097.38	—
Other Current Assets	4,284.65	—
	31,724.76	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	As at 31-03-2019	As at 31-03-2018
DISCONTINUED OPERATIONS (Contd.,)		₹ Lakhs
2) Description of Liabilities		
Non Current Borrowings	21,722.45	—
Current Financial Liabilities	18,802.14	—
Other Liabilities including provisions	7,226.91	—
	<u>47,751.50</u>	<u>—</u>
	2018-19	2017-18
	₹ Lakhs	₹ Lakhs
3) Financial Performance		
Revenue	52,171.96	35,487.94
Expenses		
Cost of Materials Consumed	36,460.73	24,011.45
Purchases of Stock-in-Trade	447.49	—
Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	(358.76)	(240.23)
Excise Duty	—	61.69
Employee Benefits Expense	12,019.99	13,217.76
Finance Costs	3,397.04	1,686.85
Depreciation and Amortisation Expense	1,756.76	1,186.46
Impairment of Goodwill on Consolidation	5,170.67	—
Other Expenses	10,597.65	6,755.71
	<u>69,491.57</u>	<u>46,679.69</u>
Profit / (Loss) before tax	(17,319.61)	(11,191.75)
Income Tax Expense	8.22	(203.99)
Profit / (Loss) from discontinued operations	(17,327.83)	(10,987.76)
Exchange differences on translation of discontinued operations	1,227.99	78.63
Other Comprehensive Income from discontinued operations	1,227.99	78.63
Total Comprehensive Income from discontinued operations	(16,099.84)	(10,909.13)
4) Cashflow Information		
Net cash flow from operating activities	(3,669.10)	(12,259.38)
Net cash flow from investing activities	(1,560.97)	(14,338.05)
Net cash flow from financing activities	4,884.49	28,697.58
Net increase / (decrease) in cash generated from discontinued operations	(345.58)	2,100.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
2.42. EARNINGS PER SHARE		
Profit / (Loss) After Tax from continuing operations	(58.17)	6,093.18
Profit / (Loss) After Tax from Discontinued Operations	(17,327.83)	(10,987.76)
Profit / (Loss) After Tax for the year	(17,386.00)	(4,894.58)
Weighted Average No. of Shares Outstanding :		
- Basic & Diluted (Nos. in Lakhs)	947.97	947.97
Face Value per Equity Share (in ₹)	1.00	1.00
Basic & Diluted Earnings per share from continuing operations (in ₹)	(0.06)	6.43
Basic & Diluted Earnings per share from Discontinued operations (in ₹)	(18.28)	(11.59)
Basic & Diluted Earnings per share from Continuing and Discontinued operations (in ₹)	(18.34)	(5.16)

2.43. AMALGAMATION OF ERSTWHILE PRICOL LIMITED WITH THE COMPANY :

The Hon'ble High Court of Judicature at Madras vide its order dated 6th October, 2016 has sanctioned the Scheme of Amalgamation of erstwhile Pricol Limited ("Transferor Company") with erstwhile Pricol Pune Limited ("Transferee Company") with the appointed date as 1st April, 2015. Pursuant to the Scheme of Amalgamation, the Transferee Company was renamed as "Pricol Limited" vide fresh Certificate of Incorporation granted by Ministry of Corporate Affairs on 18th November, 2016.

The Amalgamation was accounted in financial year 2016-17 under the "Purchase Method" as per the then prevailing Accounting Standard 14 – "Accounting for Amalgamation", as per the Scheme of Amalgamation approved by the High Court of Judicature at Madras, which is different from the accounting treatment prescribed under Ind AS 103 - "Business Combinations". The intangible assets, including Goodwill represented by Customer relationship and Assembled work force, are being amortised over its estimated useful life of 15 years from the appointed date.

2.44. PAYMENTS TO AUDITORS (EXCLUSIVE OF SERVICE TAX / GST) :

For Audit	37.50	37.50
For Taxation Matters	16.00	17.05
For Certification and Others*	12.05	11.29
For Company Law Matters	4.00	—
Reimbursement of Expenses	1.25	2.40
	<u>70.80</u>	<u>68.24</u>

* For the year 2018-19, the amount includes ₹ 4.83 Lakhs paid to predecessor Auditor.

2.45. CONTINGENT LIABILITIES AND COMMITMENTS AS ON THE CLOSING DATE :

	As at 31-3-2019 ₹ Lakhs	As at 31-3-2018 ₹ Lakhs
i) CONTINGENT LIABILITIES		
a) On account of Pending Litigations		
Sales Tax Matters (excluding Interest if any)	294.44	177.60
Excise, Service Tax and Customs Matters # (excluding Interest if any)	1,113.96	1,953.19
# Of which ₹ 66.43 Lakhs has been paid under protest		
	<u>1,408.40</u>	<u>2,130.79</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

CONTINGENT LIABILITIES AND COMMITMENTS AS ON THE CLOSING DATE (Contd.,)

- b) During the year about 454 operators went on an indefinite strike on 21st August 2018. Post reconciliation, the strike was withdrawn on 29th November 2018 and 152 operators resumed the work whereas the others were temporarily transferred to other plants who were required to report to duty within 21 days. However, 293 operators did not adhere to the transfer order. After several notice to the employees, the services of the operators were terminated against which the operators preferred legal recourse. The matter is "subjudice".

	As at 31-3-2019 ₹ Lakhs	As at 31-3-2018 ₹ Lakhs
c) Others		
Letter of Credit	951.33	1,052.72
Guarantees	390.80	132.31
	<u>1,342.13</u>	<u>1,185.03</u>
ii) COMMITMENTS		
Estimated Value of contracts remaining to be executed on Capital account - in respect of Holding Company	<u>1,538.65</u>	<u>1,356.82</u>

2.46. SEGMENT REPORTING

The Group primarily operates in the automotive segment. The automotive segment includes manufacture and trading of automotive components. The board of directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 "Operating Segments".

Information about geographical revenue and non-current assets:

- Revenue from Operations:** - Based on location of Customers
- Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts :** Based on Location of the Assets.

	2018-19 ₹ Lakhs	2017-18 ₹ Lakhs
a) Revenue from Operations including other operating revenue		
Continuing operations		
Within India	1,30,166.25	1,26,651.42
Outside India	9,813.11	11,931.83
	<u>1,39,979.36</u>	<u>1,38,583.25</u>
Discontinued operations		
Within India	3,142.69	2,238.31
Outside India	48,894.23	33,187.74
	<u>52,036.92</u>	<u>35,426.05</u>
b) Non Current Assets		
Continuing operations		
Within India	76,953.53	78,519.44
Outside India	1,497.60	20,143.14
	<u>78,451.13</u>	<u>98,662.58</u>
Discontinued operations		
Within India	1,780.77	—
Outside India	12,137.40	—
	<u>13,918.17</u>	<u>—</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.47. FAIR VALUE MEASUREMENTS

i. Financial instruments by category

The carrying value of financial instruments by categories as at 31 March 2019 were as follows :

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value	₹ Lakhs
Financial assets							
Investments	2.10	268.82	—	—	268.82	268.82	
Trade receivables	2.11	—	—	19,053.50	19,053.50	19,053.50	
Cash and cash equivalents	2.12	—	—	3,895.97	3,895.97	3,895.97	
Other bank balances	2.13	—	—	1,956.64	1,956.64	1,956.64	
Other Financial assets	2.7 & 2.14	—	—	677.82	677.82	677.82	
Financial Liabilities							
Borrowings	2.20, 2.25 & 2.27	—	—	27,903.31	27,903.31	27,903.31	
Trade payables	2.26	—	—	21,864.95	21,864.95	21,864.95	
Other financial liabilities excluding Current Maturities of Long Term Debt	2.21 & 2.27	—	—	4,515.00	4,515.00	4,515.00	

The carrying value of financial instruments by categories as at 31 March 2018 were as follows:

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value	₹ Lakhs
Financial assets							
Investments	2.10	180.94	—	—	180.94	180.94	
Trade receivables	2.11	—	—	29,632.61	29,632.61	29,632.61	
Cash and cash equivalents	2.12	—	—	6,430.08	6,430.08	6,430.08	
Other bank balances	2.13	—	—	529.46	529.46	529.46	
Other Financial assets	2.7 & 2.14	—	—	556.93	556.93	556.93	
Financial Liabilities							
Borrowings	2.20, 2.25 & 2.27	—	—	44,824.85	44,824.85	44,824.85	
Trade payables	2.26	—	—	40,478.08	40,478.08	40,478.08	
Other financial liabilities excluding Current Maturities of Long Term Debt	2.21 & 2.27	—	—	7,407.90	7,407.90	7,407.90	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)**FAIR VALUE MEASUREMENTS(Contd.,)**

ii. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. 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.

iii. Fair values hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : quoted prices (unadjusted) in active markets for financial instruments.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

Given below are the fair values based on their hierarchy.

Particulars	Carrying Amount as on 31-03-2019	As at 31-03-2019			Carrying Amount as on 31-03-2018	As at 31-03-2018		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		₹ Lakhs						
Financial Assets measured at Fair value through Profit and Loss								
Investments in Mutual Funds	268.82	268.82	—	—	180.94	—	—	—
Financial Assets not measured at Fair value*								
Trade receivables	19,053.50	19,053.50	—	—	29,632.61	—	—	—
Cash and cash equivalents	3,895.97	3,895.97	—	—	6,430.08	—	—	—
Other bank balances	1,956.64	1,956.64	—	—	529.46	—	—	—
Other Financial assets	677.82	677.82	—	—	556.93	—	—	—
Financial Liabilities not measured at fair value*								
Borrowings								
- Current	18,205.51	18,205.51	—	—	23,278.34	—	—	—
- Non-Current	9,697.80	9,697.80	—	—	21,546.51	—	—	—
Trade payables	21,864.95	21,864.95	—	—	40,478.08	—	—	—
Other financial liabilities excluding Current Maturities of Long Term Debt	4,515.00	4,515.00	—	—	7,407.90	—	—	—

* The Group has not disclosed the fair values for short term / current financial instruments (such as short term trade receivables, short term trade payables, Current Loans and Short term borrowings etc), because their carrying amounts are a reasonable approximation of Fair value.

iv. Measurement of fair values:

The basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in point no. xv of significant accounting policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.48. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk – Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting, Sensitivity analysis
Market risk – Financial Currency Risk	Adverse movements in the exchange rate between the Rupee and any relevant foreign currency	Internal Foreign Currency Exposure and risk management policy.

a. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk management

Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A : Low credit risk

B : Moderate credit risk

C : High credit risk

Assets Group	Description of category	Provision for expected credit loss *
Low credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12 month expected credit loss / life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	12 month expected credit loss / life time expected credit loss
High credit risk	Assets where there is a high probability of default	12 month expected credit loss / life time expected credit loss / fully provided for

* Life time expected credit loss (if required) is provided for trade receivables and for those financial assets where the credit risk has increased significantly, since the initial recognition.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Any subsequent recoveries made are recognised in statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Classification of Financial assets among risk categories :

₹ Lakhs

Credit rating	Particulars	31-3-2019	31-3-2018
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	25,852.75	37,330.02
Moderate credit risk	Nil	—	—
High credit risk	Nil	—	—

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of financial liabilities:

₹ Lakhs

31-3-2019	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	16,451.43	1,754.08	9,697.80	—	27,903.31
Trade payables	—	21,864.95	—	—	21,864.95
Other financial liabilities excluding Current Maturities of Long Term Debt	—	4,456.67	58.33	—	4,515.00
Total	16,451.43	28,075.70	9,756.13	—	54,283.26

₹ Lakhs

31-3-2018	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	21,454.97	1,823.37	21,546.51	—	44,824.85
Trade payables	—	40,478.08	—	—	40,478.08
Other financial liabilities excluding Current Maturities of Long Term Debt	—	7,286.86	121.04	—	7,407.90
Total	21,454.97	49,588.31	21,667.55	—	92,710.83

c. Interest rate risk

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. However, the Group's variable rate borrowings are subject to interest rate risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)**FINANCIAL RISK MANAGEMENT (Contd.,)**

Below is the overall exposure of the borrowings :

Interest rate risk exposure	₹ Lakhs	
Particulars	31-3-2019	31-3-2018
Fixed rate borrowing	—	—
Variable rate borrowing	27,903.31	44,824.85
Total	27,903.31	44,824.85

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change (100 basis points) in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on variable rate borrowings, as follows :

Interest sensitivity	₹ Lakhs	
Particulars	2018-19	2017-18
Interest rates - increase / decrease by 100 basis points	181.33	232.26

d. Financial currency risk

The Group's functional currency is Indian Rupees (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports.

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency results in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows (either using natural hedge or an artificial hedge) upto a specific tenure using forward exchange contracts and hedges based on their Internal Foreign Currency Exposure and risk management policy as approved by the management and in accordance with the applicable regulations where the Group operates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)**Financial Currency Risk (Contd.,)**

The carrying amounts of the Group's monetary assets and monetary liabilities at the end of the reporting period are as follows:

As at 31st March 2019

₹ Lakhs

Particulars	INR	USD	EURO	CZK	BRL	IDR	MXN	JPY	GBP	CHF	SGD	TOTAL
Financial Assets												
i) Other Financial Assets	677.82	—	—	—	—	—	—	—	—	—	—	677.82
ii) Investments	268.82	—	—	—	—	—	—	—	—	—	—	268.82
iii) Trade Receivables	15,749.35	1,672.86	476.70	—	—	1,104.37	—	0.04	50.18	—	—	19,053.50
iv) Cash and Cash equivalents	403.94	2,857.92	65.65	—	—	143.56	—	352.31	—	—	72.59	3,895.97
v) Bank Balances other than (iv) above	628.10	—	16.86	—	—	1,295.85	—	15.83	—	—	—	1,956.64
Total Financial Assets	17,728.03	4,530.78	559.21	—	—	2,543.78	—	368.18	50.18	—	72.59	25,852.75
Financial Liabilities												
i) Borrowings	26,022.67	1,867.27	—	—	—	13.37	—	—	—	—	—	27,903.31
ii) Other Financial Liabilities	4,304.26	53.67	—	—	—	157.07	—	—	—	—	—	4,515.00
iii) Trade Payables	17,528.40	3,438.40	52.59	—	—	1.92	—	802.15	—	41.49	—	21,864.95
Total Financial Liabilities	47,855.33	5,359.34	52.59	—	—	172.36	—	802.15	—	41.49	—	54,283.26

As at 31st March 2018

₹ Lakhs

Particulars	INR	USD	EURO	CZK	BRL	IDR	MXN	JPY	GBP	CHF	SGD	TOTAL
Financial Assets												
i) Other Financial Assets	551.10	—	—	4.58	—	—	1.25	—	—	—	—	556.93
ii) Investments	180.94	—	—	—	—	—	—	—	—	—	—	180.94
iii) Trade Receivables	19,390.63	3,133.48	5,463.63	182.65	621.49	773.12	1.79	0.28	65.54	—	—	29,632.61
iv) Cash and Cash equivalents	340.64	3,462.37	52.47	1,677.66	386.20	439.69	71.05	—	—	—	—	6,430.08
v) Bank Balances other than (iv) above	529.46	—	—	—	—	—	—	—	—	—	—	529.46
Total Financial Assets	20,992.77	6,595.85	5,516.10	1,864.89	1,007.69	1,212.81	74.09	0.28	65.54	—	—	37,330.02
Financial Liabilities												
i) Borrowings	13,889.63	—	13,010.96	8,904.82	7,112.25	1,907.19	—	—	—	—	—	44,824.85
ii) Other Financial Liabilities	5,354.56	—	37.95	132.61	1,866.93	—	15.85	—	—	—	—	7,407.90
iii) Trade Payables	18,720.91	11,425.78	3,938.47	1,798.96	2,527.77	964.80	—	991.14	0.63	109.38	0.24	40,478.08
Total Financial Liabilities	37,965.10	11,425.78	16,987.38	10,836.39	11,506.95	2,871.99	15.85	991.14	0.63	109.38	0.24	92,710.83

The following table details the Group's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant.

Impact on Profit / (loss) for the year for a 1% change:

₹ Lakhs

Particulars	31-3-2019	31-3-2018
Increase / Decrease by 1%	(4.41)	384.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.49. EMPLOYEE BENEFITS

In respect of Holding Company :

Defined contribution plan

The Group's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

₹ Lakhs

Particulars	2018-19	2017-18
Employer's Contribution to Provident Fund	504.09	574.32
Employer's Contribution to Superannuation Fund	36.91	25.84

Particulars	2018-19	2017-18
Defined contribution plan contribution towards Key Managerial Personnel	21.17	29.94

Defined Benefit Plan

The Group has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The Group makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date :

₹ Lakhs

Particulars	Gratuity (Funded)	
	2018-19	2017-18

i) Reconciliation of opening and closing balances of Defined Benefit Obligation

Defined Benefit Obligation at beginning of the year	2,984.47	3,107.01
Current Service Cost	180.20	181.25
Interest Cost	214.43	212.70
Remeasurements		
Effect of changes in demographic assumptions	—	—
Effect of changes in financial assumptions	23.60	(107.99)
Effect of experience adjustments	(91.54)	(160.77)
Benefits Paid	(303.72)	(247.73)
Transfer of obligation due to Transfer of Employees to Group Entities	—	—
Defined Benefit Obligation at year end	3,007.44	2,984.47
- Non-Current	2,826.47	2,747.02
- Current	180.97	237.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

₹ Lakhs

Particulars	Gratuity (Funded)	
	2018-19	2017-18
ii) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at beginning of year	3,070.55	2,743.13
Interest Income	229.71	207.26
Remeasurements :		
Return on plan assets (excluding interest income)	(20.15)	(23.11)
Employer Contribution	22.06	391.00
Benefits Paid	(303.72)	(247.73)
Transfer of obligation due to Transfer of Employees to Group Entities	—	—
Fair value of Plan Assets at year end	2,998.45	3,070.55
iii) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	2,998.45	3,070.55
Present value of Obligation	3,007.44	2,984.47
Amount recognised in Balance Sheet - Surplus / (Deficit)	(8.99)	86.08
- Non-Current	—	—
- Current	(8.99)	86.08
iv) Expenses recognised during the year		
In Income Statement		
Current Service Cost	180.20	181.25
Interest Cost	214.43	212.70
Return on Plan Assets	(229.71)	(207.26)
Net (Income) / Expense for the period recognised in Statement of Profit and Loss	164.92	186.69
In Other Comprehensive Income		
Remeasurement of net defined benefit liability		
Effect of changes in demographic assumptions	—	—
Effect of changes in financial assumptions	23.60	(107.99)
Effect of experience adjustments	(91.54)	(160.77)
Return on plan assets (excluding interest income)	20.15	23.11
Changes in asset ceiling (excluding interest income)	—	—
Net (Income) / Expense for the period recognised in OCI	(47.79)	(245.65)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

v) Investment Details

Particulars	As at 31st March 2019		As at 31st March 2018	
	₹ Lakhs	% invested	₹ Lakhs	% invested
GOI Securities	580.20	19.35	745.84	24.29
State Government Securities	1,679.73	56.02	1,737.62	56.59
NCD / Bonds	627.88	20.94	421.89	13.74
Others (including bank balances)	110.64	3.69	165.20	5.38
Total	2,998.45	100.00	3,070.55	100.00

vi) Actuarial assumptions

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Discount Rate (per annum)	7.47%	7.57%
Rate of escalation in Salary (per annum)	Uniform 10.00%	Uniform 10.00%
Attrition Rate	Uniform 4.00%	Uniform 4.00%
Retirement Age	58	58
Pre-retirement mortality	Indian Assured Lives Mortality (2012 - 14) Ultimate	Indian Assured Lives Mortality (2006 - 08) Ultimate
Disability	Nil	Nil

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

vii) The expected future contribution and estimated future benefit payments from the fund are as follows:

Particulars	Amount ₹ Lakhs
a) Expected contribution to the fund during the year ending March 31, 2020	137.18
b) Estimated benefit payments from the fund for the year ending March 31:	
Year 1	180.97
Year 2	236.37
Year 3	224.74
Year 4	249.13
Year 5	234.16
Next 5 years	1,216.08
Total	2,341.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

Defined benefit obligation end of the period	₹ Lakhs	
	As at 31-3-2019	As at 31-3-2018
Discount rate +100 basis points	2,783.86	2,760.13
Discount rate -100 basis points	3,261.64	3,240.11
Salary Increase Rate +1%	3,238.35	3,217.09
Salary Increase Rate -1%	2,799.56	2,775.53
Attrition Rate +1%	2,973.96	2,951.16
Attrition Rate -1%	3,044.31	3,021.19

These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Name of the Risk and its Description

- Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
- Interest risk** - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.
- Longevity risk** - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- Salary risk** - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Disclosure relating to KMPs:

₹ Lakhs

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Expense towards defined benefit plan for Key Management Personnel	37.66	33.79

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

ix) In respect of Subsidiary :

₹ Lakhs

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Funded Status :		
Present Value of Net Obligation	168.54	171.74
Movement in the liability recognised in the statement of profit and Loss :		
Obligation at beginning period	177.18	246.91
Beginning period adjustment due to Business Combination transaction	—	18.16
Expense recognised during the year	38.21	6.06
Actual benefit payment	(5.63)	(93.40)
Amount recognised in Other Comprehensive Income ("OCI")	(41.22)	(5.99)
	168.54	171.74
Details of Post Employment benefit expenses recognised in the Statement of comprehensive income :		
Current Service Cost	27.14	30.25
Interest Cost	11.07	16.30
Past Service Cost and (Gain) or Loss on Settlements	—	(40.49)
	38.21	6.06
Actuarial Assumptions :		
Discount Rate	8.50%	7.25%
Annual Salary increase Rate	10.00%	10.00%
Retirement age (year)	55	55
Disability Rate	10.00%	10.00%
Sensitivity Analysis		
		₹ Lakhs
Defined benefit obligation end of the period	As at 31-3-2019	As at 31-3-2018
Discount rate +100 basis points	124.62	133.84
Discount rate -100 basis points	155.83	169.60
Salary Increase Rate +1%	155.33	168.80
Salary Increase Rate -1%	124.74	134.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.50. PROVISIONS AS ON THE CLOSING DATE

₹ Lakhs

Particulars	Non - Current Provisions				Current Provisions			Total Provisions
	Excise Demands & Litigations	Potential Statutory Liabilities	Labour related Claims	Total	Labour Settlement	Warranty	Total	
Balance as on 1-4-2017	691.58	401.29	306.19	1,399.06	261.72	—	261.72	1,660.78
Add : Addition	—	30.16	276.20	306.36	—	306.95	306.95	613.31
Less : Utilised / Reversed	—	—	—	—	—	—	—	—
Balance as on 31-3-2018	691.58	431.45	582.39	1,705.42	261.72	306.95	568.67	2,274.09
Add : Addition	—	117.88	—	117.88	—	171.95	171.95	289.83
Less : Utilised / Reversed	92.69	—	4.99	97.68	—	306.95	306.95	404.63
Less : Re-classified as Liabilities associated with Discontinued Operations	—	—	577.40	577.40	—	—	—	577.40
Balance as on 31-3-2019	598.89	549.33	—	1,148.22	261.72	171.95	433.67	1,581.89

2.51. NOTES ON TAXATION

a) Income tax expense for the year reconciled to the accounting profit :

Particulars	₹ Lakhs	
	As at 31-3-2019	As at 31-3-2018
Profit / (Loss) before Tax	(17,282.81)	(2,843.67)
Enacted tax rate in India	34.944%	34.608%
Income tax expense	(6,039.31)	(984.14)
Tax Effect on the following :		
- Weighted Deductions u/s 35(2AB) & 32AC(1A)	(252.98)	(204.35)
- Expenses not deductible in determining taxable profits	183.40	27.55
- Non-recognition of brought forward capital tax losses	(35.09)	(426.69)
- Current year losses for which no deferred tax asset was recognised	3,842.92	3,882.53
- Differences in tax rates in foreign jurisdictions	2,450.35	(353.40)
- Other	(46.10)	109.41
Tax Expense for the year	103.19	2,050.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

NOTES ON TAXATION (Contd.,)

Income tax recognised in other comprehensive income

	₹ Lakhs	
	As at 31-3-2019	As at 31-3-2018
Deferred tax		
Remeasurement of defined benefit obligation - Expense / (Income)	26.85	86.53
Total income tax recognised in OCI	26.85	86.53

b. Statement of Changes in Deferred tax assets / Liabilities

Particulars	Deferred Tax Liabilities		Deferred Tax Assets			Others	Net Charge in P&L and OCI
	On Fixed Assets	On other temporary differences	On Disallowance under the Income Tax Act	On Unused Tax losses	On Other temporary differences		
At 1st April, 2017	6,799.84	—	516.33	1,969.38	56.15	—	
Recognised in Profit and Loss	334.51	—	563.22	(1,969.38)	58.21	(174.95)	1,507.51
Recognised in OCI	—	—	(86.53)	—	—	—	86.53
At 31st March 2018	7,134.35	—	993.02	—	114.36	—	
Recognised in Profit and Loss	367.59	92.41	412.39	139.30	(63.96)	7.20	(20.53)
Recognised in OCI	—	—	(26.85)	—	—	—	26.85
Pertains to discontinued operations	(617.18)	—	(26.78)	—	—	—	
At 31st March 2019	6,884.76	92.41	1,351.78	139.30	50.40	—	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.52. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	₹ Lakhs	
	As at 31-3-2019	As at 31-3-2018
Borrowings (long-term and short-term, including current maturities of long term borrowings)	27,903.31	44,824.85
Less : Cash and cash equivalents	3,895.97	6,430.08
Less : Other Bank Balances (Balances with maturity more than 3 months)	1,956.64	529.46
Less : Margin Money against Borrowings	—	—
Net Debt	(A) 22,050.70	37,865.31
Equity Share Capital	947.97	947.97
Other Equity	48,993.08	65,612.46
Total Equity	(B) 49,941.05	66,560.43
Net Debt to Equity Ratio	(A) / (B) 44.15%	56.89%

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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.53. DISCLOSURE REQUIREMENTS UNDER IND AS 17 "LEASES"

In respect of holding company:

As Lessee :

Finance Lease Arrangements :

The Group has identified certain lease arrangements as a Long term finance Lease arrangement. Details of such arrangements are given below :

Description of the Property	Date of Commencement	Period of Lease
Land - Plant 6 * at Pantnagar	26th March 2006	90
Land - Plant 7 at Pantnagar	4th December 2006	90

* During the year 2018-19 the Group disposed off this Land. Refer to Note No. 2.16.

The minimum lease payments and the present value of minimum lease payments in respect of aforesaid Land acquired under the finance leases are as follows :

₹ Lakhs

Particulars	As at 31st March 2019		As at 31st March 2018	
	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Present value of minimum lease payments
Not Later than 1 year	0.12	—	0.12	—
Later than one year but not later than five years	0.47	—	0.47	—
Later than five years	8.54	—	8.66	—
Total	9.13	—	9.25	—
Less: Future Finance Charges	—	—	—	—
Total	9.13	—	9.25	—

Operating Lease Arrangements

1) Lease rentals charged for right to use certain assets are :

₹ Lakhs

Particulars	2018-19	2017-18
Operating Lease Expenses Charged to the Statement of Profit and Loss	716.30	523.33

2) Future minimum rentals payable under non-cancellable operating leases are as follows:

₹ Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Not later than one year	468.08	320.08
Later than one year but not later than five years	2,080.57	1,429.42
Later than five years	1,381.15	1,045.51
Total	3,929.80	2,795.01

As Lessor :

Finance Lease Arrangements

The Group has not entered into any Finance lease arrangements as a Lessor.

Operating Lease Arrangements

The Group has entered into certain operating lease arrangements for renting its assets or part thereof.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

DISCLOSURE REQUIREMENTS UNDER IND AS 17 "LEASES" (Contd.,)

- 1) Total Rental income recognised in the Statement of Profit and Loss.

₹ Lakhs

Particulars	2018-19	2017-18
Rental Income	138.75	135.69

- 2) The Company has not entered into any non-cancellable operating lease and hence the disclosure in respect of future expected minimum lease rentals receivable is not applicable.

2.54. INTEREST IN OTHER ENTITIES

The subsidiaries considered in the consolidated financial statements are set out below :

S. No.	Name of the entity	Country of Incorporation	Percentage of Ownership		Nature of Relationship	Method of Consolidation	Principal activities
			As at 31-03-2019	As at 31-03-2018			
1	PT Pricol Surya Indonesia	Indonesia	100%	100%	Subsidiary	Line by Line	Manufacture and sale of Automobile Accessories and Trading of Automobile Spares etc.,
2	Pricol Asia Pte. Limited	Singapore	100%	100%	Subsidiary	Line by Line	
3	Pricol Espana S.L. #	Spain	100%	100%	Subsidiary	Line by Line	
4	Pricol Wiping Systems India Limited #	India	100%	100%	Subsidiary	Line by Line	
5	Pricol do Brasil Componentes Automotivos Ltda #	Brazil	100%	100%	Subsidiary of Pricol Espana S.L.	Line by Line	
6	Pricol Wiping Systems Mexico S.A. de C.V., #	Mexico	100%	100%	Subsidiary of Pricol Espana S.L.	Line by Line	
7	PT Sripri Wiring Systems	Indonesia	100%	100%	Subsidiary of Pricol Surya Indonesia	Line by Line	
8	PMP PAL International s.r.o., Czech Republic	Czech	—	100%	Subsidiary of Pricol Wiping Systems Czech s.r.o. (Upto 31st March 2018)	Line by Line	
9	Pricol Wiping Systems Czech s.r.o. #	Czech	100%	100%	Subsidiary of Pricol Espana S.L.	Line by Line	

Refer to Note No. 2.41 for discontinued operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)**2.55. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES**

For the Financial year 2018-19

Sl. No.	Name of the entity	Net Assets		Share in Profit / (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As a % of consolidated Net Assets	Amount ₹ Lakhs	As a % of consolidated Profit / (Loss)	Amount ₹ Lakhs	As a % of consolidated OCI	Amount ₹ Lakhs	As a % of consolidated TCI	Amount ₹ Lakhs
	Parent								
1	Pricol Limited	129.56	64,705.09	122.03	21,215.50	2.11	31.08	133.51	21,246.58
	Subsidiaries - Indian								
1	Pricol Wiping Systems India Limited	1.63	812.43	(2.66)	(462.04)	0.09	1.34	(2.89)	(460.70)
	Subsidiaries - Foreign								
1	PT Pricol Surya Indonesia	4.26	2,128.49	(1.61)	(279.79)	6.06	89.25	(1.20)	(190.54)
2	PT Sripti Wiring Systems	(1.26)	(631.65)	(0.88)	(153.18)	—	—	(0.96)	(153.18)
3	Pricol Asia Pte. Limited	(0.47)	(234.13)	(119.87)	(20,840.70)	8.33	122.60	(130.19)	(20,718.10)
4	Pricol Espana S.L.	(27.08)	(13,523.87)	(8.17)	(1,420.27)	(34.23)	(503.98)	(12.09)	(1,924.25)
5	Pricol do Brasil Componentes Automotivos Ltda	(12.11)	(6,045.91)	(40.13)	(6,976.20)	97.00	1,428.10	(34.86)	(5,548.10)
6	Pricol Wiping Systems Mexico S.A. de C.V.,	9.98	4,982.91	(5.95)	(1,035.32)	4.66	68.55	(6.08)	(966.77)
7	Pricol Wiping Systems Czech s.r.o.	(4.51)	(2,252.31)	(42.76)	(7,434.00)	15.98	235.32	(45.24)	(7,198.68)
	TOTAL	100.00	49,941.05	(100.00)	(17,386.00)	100.00	1,472.26	(100.00)	(15,913.74)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)**ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES (Contd.,)**

For the Financial year 2017-18

Sl. No.	Name of the entity	Net Assets		Share in Profit / (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As a % of consolidated Net Assets	Amount	As a % of consolidated Profit / (Loss)	Amount	As a % of consolidated OCI	Amount	As a % of consolidated TCI	Amount
	Parent								
1	Pricol Limited	109.56	72,923.06	109.32	5,351.69	65.39	160.64	118.58	5,512.33
	Subsidiaries - Indian								
1	Pricol Wiping Systems India Limited	0.42	276.77	(4.37)	(214.11)	—	—	(4.61)	(214.11)
	Subsidiaries - Foreign								
1	PT Pricol Surya Indonesia	3.64	2,421.34	3.61	176.59	2.35	5.77	3.92	182.36
2	PT Sripti Wiring Systems	(0.13)	(83.66)	(1.53)	(74.76)	—	—	(1.61)	(74.76)
3	Pricol Asia Pte. Limited	0.55	366.70	13.08	639.97	0.25	0.62	13.78	640.59
4	Pricol Espana S.L.	(17.96)	(11,957.46)	(16.72)	(818.61)	32.01	78.63	(15.92)	(739.98)
5	Pricol do Brasil Componentes Automotivos Ltda	(4.05)	(2,696.27)	(182.53)	(8,934.10)	—	—	(192.18)	(8,934.10)
6	Pricol Wiping Systems Mexico S.A. de C.V.,	1.82	1,214.00	(12.29)	(601.74)	—	—	(12.94)	(601.74)
7	PMP PAL International s.r.o. Czech Republic	3.01	2,006.06	(8.36)	(409.14)	—	—	(8.80)	(409.14)
8	Pricol Wiping Systems Czech s.r.o.	3.14	2,089.89	(0.21)	(10.37)	—	—	(0.22)	(10.37)
	TOTAL	100.00	66,560.43	(100.00)	(4,894.58)	100.00	245.66	(100.00)	(4,648.92)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.56. a) DETAILS OF FOREIGN CURRENCY EXPOSURES THAT ARE HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE :

Particulars	Foreign Currency	2018-19	2017-18	2018-19	2017-18
		Amount of Foreign Currency in Lakhs		Equivalent Amount in ₹ Lakhs	
Buyers Credit	USD	—	43.11	—	2,781.33
Trade Payables	USD	24.76	—	1,712.35	—

b) DETAILS OF FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE

Particulars	Foreign Currency	2018 - 19	2017 - 18	2018 - 19	2017 - 18
		Amount of Foreign Currency in Lakhs		Equivalent Amount in ₹ Lakhs	
Trade Payables	CHF	1.75	1.60	121.02	109.38
	EUR	1.47	48.11	114.44	3,878.66
	SGD	—	0.01	—	0.24
	BRL	0.11	—	1.91	—
	JPY	1,843.99	1,610.57	1,152.87	991.14
	INR	238.52	—	238.52	—
	GBP	—	0.01	0.06	0.63
	USD	8.45	57.56	584.39	3,743.96
Borrowings	USD	27.00	29.25	1,867.27	1,902.74
Trade Receivables	EUR	7.00	67.77	544.75	5,463.63
	USD	39.41	34.02	2,726.09	2,212.84
	JPY	375.80	0.46	234.95	0.28
	CHF	1.21	—	83.51	—
	INR	7.94	—	0.04	—
GBP	0.55	0.71	50.21	65.55	
Buyers Credit	USD	—	14.66	—	953.75

2.57. SIGNIFICANT MATTERS STATED IN THE FINANCIAL STATEMENT OF SUBSIDIARIES:

The component auditor of Pricol Wiping Systems India Limited has given a modified / qualified opinion with respect to obtaining audit evidences in relation to certain transactions entered into pursuant to Business Transfer Agreement. The relevant note is reproduced below:

"Pursuant to a Business Transfer Agreement (BTA) with PMP Auto Components Private Limited, the wiping business was acquired with effect from 28th August 2017. Upto 28th February 2018, operations were carried out through PMP Auto Components Private Limited, which acted as an Agent of the Company till factory approval license to operate the factory in the name of the Company and other necessary approvals for operating directly were obtained. The sales, purchases of materials, receipt of consideration for sales and payment for the materials were initially recorded in the books of PMP Auto Components Private Limited ("the agent") and cross charged to / by the Company till the necessary approvals were obtained.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT MATTERS STATED IN THE FINANCIAL STATEMENT OF SUBSIDIARIES (Contd.,)

The company obtained the license in February 2018 and with effect from 1st March 2018 the company operated the business under its own name. However, in continuation to the agency agreement the receipts for sales made upto 28th February 2018, settlement of trade payables and payment for certain expenditure were routed through designated bank accounts of PMP Auto Components Private Limited. These transactions were accounted based on the transaction advice from the banks. Due to certain commercial reasons, the company was unable to obtain the statement of accounts of the designated banks and from PMP Auto Components Private Limited as at 31st March 2019.

Necessary adjustments, if any, would be made in the books of accounts as and when these statements / confirmations stated above are received. The possible effects on the outcome of reconciliation is not quantifiable at this point of time”.

The impact of the above, if any, would not have a material impact on the group's consolidated financial statements.

- 2.58.** The consolidated financial statement for the previous year 31st March, 2018 included the then unaudited financial statement / information of three Subsidiaries whose financial information reflected a total asset of ₹ 8,331.35 Lakhs, Net Asset of ₹ 2,027.59 Lakhs, total Revenue of ₹ 6,625.48 Lakhs and net Cash flow amount to ₹ 31.44 Lakhs. These subsidiaries were not material to the group based on the audited consolidated financial statements for the year 31st March, 2018.

These subsidiaries were subsequently audited and there were differences between the unaudited financial statement used for consolidation and the audited financial statements. Brief summary of the differences are set out below :

Name of Subsidiary : Pricol Wiping Systems India Limited

₹ Lakhs

Financial Statement Area	Amount	Nature of impact
Capital Reserve under Other Equity	442.68	Increase
Property, Plant and Equipment	442.68	Increase

Name of Subsidiary : PT Pricol Surya Indonesia

₹ Lakhs

Financial Statement Area	Amount	Nature of impact
Goodwill on consolidation	559.58	Decrease
Impairment of Goodwill on consolidation under other expenses	559.58	Increase

These have been appropriately adjusted in the natural heads of account during the year. These adjustments have not been restated considering materiality.

- 2.59. DISCLOSURE RELATING TO SUPPLIERS REGISTERED UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006 (MSMED Act, 2006) :**

₹ Lakhs

Particulars	As at	As at
	31-3-2019	31-3-2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in:		
Principal amount due to micro and small enterprises	186.45	271.05
Interest due on above	—	—
Total	186.45	271.05

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

DISCLOSURE RELATING TO SUPPLIERS REGISTERED UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006 (MSMED Act, 2006) (Contd.,)

₹ Lakhs

Particulars	As at 31-3-2019	As at 31-3-2018
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year.	—	—
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 for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	—	—
The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have confirmed.		

2.60. Previous year's figures are reclassified wherever necessary to conform to the current year's classification.

2.61. As explained in Note No. 2.41, the assets and liabilities forming part of the disposal group, have been classified under Assets held for Sale - Discontinued Operation in the current year as required under Ind AS 105. Hence the figures of current period are strictly not comparable with those of previous year.

2.62. All figures are in Lakhs unless otherwise stated.

2.63. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

No adjusting or significant non-adjusting events have occurred between 31 March 2019 and the date of authorisation of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.64. RELATED PARTY DISCLOSURE AS PER INDIAN ACCOUNTING STANDARD 24

i) **Names of related parties and description of relationship :**

Related parties where significant influence exists and with whom transactions have taken place during the year :

- a) **Partnership firms under common control** : Bhavani Global Enterprises
 Ellargi & Co
 Libra Industries
 Ramani & Shankar
- b) **Private Companies** : Bull Machines Private Limited (upto 28th February 2018)
 C.R.I. Pumps Private Limited
 V M International Pte. Limited
 Pricol Gourmet Private Limited (Formerly V.M.Hospitality)
- c) **Public Companies** : Pricol Holdings Limited
 PPL Enterprises Limited
 Pricol Travel Limited
 Pricol Properties Limited
 Pricol Engineering Industries Limited
 Pricol Corporate Services Limited
 Target Manpower Services Limited
 Pricol Retreats Limited (Formerly, M and M Enterprises (India) Limited)
- d) **Trusts under common control** : N D Foundation
 Siruthuli
- e) **Key Management Personnel** : Mrs. Vanitha Mohan - (Chairman - Executive Director)
 Mr. Vikram Mohan - (Managing Director - Executive Director)
 Mr. R. Vidhya Shankar - (Non Executive Director)
 Mr. Suresh Jagannathan - (Non Executive Director)
 Mr. G. Soundararajan - (Non Executive Director)
 Mrs. Sriya Chari - (Non Executive Director)
 Mr. S.K. Sundararaman - (Non Executive Director) - from 30th May 2018
 Mr. C.R. Swaminathan - (Non Executive Director) - upto 28th February 2018
 Mr. K. Murali Mohan - (Non Executive Director) - upto 31st March 2018
 Mr. G. Sundararaman - (President) - upto 30th April 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

ii) Related party transactions :

₹ Lakhs

Nature of Transaction	Key Management Personnel and their Relatives		Others	
	2018-19	2017-18	2018-19	2017-18
Transactions during the year :				
Purchase / Labour Charges	—	—	2,668.14	2,921.79
Sales / Job Work Charges	—	—	345.57	240.37
Receiving of Services / Reimbursement of Expenses Paid	257.16	520.37	7,477.91	7,076.46
Rendering of Services / Reimbursement of Expenses Received	—	—	323.86	222.56
Donation / CSR Expenses	—	—	20.00	43.00
Loans and Advances :				
a. Loans and advances given	—	—	163.98	—
b. Loans and advances repaid	—	—	—	—

iii) Amount outstanding as at the balance sheet date :

₹ Lakhs

Nature of Transaction	Key Management Personnel and their Relatives		Others	
	As on 31-3-2019	As on 31-3-2018	As on 31-3-2019	As on 31-3-2018
Trade Receivables and Other Receivables	—	—	1,096.57	780.36
Trade Payables and Other Payables	—	125.53	801.19	1,074.87

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
15th June 2019

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

ANNEXURE — Form AOC - I
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Particulars	Part - "A" - Subsidiaries						₹ Lakhs	
	Information in respect of each subsidiary							
	PT Pricol Surya Indonesia	PT Sripti Wiring Systems Indonesia	Pricol Asia Pte Limited, Singapore	Pricol Espana S.L.	Pricol Do Brasil Componentes Automotivos Ltda Brasil (Subsidiary of Pricol Espana)	Pricol Wiping Systems Czech s.r.o, Czech Republic (Pricol Espana)	Pricol Wiping Systems Mexico C.V Mexico (Subsidiary of Pricol Espana)	Pricol Wiping System India Limited
Reporting Period	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar
Reporting Currency	Indonesian Rupiah (IDR)	Indonesian Rupiah (IDR)	US Dollar (USD)	Euro	Brazilian Reals (BRL)	Czech Koruna (CZK)	Mexican Peso (MXN)	Indian Rupee (INR)
Exchange Rate for 1 reporting currency as on 31st March 2019 (INR)	0.00489	0.00489	69.572	78.053	17.740	3.028	3.584	N.A.
Share Capital	4,370.13	345.15	173.93	19,359.23	28,295.97	0.30	2,664.12	700.00
Reserves and Surplus	(1,728.78)	(1,149.21)	1,892.17	(2,142.65)	(33,869.09)	(2,183.32)	(2,190.37)	83.38
Total Assets	5,449.28	306.52	5,574.12	31,174.66	14,198.48	14,435.52	3,027.76	2,802.09
Total Liabilities	5,449.28	306.52	5,574.12	31,174.66	14,198.48	14,435.52	3,027.76	2,802.09
Investments	5.41	—	—	27,434.56	—	—	—	—
Turnover	2,860.75	518.03	21,086.83	190.56	9,990.00	38,625.67	1,234.75	3,142.69
Profit / (Loss) before Tax	267.73	(156.28)	393.94	(1,179.86)	(7,322.74)	(2,936.04)	(314.48)	(554.47)
Provision for Taxation	86.19	(3.10)	46.64	—	—	—	—	—
Profit / (Loss) after Tax	181.54	(153.18)	347.30	(1,179.86)	(7,322.74)	(2,936.04)	(314.48)	(554.47)
Proposed Dividend	—	—	—	—	—	—	—	—
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%

For and on behalf of the Board

Part - "B" - Associates and Joint Ventures
Not Applicable

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

Coimbatore
15th June 2019

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

 *PASSIONATE*
 *SUSTAINABLE*
 *DYNAMIC*
 *EVOLVING*

PRICOL LIMITED

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PRICOL LIMITED

(CIN : L34200TZ2011PLC022194)

109, Race Course, Coimbatore – 641 018, India.

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NOTICE OF 8th ANNUAL GENERAL MEETING

NOTICE is hereby given that the Eighth Annual General Meeting of the Shareholders of the Company will be held on Thursday, 29th August 2019 at 4.30 p.m. at 'ARDRA', No.9, North Huzur Road (Near Anna Statue), Coimbatore – 641018 to transact the following business:

ORDINARY BUSINESS

1. ADOPTION OF FINANCIAL STATEMENTS AND REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS :

To consider and if thought fit, to pass with or without modification, the following resolution as an "**Ordinary Resolution**" :

"RESOLVED that the Financial Statements of the Company for the year ended 31st March 2019 including Audited Balance Sheet as at 31st March 2019, Statement of Profit and Loss, Cash Flow Statement and Consolidated Financial Statements for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon as presented to the meeting, be and are hereby, approved and adopted."

2. REAPPOINTMENT OF MR. VIKRAM MOHAN, AS DIRECTOR :

To consider and if thought fit, to pass with or without modification, the following resolution as an "**Ordinary Resolution**" :

"RESOLVED that Mr.Vikram Mohan (DIN:00089968), Director, who retires by rotation and being eligible, offers himself for reappointment, be and is hereby reappointed as a director of the Company."

SPECIAL BUSINESS

3. REAPPOINTMENT & REMUNERATION TO MR.VIKRAM MOHAN, MANAGING 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 196, 197, 198 and 203 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to the reappointment of Mr.Vikram Mohan (DIN: 00089968), as Managing Director of the Company, for a period of three years commencing from 1st April 2019 to 31st March 2022 on the following terms and conditions:

REMUNERATION:

I. Salary : ₹ 7,20,000 per month in the scale of ₹ 7,20,000 – ₹ 72,000 – ₹ 8,64,000

II. Commission : 2 % of the Net Profit computed in accordance with Sections 197 and 198 of the Companies Act, 2013.

III. Perquisites Category 'A'

1. Housing : Unfurnished accommodation will be provided by the Company. In its absence, 60% of the salary will be paid as House Rent Allowance.

2. Other perquisites:

The following perquisites shall be allowed subject to a maximum of 50% of salary:

- a) Leave (as per rules of the Company).
- b) Leave Travel Concession for self and his family.
- c) Reimbursement of medical expenses incurred for self and his family.
- d) Reimbursement of expenditure incurred on gas, electricity, water, furnishings and appliances.
- e) Reimbursement of club expenses for self and his family.
- f) Health and personal accident insurance cover for self and his family.

In any year, if the perquisites specified in Part III, Sub-Clause (2) above, are not availed in full, the unutilised portion of the limit shall be either carried over till the end of the term or encashed at the end of every year.

Category 'B'

- i. Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act.
- ii. Gratuity payable shall not exceed 15 days salary for each completed year of service

For the purpose of Gratuity, Provident Fund, Superannuation and other benefits, if any, the service of Mr. Vikram Mohan, Managing Director will be considered as continuous service with the Company from the date of his joining the Pricol Limited.

Category 'C'

i. Conveyance facilities

The Company shall provide a suitable vehicle for both business and personal use. Fuel costs, repairs, maintenance and running expenses including driver's salary, shall be borne / reimbursed by the Company.

- ii. Telephone, internet connectivity and other communication facilities

The Company shall provide a mobile phone and shall also provide telephone, internet connectivity and other

communication facilities at his residence. All the expenses incurred therefore shall be paid or reimbursed by the Company, as per the rules of the Company.

Expenses incurred for travelling, boarding and lodging of Mr. Vikram Mohan during business trips and provision of car(s) for use on Company's business and communication expenses shall be reimbursed at actuals and not considered as perquisites.

The aggregate of salary, allowances, perquisites etc., in any one financial year shall not exceed the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any modifications or re-enactment for the time being in force.

"RESOLVED FURTHER that in the event of no profit or inadequacy of profit, the remuneration payable to Mr. Vikram Mohan, Managing Director, shall not exceed double the limit specified in Section II of Part II of Schedule V of the Companies Act, 2013, as modified from time to time or such other limits as may be notified by the Government from time to time as remuneration.

"RESOLVED FURTHER that the Board of Directors or any Committee thereof, be and are hereby authorised to alter or vary the designation, component and elements of the remuneration payable to Mr. Vikram Mohan, within the overall limits under the Act and to do all such acts, deeds, things and execute all such documents, instruments and forms as may be required and to give effect to this resolution."

"RESOLVED FURTHER that any one of the Directors or Key Managerial Personnel of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

4. APPOINTMENT OF MR. V. BALAJI CHINNAPPAN, AS A DIRECTOR :

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 149, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules,

2014 and the applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr.V.Balaji Chinnappan (DIN: 08014402), who was appointed as an Additional Director of the Company by the Board of Directors at its meeting held on 15th June 2019 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a "Director" of the Company, and shall be liable to retire by rotation."

5. APPOINTMENT & REMUNERATION TO MR.V.BALAJI CHINNAPPAN, CHIEF OPERATING OFFICER :

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 196, 197 and 198 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof, for the time being in force, the consent of the Company be and is hereby accorded to the appointment of Mr.V.Balaji Chinnappan (DIN: 08014402), as Chief Operating Officer of the Company, for a period commencing from 15th June 2019 to 31st March 2022 on the following terms and conditions:

REMUNERATION:

Category A: Salary, Allowance, Perquisites

- | | |
|----------------------------------|-----------------------------------------------------|
| I. Salary | : Not exceeding ₹ 1,40,000 per month |
| II. House Rent Allowance: | Not exceeding 40% of the salary |
| III. Special Allowance | : Not exceeding 160 % of salary |
| IV. Variable Pay | : Not exceeding 70 % of salary based on performance |

V. Perquisites

The following perquisites shall be allowed subject to a maximum of 10% of salary:

- 1) Conveyance Allowance
- 2) Medical Allowance
- 3) Leave Travel Allowance

In any year, if the perquisites specified above, are not availed in full, the unutilised portion of the limit shall be either carried over till the end of the term or encashed at the end of every year.

Category B: Retirals

Company's contribution to Provident Fund, Superannuation Fund, Gratuity, Service Weightage or Annuity fund as per the rules of the company, shall be in addition to the remuneration under Category (A) above.

For the purpose of Gratuity, Provident Fund, Superannuation, Service weightage and other benefits, if any, the service of Mr.V.Balaji Chinnappan, Chief Operating Officer will be considered as continuous service with the Company from the date of his joining the Pricol Limited.

Category C: Reimbursement of Expenses:

Expenses incurred for travelling, boarding and lodging of Mr.V.Balaji Chinnappan during business trips and provision of car(s) for use on Company's business and communication expenses shall be reimbursed at actuals and not considered as perquisites.

Revision and / or yearly increment on or after his appointment to the above mentioned remuneration for the balance period i.e. upto 31st March 2022 as may be determined by the Board and / or the Nomination and Remuneration Committee of the Board, shall be within the overall ceiling of remuneration prescribed under Section 197 read with Schedule V to the Act.

The aggregate of salary, allowances, perquisites etc., in any one financial year shall not exceed the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any modifications or re-enactment for the time being in force.

"RESOLVED FURTHER that in the event of no profit or inadequacy of profit, the remuneration payable to Mr.V.Balaji Chinnappan, Chief Operating Officer, shall not exceed double the limit specified in Section II of Part

II of Schedule V of the Companies Act, 2013, as modified from time to time or such other limits as may be notified by the Government from time to time as remuneration.

“RESOLVED FURTHER that the Board of Directors or Nomination and Remuneration committee thereof, be and are hereby authorised to alter or vary the terms of appointment designation, component and elements of the remuneration payable to Mr.V.Balaji Chinnappan, within the overall limits under the Act and to do all such acts, deeds, things and execute all such documents, instruments and forms as may be required and to give effect to this resolution.”

“RESOLVED FURTHER that any one of the Directors or Key Managerial Personnel of the Company be and are hereby authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

6. APPOINTMENT OF MR. K. ILANGO, AS AN INDEPENDENT DIRECTOR :

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 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) as amended and as per the recommendations of the Nomination and Remuneration Committee, Mr. K.Ilango (DIN: 00124115), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors at its meeting held on 15th June 2019 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director under section 160 of the Act, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR, be and is hereby appointed as an "Independent Director" of the Company to hold office for a term of 5 (five) consecutive years commencing from 15th June 2019 to 14th June 2024 and is not liable to retire by rotation."

7. APPOINTMENT OF MR. P. SHANMUGA SUNDARAM, AS AN INDEPENDENT DIRECTOR:

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **"Special Resolution"**:

"RESOLVED that pursuant to the provisions of Sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) as amended and as per the recommendations of the Nomination and Remuneration Committee, Mr.P.Shanmugasundaram (DIN: 00119411), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors at its meeting held on 15th June 2019 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director under section 160 of the Act and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR, be and is hereby appointed as an "Independent Director" of the Company to hold office for a term of 5 (five) consecutive years commencing from 15th June 2019 to 14th June 2024 and is not liable to retire by rotation."

"RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), the consent of the members of the Company be and is hereby accorded to continue the directorship of Mr.P.Shanmugasundaram (DIN :00119411) who will attain the age of 75 (seventy five) years on August 10, 2023, during the above term of his appointment, as an Independent Director of the Company till the expiry of his term of office."

8. RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR :

To consider and if thought fit, to pass with or without modification, the following resolution as an **"Ordinary Resolution"** :

"RESOLVED that the remuneration of ₹ 3,00,000 in addition to reimbursement of travel and out-of pocket

expense, payable to Mr.G.Sivagurunathan, Cost Accountant (ICWAI Membership No: 23127), who was appointed as Cost Auditor of the Company to conduct an Audit of the Cost Accounts for the year 2019-20 as recommended by the Audit Committee and approved by the Board of Directors of the Company, in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, be and is hereby ratified."

9. SALE OF SUBSIDIARY COMPANY(S) :

To consider and, if thought fit, to pass, with or without modifications(s), the following Resolution as a "**Special Resolution**" :

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules made thereunder (collectively the "Act"), Regulation 24 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR) the Foreign Exchange Management Act, 1999, any other applicable Law and Rules and Regulations made there under (including any statutory modifications, amendments or re-enactments of any of them for the time being in force), the Memorandum and Articles of Association of the Company and subject to other requisite approvals including approval of the lenders and all concerned statutory and regulatory authorities and departments, person or persons, if and to the extent necessary, and such other approvals, permissions and sanctions as may be required, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include a duly authorized Committee of Directors) to sell / transfer or otherwise dispose-off wholly or in part and in one or more tranches, the investments and / or shareholding of the Company / its Wholly Owned Subsidiary Company(s) :

- A) Pricol Espana Sociedad Limitada, Spain, (Pricol Espana) a wholly owned subsidiary of the company, which is a holding company of i) Pricol Wiping Systems Czech s.r.o. ii) Pricol Wiping Systems Mexico S.A.de.C.V iii) Pricol do Brasil Componentes Automotivos Ltda
- B) Pricol Wiping Systems Czech s.r.o ("Undertaking" as per Companies Act and "Material Subsidiary" as per SEBI LODR)

- C) Pricol Wiping Systems Mexico S.A.de C.V ("Substantially the Whole of the Undertaking" as per Companies Act and "Material Subsidiary" as per SEBI LODR)
- D) Pricol do Brasil Componentes Automotivos Ltda ("Substantially the Whole of the Undertaking" as per Companies Act and "Material Subsidiary" as per SEBI LODR)AND

E) Pricol Wiping Systems India Limited

to "Chroma GP LLC, Delaware, USA" or its affiliates (Purchaser) or to any other Purchaser(s) (not being related party) on such terms and conditions as may be approved by the Board."

"RESOLVED FURTHER THAT for the purpose of implementation of this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, including but not limited to deciding the time, mode, manner, extent and tranches of, purchaser(s) (not being related parties), if required and other terms and conditions of the divestment / sale of the shares of above said Company(s) as aforesaid, negotiating and finalising the terms of sale / offer for sale, executing necessary agreement(s), deeds, documents, indemnities, contracts, declarations, undertakings, forms, letters and other papers as may be necessary, desirable and expedient to be agreed, signed and executed and to take all incidental and necessary steps for and on behalf of the Company, and to settle all questions or queries that may arise in the course of implementing this resolution including to seek registration of any such documents, deeds, filing intimations, applying for and on behalf of the Company and seeking necessary consents and approvals; AND to delegate any or all of its powers vested on it by this resolution to any of its Committee, or individual Director(s), or other officers or executives or such other persons like contractors, advisors, advocates, attorneys, lawyers, bankers, merchant bankers, investment bankers, or any other appropriate agency or persons."

"RESOLVED FURTHER THAT all acts, deeds, matters and things, written or otherwise, already done by the Company and / or any of its Directors and / or officers and / or representatives for and in the name of the Company in this regard be and the same are hereby noted, ratified and approved."

By order of the Board
T.G.Thamizhanban
Company Secretary
Coimbatore
21st June, 2019
FCS No.: 7897

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE ON HIS / HER BEHALF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

The Instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the Companies, Societies etc., must be supported by an appropriate resolution / authority, as applicable.

2. A statement of material facts pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business if any, set out in the notice and the relevant details pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed with Stock Exchanges are annexed hereto.
3. Members who are holding shares in physical form are requested to intimate immediately their change of address / change of bank account, if any, to Registrar & Share Transfer Agent (RTA) quoting reference of the Registered Folio Number. Members who are holding shares in dematerialized form are requested to intimate immediately their change of address / change of bank account, if any, to their respective Depository Participant.
4. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7(seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund established by the Central Government as per provisions of the Companies Act.
5. Members are requested to note that all shares in respect of which dividend remains unpaid or

unclaimed for seven consecutive years or more, are required to be transferred to the Investor Education and Protection Fund (IEPF) Suspense Account.

6. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN Card to the Company or its RTA in the following cases viz. Transfer of shares, Deletion of name, Transmission of shares and Transposition of shares held in Physical form. Shareholders are requested to furnish copy of PAN card for all above mentioned transactions.
7. In terms of circulars issued by Securities and Exchange Board of India (SEBI), it is now mandatory for the listed companies, only Dematerialized securities will be allowed to be transferred except for transmission or transposition of securities.
8. Members may also note that the Notice of the 8th Annual General Meeting and the Annual Report 2019 will also be available on the Company's website www.pricol.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor E-mail ID: investor@pricol.co.in.
9. Shareholders, intending to require information about the Financial Statements to be approved at the meeting, are requested to inform the Company Secretary atleast a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.
10. Electronic copy of the Notice of the 8th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and Annual Report 2019, is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has

requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 8th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and Annual Report 2019, is being sent in the permitted mode.

The members who have not yet registered their email address are requested to register / update their email address in respect of equity shares held by them in demat form with their respective DP's and in the case of physical form with the RTA.

11. The members who hold shares on the cut-off date of 23rd August, 2019 are eligible to exercise their right to vote through remote e-voting or voting through ballot at the Annual General Meeting venue. A person who is not a member (not holding shares of the Company) as on the aforesaid cut-off date should treat this note this for information purposes only.
12. All documents referred to in the accompanying Notice and the Statement of material facts shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company. The aforesaid documents are also available at the AGM venue on the date of AGM.

13. VOTING THROUGH ELECTRONIC MEANS

- a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members with the facility to exercise their right to vote on the AGM subjects, by electronic means and the business may be transacted through the e-voting services provided by National Securities Depository Limited (NSDL).
- b) The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

- c) The members who have cast their vote by remote evoting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- d) The facility for remote e-voting commences on 25th August 2019 (9.00 a.m.) and ends on 28th August 2019 (5.00 p.m.) the date preceding the date of the AGM). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd August 2019, may opt for remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.
- e) Mr. P.Eswaramoorthy, of M/s. P. Eswaramoorthy & Co, Company Secretaries, has been appointed as the Scrutiniser to scrutinise the voting by electronic means, by use of ballot or polling paper, in a fair and transparent manner.
- f) The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than two days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him shall countersign the same.
- g) The Chairman or a person authorised by him in writing shall declare the result of the voting forthwith. The Results declared along with the scrutiniser's report shall be placed on the Company's website www.pricol.com and on the website of NSDL immediately after the result is declared by the Chairman and shall be simultaneously communicated to the Stock Exchanges.
- h) Members are requested to read the instructions given below :**
 1. For members who receive notice of Annual General Meeting through E-mail:
 - i. Open email and open PDF file viz; "Pricol e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file

- contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - iii. Click on "Shareholder - Login "
 - iv. Put user ID and password as initial password / PIN noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 - vii. Select "EVEN" of Pricol Limited.
 - viii. Now you are ready for e-voting as Cast Vote page opens.
 - ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - x. Upon confirmation, the message "Vote cast successfully" will be displayed
 - xi. Once you have voted on the resolution, you will not be allowed to modify your vote
 - xii. 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorised to vote, to the Scrutiniser through e – mail to eswarfcs@gmail.com with a copy marked to evoting@nsdl.co.in.

2. For members who receive the notice of Annual General Meeting in Physical form:

- i. Initial password is provided as below / at the bottom of the Attendance Slip for the AGM: EVEN (E Voting Event Number) USER ID PASSWORD / PIN.
- ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com OR contact NSDL at the following Telephone No: 022 24994600.

- I) If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
- j) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT :

Appointment of Mr.Vikram Mohan (Item No. 2 & 3), Mr.V.Balaji Chinnappan (Item No. 4 & 5), Mr.K.Ilango (Item No.6) & Mr.P.Shanmugasundaram (Item No.7)

For the details of Mr.Vikram Mohan, Mr.V.Balaji Chinnappan, Mr. K.Ilango & Mr.P.Shanmugasundaram please refer to the statement in respect of the Special Business set out at Item No. 3 - 7 of the Notice of Annual General Meeting pursuant to Section 102 of the Companies Act, 2013. The Board recommends the resolutions set out at Item No. 2, 3, 4, 5, 6 & 7 of the Notice for your approval.

STATEMENT OF MATERIAL FACTS CONCERNING ITEMS OF SPECIAL BUSINESS

(Annexed to notice pursuant to Section 102 of the Companies Act, 2013)

Item No. 3

Mr. Vikram Mohan, 44 years of age, the Managing Director of the Company, holds a Bachelors Degree in Production Engineering with Honours from PSG College of Technology, Coimbatore.

Mr.Vikram Mohan is having 24 years of experience and shall be responsible for Strategy, Finance, Customer Relationship Management and Public Relations of the Company.

He is the founder of the Entrepreneurs Organization (EO) Chapter in Coimbatore and is currently a member of EO South Asia. He is also a member of Young

Professions Organization (YPO) Chennai. He has been actively involved in the Confederation of Indian Industries (CII) and the Automotive Components Manufacturers Association (ACMA) in various board positions.

He was appointed on the Board of Directors of the Company on 1st June 2013. During the year 2018-19, he attended 5 Board Meetings of the Company. The remuneration for the year 2018 - 19 is ₹ 134.31 Lakhs.

He is also a Director in Pricol Properties Limited, Pricol Travel Limited, Pricol Holdings Limited, PPL Enterprises Limited, Pricol Retreats Limited, Pricol Asia Pte. Limited, Singapore, PT Pricol Surya Indonesia, Pricol Gourmet Private Limited, Infusion Hospitality Private Limited, Raavi Quattro Private Limited and Sai VM4 Management Advisors Private Limited. He is a member of the Corporate Social Responsibility Committee, Stakeholders Relationship Committee & Investment and Borrowing Committee of the Company. He holds 35,21,175 shares in the Company.

Subject to the approval of the shareholders, the Board of Directors, at their meeting held on 19th March 2019 on the recommendation of the Nomination and Remuneration Committee based on the performance evaluation, educational qualification, skills, experience & exposure in auto component and various other industries, have reappointed him as Managing Director for a period of three years with effect from 1st April 2019 to 31st March 2022 and fixed the remuneration payable to him as set out in the text of the resolution. The proposed appointment, remuneration and perquisites conform to the requirement of Schedule V to the Companies Act, 2013, requires the appointment and remuneration to be approved by a resolution of the shareholders in general meeting. His appointment is liable to retire by rotation. Salary, perquisites and commission will be paid in accordance with the Shareholders approval.

Mrs. Vanitha Mohan and Mr. Vikram Mohan are related to each other. Mr. Vikram Mohan is the elder son of Mrs. Vanitha Mohan.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mrs. Vanitha Mohan, Mr. Vikram Mohan and their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board considers that his educational qualification, skills, experience & exposure in auto component and various other industries would be of immense benefit to the Company and it is desirable to avail services of Mr. Vikram Mohan as Managing Director, at a remuneration & terms set out in the resolution. The Board recommends the resolution set out at item no.3 of the Notice for your approval.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Item No.4 & 5

Mr. V. Balaji Chinnappan (DIN: 08014402), was appointed as an Additional Director of the Company with effect from 15th June 2019 by the Board of Directors on the recommendation of Nomination and Remuneration Committee. In terms of Section 161(1) of the Companies Act, 2013, Mr. V. Balaji Chinnappan holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a notice from a member in writing under Section 160 of the Act, proposing his candidature for the office of Director.

Mr. V. Balaji Chinnappan, 54 years of age, the Chief Operating Officer of the Company, holds a Bachelors Degree in Production Engineering and Master of Business Administration (Strategy & HR). He is having 32 years of overall experience and shall be responsible for overall manufacturing operations of the Company. The remuneration for the year 2018-19 is ₹ 57.43 Lakhs.

He is also a Director in Pricol Wiping Systems India Limited, Pricol Wiping Systems Czech s.r.o., Pricol Wiping Systems Mexico S.A.de.C.V. He does not hold any shares of the Company.

The Company has received from Mr. V. Balaji Chinnappan (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Subject to the approval of the shareholders, the Board of Directors, at their meeting held on 15th June 2019 on the

recommendation of the Nomination and Remuneration Committee based on the performance evaluation, educational qualification, skills, experience & exposure in auto component industry have appointed him as Whole Time Director with a designation Chief Operating Officer with effect from 15th June 2019 to 31st March 2022 and fixed the remuneration payable to him as set out in the text of the resolution. The proposed appointment, remuneration and perquisites conform to the requirement of Schedule V to the Companies Act, 2013, requires the appointment and remuneration to be approved by a resolution of the shareholders in general meeting. His appointment is liable to retire by rotation. Salary, perquisites and commission will be paid in accordance with the Shareholders approval.

TERMS OF APPOINTMENT :

- (a) Mr.V.Balaji Chinnappan, Chief Operating Officer will be responsible for overall manufacturing operations of the Company.
- (b) The Chief Operating Officer will perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Chairman / Managing Director / Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Chairman / Managing Director / Board.
- (c) The Chief Operating Officer shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (d) The Chief Operating Officer shall adhere to the Company's Code of Conduct.

Except Mr.V.Balaji Chinnappan, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution. He is not related to any Director, Manager and Key Managerial Personnel of the Company.

The Board considers that his educational qualification, skills, experience & exposure in auto component industry would be of immense benefit to the Company and it is desirable to avail services of Mr.V.Balaji

Chinnappan, as a Whole Time Director. The Board recommends the resolution set out at item no.4 & 5 of the Notice for your approval.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Item No.6

Mr.K.Ilango (DIN:00124115) was appointed as an Additional Director (Independent) of the Company with effect from 15th June 2019 by the Board of Directors on the recommendation of Nomination and Remuneration Committee based on the educational qualification, skills, experience & exposure in Industry / Business and fulfillment of criteria for Independent Director. In terms of Section 161 (1) of the Companies Act, 2013, Mr.K.Ilango holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from a Member in writing under Section 160 of the Act, proposing his candidature for the office of Independent Director.

Mr.K.Ilango, 55 years of age, holds a Bachelor Degree in Engineering, with 34 years of Business Experience. He is the Managing Director of RSM Autokast Limited, Nominee Director of Codissia Industrial Park Limited and Director of KKR Securities Private Limited. He holds 5,000 shares of Pricol Limited.

His appointment is not liable to retire by rotation. Sitting fee and commission will be paid broadly on the basis of attendance to the Board and Committee meetings.

The Company has received from Mr.K.Ilango (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board of Directors, Mr.K.Ilango fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Mr.K.Ilango, as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of this AGM.

Except Mr.K.Ilango, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution. He is not related to any Director of the Company.

The Board considers that his educational qualification, skills, experience & exposure in Industry / Business would be of immense benefit to the Company and it is desirable to avail services of Mr.K.Ilango as an Independent Director. The Board recommends the resolution set out at item No. 6 of the Notice for your approval.

This Explanatory Statement may also be read and treated as a disclosure under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Item No.7

Mr.P.Shanmugasundaram (DIN:00119411) was appointed as an Additional Director (Independent) of the Company with effect from 15th June 2019 by the Board of Directors on the recommendation of Nomination and Remuneration Committee based on the educational qualification, skills, vast and rich experience in Finance, Accounts & Auditing and fulfillment of criteria for Independent Director. In terms of Section 161 (1) of the Companies Act, 2013, Mr.P.Shanmugasundaram holds office upto the date of this Annual General Meeting but is eligible for the appointment as a Director. The Company has received a Notice from a Member in writing under Section 160 of the Act, proposing his candidature for the office of Independent Director.

Mr.P.Shanmugasundaram, 71 years of age, is a B.Com, LLB, FCA, with 45 years of Experience as Chartered Accountant. He is a partner in Reddy Goud & Janardhan, Chartered Accountants Firm, Bengaluru. He is an Independent Director of Listed Companies namely L.G.Balakrishnan & Bros Limited and LGB Forge Limited. He is the Chairman of Audit Committee in both the companies. He is also the member of Nomination and Remuneration Committee of LGB Forge Limited.

He does not hold any shares of the Company. His appointment is not liable to retire by rotation. Sitting fee and commission will be paid broadly on the basis of attendance to the Board and Committee meetings.

The Company has received from Mr.P.Shanmugasundaram (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, ("Amendment Regulations, 2018"), inter alia, provides that "no listed Company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy five) years unless it is approved by the members by passing a special resolution to that effect". Accordingly, Mr.P.Shanmugasundaram will attain the age of 75 years on August 10, 2023, during his tenure of appointment and hence, continuation of his directorship beyond the age of 75 years requires the approval of members by way of a special resolution.

In the opinion of the Board of Directors, Mr.P.Shanmugasundaram fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder and SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 for his appointment as an Independent Director of the Company and is independent of the Management.

A copy of the draft letter for the appointment of Mr.P.Shanmugasundaram, as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of this AGM.

Except Mr.P.Shanmugasundaram, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution. He is not related to any Director of the Company.

The Board considers that his educational qualification, skills, vast and rich experience in Finance, Accounts and Auditing would be of immense benefit to the Company and it is desirable to avail services of Mr.P.Shanmugasundaram as an Independent Director. The Board recommends the resolution set out at item No. 7 of the Notice for your approval.

This Explanatory Statement may also be read and treated as a disclosure under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Item No.8

The Board of Directors at their meeting held on 15th June 2019, appointed Mr.G.Sivagurunathan, Cost Accountant (ICWAI Membership No : 23127), as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 and fixed a sum of ₹ 3,00,000 as remuneration payable to them, for the Financial Year 2019-20.

The remuneration, as recommended by the Audit Committee and approved by the Board, is required to be ratified by the shareholders of the Company, as per the requirements of the Companies (Audit and Auditors) Rules 2014, read with Section 148(3) of the Act 2013.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set out at item no: 8 of the Notice for your approval.

Item No: 9

Pricol Wiping Systems India Limited, India (PWS India) and Pricol Espana Sociedad Limitada, Spain (Pricol Espana) are the Wholly Owned Subsidiary Companies of Pricol Limited.

Pricol Espana's Wholly Owned Subsidiary Companies are : 1) Pricol do Brasil Componentes Automotivos Ltd A (Pricol do Brasil), 2) Pricol Wiping Systems Czech s.r.o (Pricol Czech) and 3) Pricol Wiping Systems Mexico S.A.de C.V (Pricol Mexico).

Pricol Limited, through Pricol Espana acquired Pricol do Brasil in January 2015 mainly to expand its market in the auto four-wheeler segment and Brazil was a growing economy at that time. The company had good facilities and technology in the variable flow oil pump, which was the next generation oil pump. The company had good customer base with customers like Fiat, General Motors, Volkswagen, Harley Davidson, etc. The acquisition was envisaged to provide a solid base for Pricol to enter into the Americas. However within a span of few months of our takeover, the Brazilian economy went through a crisis mainly due to various political scams and socio-economic factors and the market suffered a steep fall. The sales nearly went down by 50%. This was totally unforeseen.

Pricol Limited had to keep the operations funded, over and above what was originally envisaged. In order to overcome this situation, it was decided to move to a place where the labour cost will be cheaper, Pricol do Brasil moved to a new location in 2017-18. Pricol do Brasil also won two new programs from General Motors (GM) and Volkswagen (VW) during this time. The new business from GM will commence at the end of FY 2019-20 and VW in the beginning of FY 2020-21.

In the meanwhile, in the August 2017 Pricol Limited acquired Wiping Business from the Pirmal Group with manufacturing facilities located in Prague, Czech Republic, Puebla, Mexico and one small plant in Satara, India. The main customer was Volkswagen (VW) which was common to pump business in Brazil. This business was envisaged to expand the footprint of Pricol both in terms of product profile and territory.

Even after shifting the business to a new location in Brazil, the business was not picking up and there were

no signs of recovery in the immediate future. In the meanwhile Pricol has been pumping in funds to keep the operations running.

While so, during 2018-19 Indian business also went through tough period with rupee weakening, combined with shortage of electronic components which is critical to Pricol. Pricol Limited was also expanding to meet the customer needs in 2020-21 to meet the BS VI norms which will be implemented from April 1, 2020. This require huge Capex and Pricol has to invest in the same.

In this situation, it was decided by the Board of Pricol that it is best to divest Pricol do Brasil to avoid further losses in the said operations. Pricol appointed Alvarez & Marsal, who are the leading M & A advisors in Brazil. There were nearly five to six probable buyers, who went through the profile and visited the plants. But none of them other than discussions with Chroma GP LLC, Delaware, USA (Chroma) progressed to transaction level. Chroma has good expertise in turning around stressed assets and has with significant interest in Auto component industry in Brazil.

Chroma GP LLC, Delaware, USA (Chroma) is a US-based General Partnership in charge of managing Limited Partnerships and their respective Holding and Operational companies, mainly dedicated to Auto-parts Manufacturing. Chroma GP LLC manages several plants and hundreds of employees in the Americas, producing high-quality auto-parts. Its clients are among the main brands in the global vehicles production market. Chroma is not a related party to the company or its promoters.

Chroma is in the process of conducting a detailed due diligence and in the meanwhile expressed difficulty for them to take over Brasil asset on a standalone basis, and approached Pricol for a bundled offer for purchase along with Wiping Systems facilities in all locations. It was in this context decided by the Board of directors of Pricol, keeping in mind the interest of standalone Pricol, that Pricol will sell its subsidiary in Spain namely Pricol Espana, which holds the shares of Pricol do Brasil, Pricol Czech and Pricol Mexico, along with PWS India, which is a wholly owned subsidiary of Pricol Limited.

Further to detailed discussions, it was agreed that Chroma will acquire 80.5% of Pricol Espana and 74% of PWS India, for a consideration of Euro 100,000 net of specified loans taken over. The buyer will take over

around ₹ 250 crores of specified loan in Pricol Espana and its subsidiaries, subject to adjustment if any resulting from any obligation of Pricol to indemnify for any unforeseen liabilities / due diligence, and further subject to the approval of specified lenders. Pricol India will continue as a minority shareholder with an option to exit at a future date.

The proposed sale will help to reduce the cash outflow for Pricol in the coming years. Pricol's senior members team can concentrate on the operations of Pricol, which has good order books for the coming years. This will help to enhance the value of Pricol for all its stake holders. The major gain is in arresting further cash flow to subsidiaries in the next few years.

Accordingly, the Board of Directors of the Company, at its meeting held on 21st June 2019 has resolved, subject to the approval of shareholders, lenders, Reserve Bank of India and any other requisite approval(s), if any, to sell 80.5% shareholding of Pricol Espana Sociedad Limitada, Spain and 74% shareholding of Pricol Wiping Systems India Limited, to Chroma GP LLC, Delaware, USA or its affiliates.

The transaction with Chroma is subject to due diligence, subject to finalisation of terms and conditions of transaction documents, approval of shareholders, lenders and Reserve Bank of India, which approval are conditions precedent to the closing of the transaction. If for any reason the Board is required to re-negotiate the terms with Chroma or explore any other option including for sale to any other party, who is not a related party, approval is required for the said purpose as well.

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 (the "Act"), consent of the Shareholders would be required by way of a special resolution for sale of "Undertaking" Pricol Wiping Systems Czech s.r.o and "Substantially the Whole of the Undertaking" Pricol Wiping Systems Mexico S.A.de C.V and Pricol do Brasil Componentes Automotivos Ltd A, to the said Buyer. Further, even though the provision of Section 180(1)(a) is not applicable to sale of Wholly Owned Subsidiary "Pricol Wiping Systems India Limited", to the said Buyer, the consent of the shareholders is sought for, as the said sale transaction is a bundled offer and approval of shareholders is a condition precedent to the closing of the transaction.

Further Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that no company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in certain cases. Pricol do Brasil Componentes Automotivos Ltd A, Pricol Wiping Systems Czech s.r.o and Pricol Wiping Systems Mexico S.A.de C.V being a material subsidiary of the Company, the proposed sale requires approval of the shareholders of the Company through a special resolution.

Save and except Mrs.Vanitha Mohan, Mr.Vikram Mohan, Mr.Suresh Jagannathan, Mr.K.Ilango and their relatives, to the extent of their shareholding interest, if any, of the Company, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set out at Item No: 9 of the Notice for your approval.

Coimbatore
21st June, 2019

By order of the Board
T.G.Thamizhanban
Company Secretary
FCS No.7897

Information to be provided under Schedule V, Part II (B) of the Companies Act, 2013:

I. General Information :

1. Nature of Industry : Auto Parts & Equipments
2. Date or expected date of commencement of commercial production : Not applicable
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable

4. Financial performance based on given indicators:

₹ Lakhs

Particulars	2018-19	2017-18
Sales and Other Income	1,38,391.25	1,35,426.14
Profit / (Loss) Before Tax and Depreciation	(14,787.52)	14,578.35
Profit / (Loss) After Tax	(22,761.86)	5,508.00
Paid-up Equity Share Capital	947.97	947.97
Reserves and Surplus	63,074.38	86,979.06
Basic & Diluted Earnings Per Share (₹)	(24.04)	5.64

5. Export performance and net foreign exchange:

₹ Lakhs

Particulars	2018-19
Export performance (FOB Value)	7,216.52
Foreign Currency Expenditure	26,791.15
Net Foreign Exchange Earnings	(18,980.11)

6. Foreign investments and collaborators, if any :

₹ Lakhs

Wholly Owned Subsidiary	Investment Amount as on 31.3.2019
i. PT Pricol Surya Indonesia	4,525.69
ii. Pricol Asia Pte. Limited, Singapore	150.38
iii. Pricol Espana Sociedad Limitada, Spain	19,445.07

II. Information about the appointee(s) :

Particulars	Mr.Vikram Mohan	Mr.V.Balaji Chinnappan
Background details	Mr.Vikram Mohan, 44 years of age, is an Industrialist and Managing Director of the Company. He is also a Director in 5 Public Limited Company, 4 Private Limited Company and 2 Foreign Company.	Mr.V.Balaji Chinnappan, 54 years of age, is Chief Operating Officer of the Company and is a Director in 1 public limited company.
Past Remuneration	₹134.31 lakhs.	₹ 57.43 lakhs.
Recognition or awards:	Bachelor of Engineering (Production Engineering)	Bachelor of Engineering (Production Engineering) and Master of Business Administration (Strategy & HR)
Job Profile and his suitability:	<p>He is the Managing Director of the Company.</p> <p>He is having 23 years of overall experience in the Auto Component and various other industries and shall be responsible for strategy, Finance, Customer Relationship Management and Public Relations of the Company.</p>	<p>He is the Chief Operating Officer of the Company.</p> <p>He is having 32 years of overall experience in the Auto Component Industry and shall be responsible for overall manufacturing operations of the Company.</p>
Remuneration proposed	Refer Resolution No.3	Refer Resolution No.5
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid in comparable companies.	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered on him and the industry bench marks, the remuneration proposed to be paid is commensurate with the remuneration packages paid in comparable companies.
Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:	Managing Director of the Company. Mr.Vikram Mohan is related to Mrs.Vanitha Mohan, Chairman	Chief Operating Officer of the Company. No relationship with the managerial personnel.

III. Other Information :

1. Reasons for loss or inadequate profits:

The Board has, subject to shareholders, lenders and regulatory approvals, taken a considered decision to hive off its investment in its wholly owned subsidiary, Pricol Espana S.L., Spain, primarily to hive off the step down subsidiary unit at Brazil which requires continuous investments for its day to day operations. The Board is necessitated to hive off its other step down subsidiaries, Pricol Wiping Systems Czech s.r.o and Pricol Wiping Systems Mexico S.A. de C.V.

along with the Investment in Pricol Wiping Systems India Limited as a strategic / bundled offer, reckoning commonality of customer base and in order to minimise the financial impact of the disposal. The decision was taken to arrest further flow of funds into markets which are not conducive for sustaining the business at the current levels and also which does not seem to revive in the near future.

Consequently, these investments have been classified as Non-current Investments held for

sale in accordance with Ind AS 105 - "Non Current Assets held for sale and Discontinued Operations". A provision of ₹ 23,197.75 Lakhs, including an estimated devolvement on account of guarantee, has been made in Standalone Financial Statements based on a preliminary assessment of estimated realisable value of the Investments less cost to sell and an Impairment of Goodwill on Consolidation of ₹ 5,170.67 Lakhs has been provided in the Consolidated Financial Statements. Any additional provision to be made or excess provision to be reversed will be appropriately dealt with in the year in which the transaction reaches finality.

The above provision has resulted in a loss in the year 2018-19.

2. Steps taken or proposed to be taken for improvement:

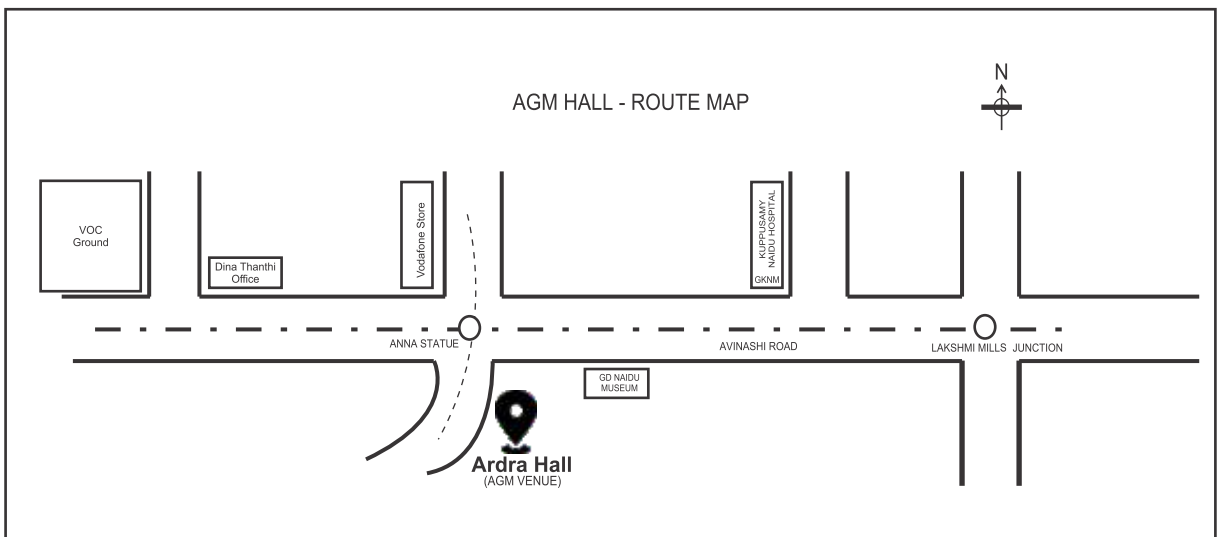
Once the sale of above subsidiary companies, completed, outflow by way of investment will be restricted and improvement in Pricol standalone profits.

3. Expected increase in productivity and profits in measurable terms :

Considering the prevalent volatile conditions in the Auto industry, the turnover and profitability are not predictable

IV. Disclosures

1. The shareholders of the company shall be informed of the remuneration package of the managerial person **Disclosed**
 2. The following disclosures shall be mentioned in the Board of Directors' report under the heading "Corporate Governance", if any, attached to the annual report:
 - a. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors: **Disclosed**
 - b. Details of fixed component and performance linked incentives along with the performance criteria: **Disclosed**
 - c. Service contracts, notice period, severance fees: **Disclosed**
 - d. Stock option details: **Disclosed**
- The Company has not issued any Stock option
- V.** The Company has not defaulted in repayment of any of its debt / debentures / public deposits





CIN : L34200TZ2011PLCO22194
 Regd. Office : 109, Race Course, Coimbatore - 641 018, India.
 Phone : +91 422 4336000, Fax : +91 422 4336299, Website : www.pricol.com, e-mail : cs@pricol.co.in

ATTENDANCE SLIP

I/We hereby record my/our presence at the 8th Annual General Meeting of the Company held on Thursday 29th August, 2019 at 4.30 p.m. at 'ARDRA', No.9, North Huzur Road, (Near Anna Statue), Coimbatore - 641 018.

 Signature of Shareholder / Proxy

Note : Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD



CIN : L34200TZ2011PLCO22194
 Regd. Office : 109, Race Course, Coimbatore - 641 018, India.
 Phone : +91 422 4336000, Fax : +91 422 4336299, Website : www.pricol.com, e-mail : cs@pricol.co.in

PROXY FORM (Form No. MGT 11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

8th Annual General Meeting - 29th August, 2019

Name of the member (s):

Registered address:

E-mail Id:

Folio. No. / DP ID No. & Client ID No.:

I/We, being the member (s) of shares of Pricol Limited, hereby appoint:

1. Name:..... 2. Name:..... 3. Name:.....

Address:..... Address:..... Address:.....

E-mail Id:..... E-mail Id:..... E-mail Id:.....

Signature:....., or failing him/her Signature:....., or failing him/her Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th Annual General Meeting of the Company, to be held on Thursday, August 29, 2019 at 4.30 p.m. at 'ARDRA', No.9, North Huzur Road, (Near Anna Statue), Coimbatore - 641 018, India. and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No	Resolution
1.	Adoption of Financial Statements and Reports of the Board of Directors and Auditors.
2.	Re Appointment of Mr. Vikram Mohan (DIN: 00089968), who retires by rotation as a Director.
3.	Re Appointment & Remuneration to Mr. Vikram Mohan (DIN: 00089968) Managing Director.
4.	Appointment of Mr. V. Balaji Chinnappan (DIN: 08014402) as a Director.
5.	Appointment & Remuneration to Mr. V. Balaji Chinnappan (DIN: 08014402) Chief Operating Officer.
6.	Appointment of Mr. K. Ilango (DIN: 00124115) as an Independent Director.
7.	Appointment of Mr. P. Shanmuga Sundaram (DIN: 00119411) as an Independent Director.
8.	Ratification of Remuneration payable to Cost Auditor.
9.	Sale of subsidiary Company(s).

Signed this day of 2019

Affix Re. 1
 Revenue
 Stamp

.....
 Signature of Shareholder

.....
 Signature of Proxy holders

- Notes: 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.
 2) A Proxy need not be a member of the Company.
 3) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.