PRICOL LIMITED
Passion to Excel

Annual Report 2022

Technology At The Core
People At The Fore

DISCLAIMER

The contents of this Annual Report are for informational purposes only and for the reader's personal non-commercial use. The contents are intended but not guaranteed to be correct complete or absolutely, accurate. This presentation also contains forward-looking statements based on the currently held beliefs and assumptions of the Management of the Company, which are expressed in good faith and in their opinion are reasonable.

Forward looking statements involve known and unknown risks, contingencies, uncertainties, market conditions and other factors which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. The Company disclaims any obligation or liability to any person for any loss or damage caused by errors or omissions whether arising from negligence, accident or any other cause.

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FINANCIAL STATEMENTS

Note: Across this report, the word 'Pricol' refers to 'Pricol Limited'.

Forward-looking Statements

In this Annual Report we may have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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COMPANY PROFILE

Pricol Limited is one of India's leading automotive components and precision engineered products manufacturers head quartered in Coimbatore. Pricol commenced its operations in the year 1975 in Coimbatore, South India and today it strides as a reputable global brand in the automotive component and products business, highly recognized by top automotive OEMs across the world.

The company carries out its business and operations in Driver Information Systems and Sensors, Pumps and Allied Products, Telematics and Wiping Systems catering to leading automotive OEMs in Two / Three Wheeler, Passenger Vehicles, Commercial Vehicles, Farm Equipment and Offroad Vehicles across India and in International Markets (45+countries) with 2000+ product variants.

Today the company has 7 manufacturing plants across Coimbatore, Manesar, Pantnagar, Pune and Sricity in India, 1 manufacturing plant in Jakarta, Indonesia and 1 subsidiary in Satara in India, with 2 international offices in Tokyo, Japan and in Singapore. Pricol Group is powered by 5000+ strong, dedicated workforce which resolutely pursues the mission to be PASSIONATE, SUSTAINABLE, DYNAMIC and EVOLVING.

Our Mission

We will strive to attain leadership and excellence in all the products and services that we provide, through socially and environmentally acceptable means.

Our Values

Be Dynamic

Constantly innovate and find better ways to deliver value to our customers

Constantly Evolve

Improve in every sphere of our activity

Work Passionately

To enhance value to our customers, employees, suppliers and shareholders

Be Sustainable

Care for the society and environment around us

Our Vision

Passion

Whatever we do, we do it from the bottom of our heart.

Respect

We respect those who add value to our lives.

Integrity

We never compromise on our values.

Collaboration

We believe in working towards a unified goal.

Ownership

We are responsible for all our actions.

Listen

We listen to both the spoken and unspoken before we act.

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PRICOL'S PRESENCE

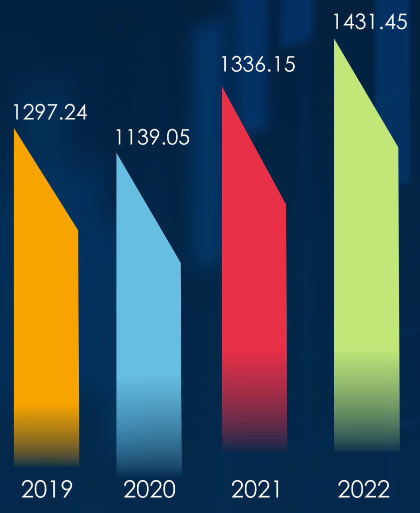
Plant Locations

International Offices

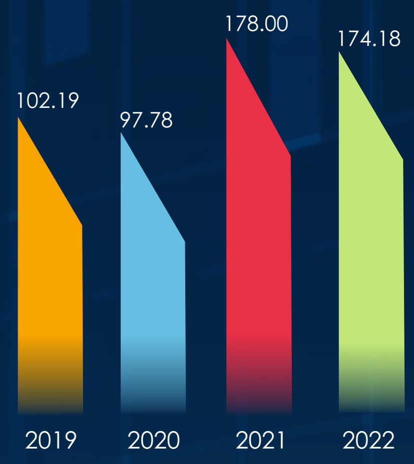
KEY FINANCIAL HIGHLIGHTS (Standalone)

All Value in INR(₹) Crs

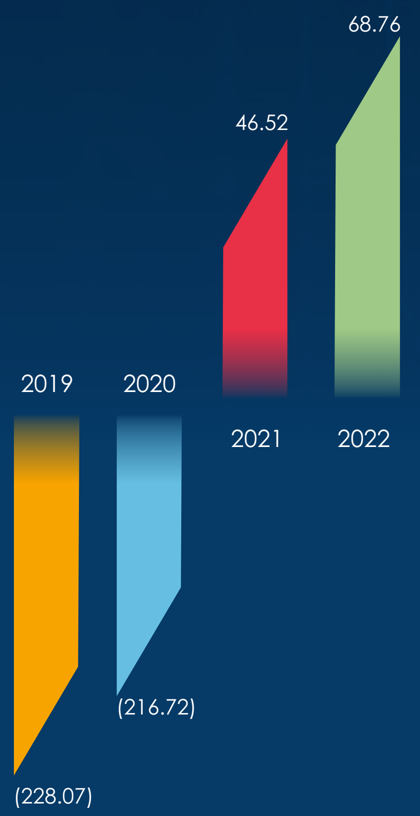
Revenue From Operations



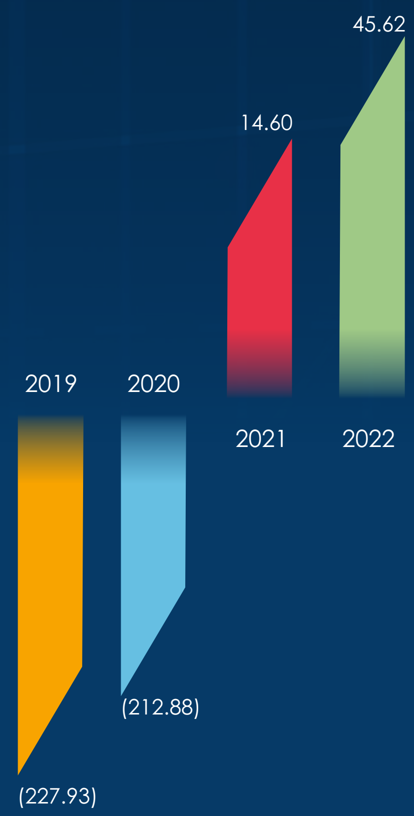
EBITDA



Profit Before Tax



Profit After Tax



PERFORMANCE HIGHLIGHTS

All Value in INR(₹) Crs

REVENUE

Standalone	1,431.45
Consolidated	1,500.07

EBITDA

Standalone	174.18
Consolidated	189.40

PROFIT BEFORE TAX

Standalone	68.76
Consolidated	80.28

ROCE (%)

Standalone	12.24
Consolidated	13.52

FREE CASH FLOW

Standalone	98.19
Consolidated	112.26

CASH RESERVES

Standalone	2.55
Consolidated	50.15

OVERALL CURRENT DEBT

Standalone	126.45
Consolidated	128.06

Despite tough market conditions, at a consolidated level,

Cash generated from operations is ₹ 161.56 Crores in FY 22 as against ₹ 75.60 Crores in FY 21

Long terms borrowings is reduced to ₹ 125.15 Crores in FY 22 as against ₹ 244.86 Crores in FY 21

Technology At The Core, People At The Fore

Since our inception, Pricol has always been a symbol of holding its values, vision, and mission in high regard along with our perusal to achieve excellence in all that we do. Staying true to that core, we commit ourselves to create value for all our stakeholders, i.e. customers, suppliers, shareholders and employees, and the community at large.

This year we have largely focussed on two key aspects for charting our growth story – Technology and People

Technology is becoming a driving force of change across all sectors and automotive industry has seen a its fair share of technology disruption. Right from our earlier years, we have been embracing the changes positively to stay ahead of the curve. Today, we are at the forefront of innovation in our sector with cutting edge work carried out by our team complemented with strategic partners to deliver best-in class products and solutions. We have already become EV ready in our class of products and solutions and further enhancing our portfolio through select partnerships. With such building blocks in place, we are committed to grow our business with strong technology footprint and further augment our leadership in our sector.

People are the greatest strengths of any organization and we acknowledge the fact that we have one of the best human minds associated with us for decades. Pricol has always been known to take good care and interests in their people and recognized as one of the best places to work for. With our aspirations to provide the best work environment at all times, we are reinventing ourselves and moving beyond our legacy thinking to stay relevant in today's time with renewed policies and programs so as to amplify value generation to our people. We stay committed to enhance the well-being of our people in all fronts at all times.

At Pricol, technology and people are a winning combination which makes the real and positive difference. With the right balance of technology and people, we are able to adopt a holistic view in making the right choices for our growth.

BUSINESS HIGHLIGHTS

Technology Partnership with Sibros Technology Inc for End-to-End Telematics Solution.

Entered into a strategic technology partnership in February 2022 to deliver Deep Connected Vehicle Solutions in the Indian and ASEAN markets.

Sibros' connected all-in-one platform will complement Pricol's suite of products on Driver Information Systems (DIS) and Telematics to offer end-to-end solutions to the OEMs. The cloud-based platform of Sibros, combined with the next generation products of Pricol, will enable features such as OTA software and firmware updates, vehicle data insights for analytics, diagnostics and troubleshooting for the OEMs to make the best use of the connected solutions.

Sibros is an award-winning connected vehicle software company founded in 2018 and located in the heart of Silicon Valley, guided by passionate leaders Hemant Sikaria from Tesla and Mayank Sikaria from Faraday Future with fast growing team of 80+ with deep automotive tech and mobility roots. Sibros recently raised USD 70 million through Series B funding led by Energy Impact Partners (EIP) with participation from Google, Qualcomm Ventures, Fontinalis Partners, Iron Pillar and existing investors Nexus Venture Partners and Moneta Ventures.

Strategic Partnership with Candera CGI Studio for HMI Solutions

Pricol has Collaborated with Candara for Human Machine Interface (HMI) engineering to bring cost effective solution for vehicle across all segments with shorted lead time.

As vehicles become smarter by the day and the landscape is shifting towards EVs, the need for a clear and concise interface between man and machine is more apparent. Pricol has been working towards adopting the next-generation technologies and systems like powerful multi-core processors, larger displays, CGI studio, ASPICE, AUTOSAR, ISO26262, and Over the Air (OTA) updated, vehicle tracking, remote diagnostics, predictive maintenance and more.

Candera CGI Studio is a scalable and hardware independent HMI design software with 21 years of experience. The special USP of this GUI creation tool are its user-friendly interface and the high-performance representation of 2D / 3D display elements and animations. More than 5,00,00,000 cars worldwide are equipped with CGI Studio HMI Application.

BUSINESS HIGHLIGHTS

Centre of Excellence along with PSG College of Technology for Micro Motors and Robotics.

The PSG - Pricol Centre of Excellence was inaugurated jointly by Mr. Vikram Mohan, Managing Director, Pricol Limited and Mr. L.Gopalakrishnan, Managing Trustee, PSG Institutions in the presence of top management personnel from Pricol and the Management, Governing Council members, faculty and students at PSG College of Technology.

Pricol has identified several new Technology products and innovative processes to meet demanding requirement of automotive OEMs in India and International Markets. The Centre of Excellence has been conceptualized to develop high efficiency micro motors and Robotics and Artificial Intelligence based processes and equipment. With Pricol's strong foot print in product domain and customer connect and PSG Institutions' expertise in first principle fundamentals, the Centre of Excellence will certainly benefit the community at large to come out with world class new technology products and processes.

सत्यमेव जयते
Goverment Of India

Pricol is approved for PLI (Production Linked Incentives) Scheme

The PLI scheme (outlay of $ 3.5 bn(or) ₹ 25,938 crore) for the automobile sector proposes financial incentives of up to 18% to boost domestic manufacturing of Advanced Automotive Technology (AAT) products and attract investments in the automotive manufacturing value chain...

Pricol Limited is approved by the Ministry of Heavy Industries(MHI) for the Component champion Incentive Scheme. Total 95 applicants have been approved under this PLI Scheme: 20 under Champion OEM and 75 under Component Champion.

Incentives are applicable under the scheme for determined sales of Advanced Automotive Technology (AAT) products manufactured in India from 1st April 2022 onwards for a period of 5 consecutive years.

CHAIRMAN'S MESSAGE

"Today, Pricol is becoming a force to reckon within the Indian automotive industry with global recognition."

Chairman's Message

Dear Shareholders,

Greetings from Pricol !

With the threat of COVID-19 behind us (well almost), I hope you and your family are safe, keeping good health and moving steadily towards normalcy in your day-to-day lives and I pray for everyone's wellbeing.

From its humble beginnings in Coimbatore more than four decades ago, Pricol, your company, today is recognised across the world for innovative, yet cost effective automotive solutions to OEMs. Aiming at technology and engineering excellence, we are driven by a passionate work force that has led the company to partner with leading automotive brands through solutions that help them stay ahead of the curve.

The past two years presented unprecedented challenges in every which way, but at the same time also offered unanticipated opportunities. By continuing to being bold, remaining resilient and prioritising futuristic decisions, we sailed through the challenges and augmented new opportunities that will put us in good stead in the years to come. We also put a clear and strategic emphasis on all our stakeholders so as to grow stronger together.

The domestic auto industry was looking forward to decent growth in the calendar year 2022. But with the current situation of increase in raw material costs and semiconductor prices, coupled with supply chain disruptions could become headwinds for the Indian automobile industry going forward this year thereby affecting growth. Restricted supplies of critical raw materials are causing new supply chain impacts, driving up raw material prices including that of lithium, cobalt and nickel, aluminium and to some extent steel too. Furthermore, gases used in the production of semiconductors are also impacted – although the overall effect is unlikely to be immediately material. To cope with these cost increases, automakers across regions have reluctantly increased their vehicle prices, despite the likely impact on demand. So there certainly are risk factors that exist because of these inflationary pressures and geopolitical tensions. Nevertheless, we are gearing up internally to manoeuvre these challenges and deliver results to best of our efforts in all possible ways.

As a responsible business house, we are constantly evolving each day and continuously working on the improvement of all stakeholders and society at large. I am personally involved in several initiatives to improve the safety, physical and mental well-being of all our associates across the organization and various communities outside the organization as well. Plus, we also undertake sustainability initiatives focussed on tree plantation, water conservation, renewable energy, etc as a commitment and a moral responsibility to give back to Mother Earth.

Today, Pricol is becoming a force to reckon with in the Indian automotive industry with global recognition. With the blessings of the almighty and all our sustained efforts, we are here to grow putting our focus on technology, people and society at large. I take this opportunity to thank each and every one of you for your trust and confidence in our vision. I would like to acknowledge the contributions of all our employees, board members, bankers, business partners and shareholders for their continued support and faith in us.

Best wishes,

Vanitha Mohan

Vanitha Mohan

MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

As the world encountered unprecedented challenges and economic slowdown over the past two years, we at Pricol displayed exceptional resilience to navigate the turbulent times and swiftly transform ourselves so as to continue our growth trajectory. It is this resilient nature of ours, backed by our rich legacy and strong commitment to our values, has enabled us to adapt to the changing times and today we are seen as a globally renowned brand in the automotive industry.

Technology at the Core

The technology landscape of future mobility is going through a rapid transformation. With CASE (connected, autonomous, shared and electrification) becoming a popular acronym in the industry, the sheer fabric of mobility is getting disrupted with major technological advancements. At Pricol, we have always been at the forefront of exploring and adopting new technologies and providing cutting edge solutions to our customers. Whilst we continue to put our best efforts for in-house product development, we are also embracing partners who complement our solutions and product portfolio to keep pace with the technological advancements.

Our recent partnership with Sibros, a company based out of Silicon Valley and founded by ex-Tesla members, to enhance our Telematics Solutions offering and provide a deep connected end-to-end solution is one such example. Similarly, with a focus on electrification, our teams have internally developed Electric Coolant Pump a case in point as yet another example.

Today, Pricol is seen as one of the leading automotive technology companies providing a holistic solution and benchmarked as best in class in the industry against global

Managing Director's Message

competition. We are continuing to put our focussed and sustained efforts to become an innovation powerhouse to address the future mobility trends.

People at the fore

One of the key strengths of Pricol is its people who have stood by the company rock solid at all times. As a responsible management, we acknowledge this very fact and always believe in the well-being of our employees. Keeping our legacy thinking aside, we are in constant pursuit to evolve and be relevant to our people in line to current market scenarios. We have relooked into the human resource policies and made significant changes fundamentally for our people to embrace the workplace even better. With renewed policies, rewards and recognition programs being put in place and upgradation of workplace facilities, we believe to create an ecosystem and build a stellar team with right talent, who will resonate with the tagline "My Pricol My Pride".

Moving Ahead with Caution

We saw the Indian automotive sector moving into calendar year 2022 with subdued optimism and hoping for some semblance of normalcy coming back into global supply chains in the latter half of the year. Despite the semiconductor / chip shortage situation which had a major impact on sales and profitability for the sector, we managed to build quite a strong base in FY22 to move forward. We reported a consolidated revenue of INR 1,500.07 crores with a 12.63% EBITDA and a PBT of INR 80.28 crores. Cash generated from operations was INR 161.56 crores and we reduced our long terms borrowings significantly to INR 125.15 crores as compared to INR 244.86 crores in last financial year.

Though the covid regulations are opening up and the economic activities are gaining momentum, the outlook for the industry remains bleak with continued chip shortage and supply chain disruptions. With a strong order book in hand, our focus remains sharp towards meeting the customer demands as much as possible and be consistent in our approach in all facets of business and operations thereby outperforming the market growth.

Creating Value

It is our collective responsibility to create long-term value for all our stakeholders and we are building our company with that very principle in all aspects. With leaner and integrated operations across the automotive value chain, we are developing world-class products and solutions with high value and high margins, while improving efficiencies and elevating customer experience.

The ebbs and flows of business cycles notwithstanding, we have focussed on strengthening our balance sheet, upholding the highest standards in ethical and responsible business practices and striving towards a shared future of prosperity. The strategic moves Pricol has made over the last few years has given it the structural and financial strength to capture the opportunities that arise going forward, while ensuring its resilience in the face of uncertainty and a dynamic operating environment.

Welcoming Senior Management Council

I also wish to take this opportunity to welcome the new senior management council which has been constituted to effectively manage the growth needs of the company :

1. Mr. P. M. Ganesh has been elevated as the Chief Executive Officer & Executive Director.
2. Mr. Ameer D has been elevated to Director – Technology and Quality Systems
3. Mr. Siddharth Manoharan has been elevated to Director - Strategy and Projects

On behalf of the Board of Directors, I would like to thank our customers, shareholders, banking partners, automobile manufacturers and channel partners for reposing trust and faith in us. Last but not the least, I would like to whole heartedly thank my colleagues for their continued support for the growth of Pricol!

Best wishes,

Vikram Mohan

SELECT RECENT BUSINESS WINS

EV CLUSTERS



2W CONNECTED, LCD & TFT CLUSTERS

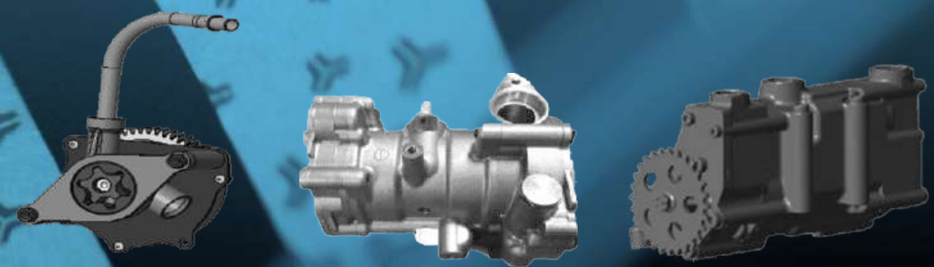


2W ELECTRONIC DIGITAL CLUSTERS


PASSENGER VEHICLES CLUSTERS


OFF ROAD VEHICLES CLUSTERS

OIL PUMPS



WATER PUMP

SELECT AWARDS

New Launch
support for
Gurukha vehicle

Award received for
extraordinary Support for
suppling more than 2,00,000
instrument cluster even
during covid period.

Appreciation Award
for Quality Improvement

Award received for Best
Case Study on LCV for
Productivity Improvement

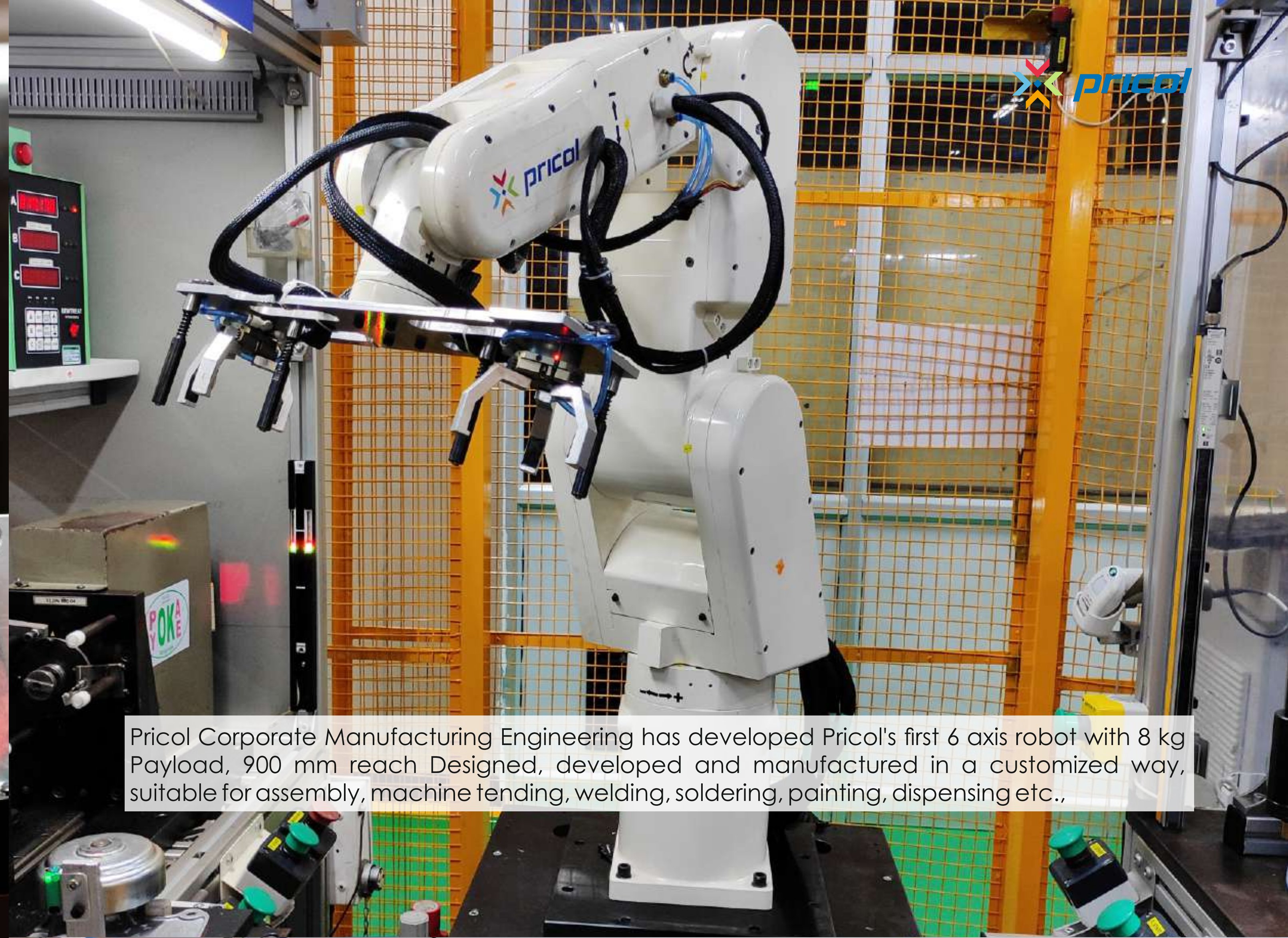
Pricol Won Gold & Silver
Award in 6th Chapter
Convention on Quality
Concepts Organized by
Quality Circle Forum of India.

Pricol Won Gold Award in
11th Edition of Productivity
Conclave 2022 Organized by
COIMBATORE PRODUCTIVITY
COUNCIL

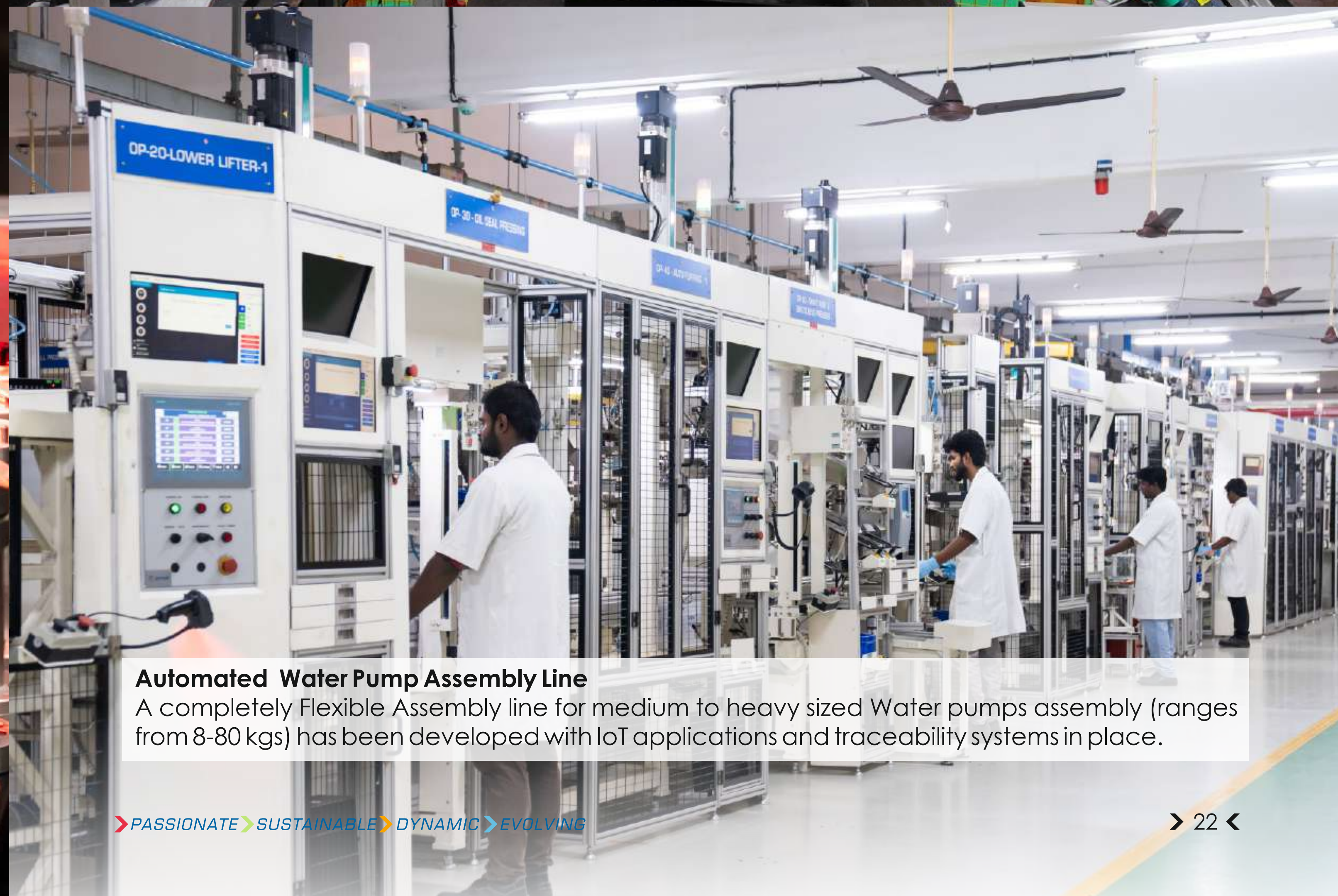
Corporate Manufacturing
Engineering teams have won
Excellence & Distinguished
Awards in 35th National
Convention on Quality
Concepts 2021 organized by
Quality Circle Forum of India

MANUFACTURING EXCELLENCE

Pricol Corporate Manufacturing Engineering has developed Pricol's first 4 axis robot with 10 kg Payload, 600 mm reach Designed, developed and manufactured in a customized way, implemented for Pointer Pressing in assembly line.



Pricol Corporate Manufacturing Engineering has developed Pricol's first 6 axis robot with 8 kg Payload, 900 mm reach Designed, developed and manufactured in a customized way, suitable for assembly, machine tending, welding, soldering, painting, dispensing etc.,

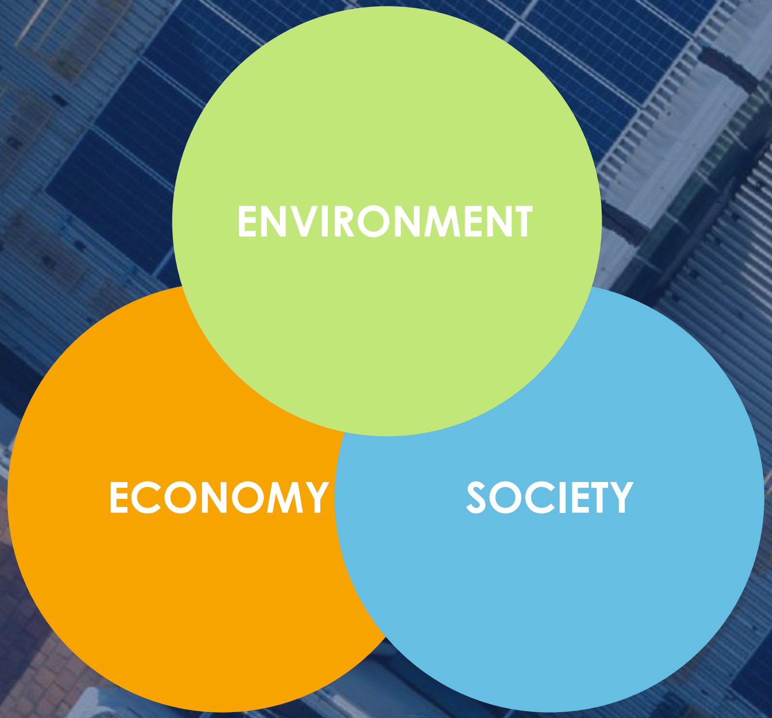


Automated Water Pump Assembly Line

A completely Flexible Assembly line for medium to heavy sized Water pumps assembly (ranges from 8-80 kgs) has been developed with IoT applications and traceability systems in place.

SUSTAINABILITY

RENEWABLE ENERGY ROAD MAP



For Pricol, Sustainability is more about a moral responsibility to give back to the future generation.

So, as an organization, we focus on sustainability in every action we take, and we give at most priority in driving these sustainable actions through various initiatives. One such area of focus is the renewable energy, where we have set ourselves a goal to reach more than 50% of our in-house electricity consumption through renewable sources. Currently, we are at 17% through various power purchase modes like roof top solar, etc.., with a clear roadmap to reach 33% by Oct'22 and 50% by Mar'23

We believe that "Energy is Essential for development, and sustainable energy is essential for sustainable development".

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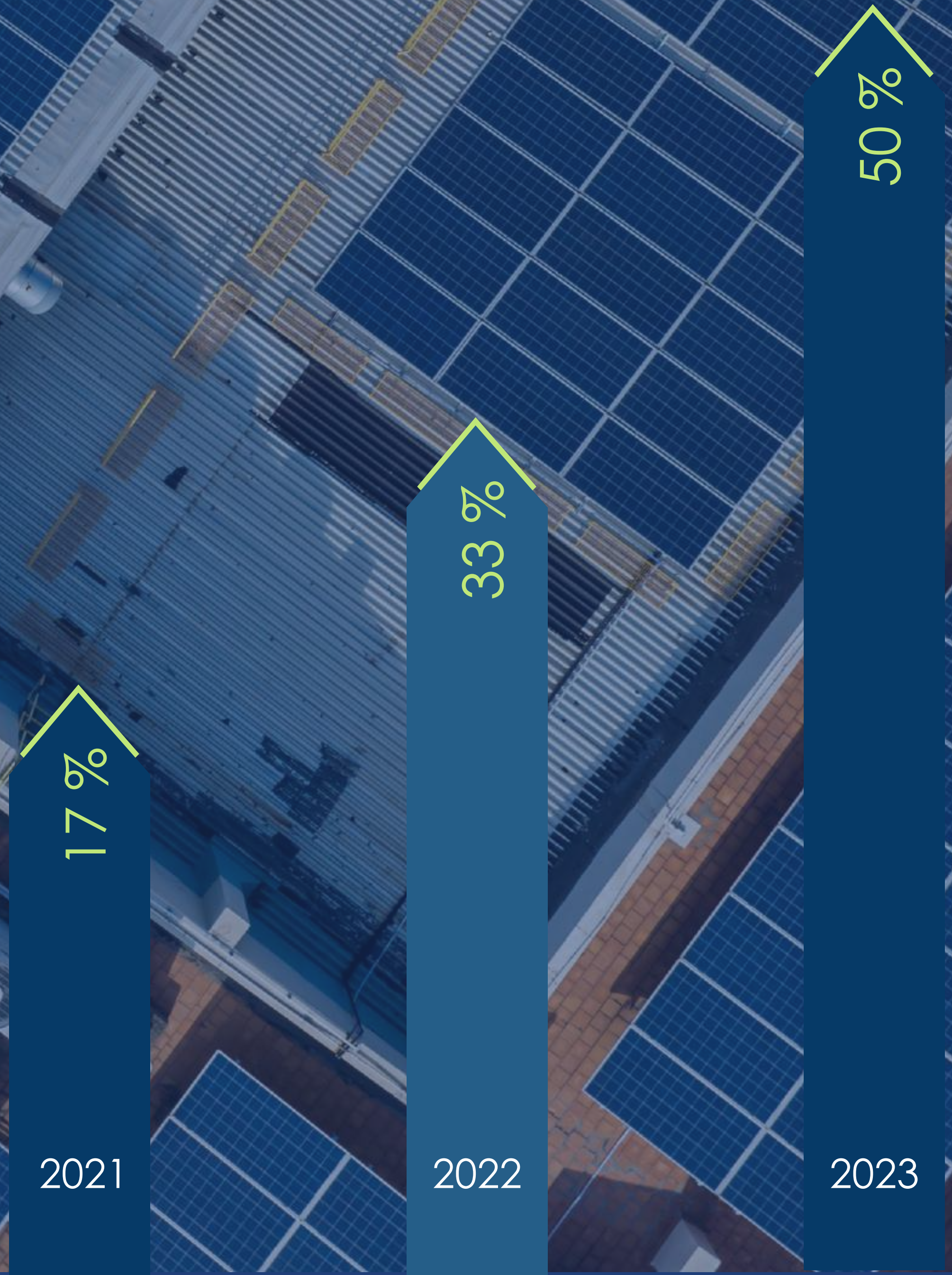


DRIVER INFORMATION & CONNECTED VEHICLE SOLUTIONS

PRODUCTS & SOLUTIONS

Instrument Cluster

Connected Vehicle Solutions

Telematics

Body Control Module

Sensors

Speed Sensor

TFR Type Fuel Level Sensor

Reed Type Fuel Level Sensor

Pressure Transducer

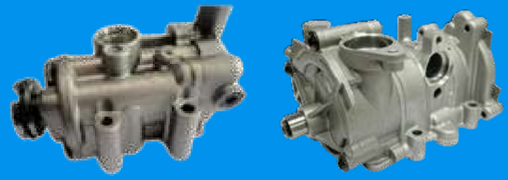
Camshaft / Crankshaft Position Sensor

ACTUATION, CONTROL & FLUID MANAGEMENT SYSTEMS

Fuel Pump Module

Water Pumps

Oil Pumps



Variable displacement Oil Pumps

Electrical Coolant Pumps

Wiping Systems

Cabin Tilting System

Electrical Oil Pump

E-Purge Valve

Charge Pump

Fuel feed Pump

Chain Tensioner

ESTEEMED CLIENTELE

TWO WHEELERS

aprilia, BAJAJ, BMW, DERBI, DUCATI, HARLEY-DAVIDSON, Hero, HONDA, Indian, Kawasaki, KTM, Mahindra, MOTO GUZZI, Motori Minarelli, PIAGGIO, ROYAL ENFIELD, SUZUKI, TVS, VICTORY, YAMAHA

COMMERCIAL VEHICLE

ASHOK LEYLAND, DAIMLER, FORCE MOTORS, Mahindra, NISSAN, PIAGGIO, SWARAJ MAZDA, TATA, VE COMMERCIAL VEHICLES (A VOLVO GROUP AND EICHER MOTORS JOINT VENTURE), VOLVO

INDUSTRIAL & OTHERS

beml (NEW FRONTIERS, NEW DREAMS), Cummins, DELPHI, DEUTZ, DENSO, GREAVES (SINCE 1859), Kirloskar

FOUR WHEELERS

FIAT, Mahindra, MARUTI SUZUKI, MITSUBISHI, NISSAN, PSA GROUPE, ŠKODA, SUZUKI, TATA, TOYOTA, Volkswagen

TRACTORS

CNH INDUSTRIAL, ESCORTS, INDO FARM EQUIPMENT LIMITED, JOHN DEERE, Kubota, Mahindra, NEW HOLLAND AGRICULTURE, PREET, SAME, SONALIKA INTERNATIONAL, TAFE, VST TILLERS TRACTORS LTD.

OFF ROAD VEHICLE

Bobcat, CAT, DOOSAN, HYUNDAI CONSTRUCTION EQUIPMENT, JCB, TATA HITACHI, TEREX

BOARD OF DIRECTORS

CHAIRMAN

MRS. VANITHA MOHAN

Mrs. Vanitha Mohan (69) is a Commerce Graduate with a Post-Graduate Diploma in Business Management from the University of Strathclyde, Glasgow, UK. She has 36 years of experience and heads the Internal Audit functions and Corporate Social Responsibility activities at Pricol along with which she also acts as a Director of Sagittarius Investments Private Limited and Shrimay Enterprises Private Limited. She is the Managing Trustee of SIRUTHULI, an NGO formed to address the environmental issues of Coimbatore with focus on water management and enhancement of green cover of the city. She is also a Trustee of ND Foundation and the Vice Chairman at Kongu Global Forum, an organisation set up for the development of 7 districts forming part of the Kongu region of Tamil Nadu prior to which she is a past President of the 92 year old Indian Chamber of Commerce and Industry, Coimbatore.

INDEPENDENT DIRECTOR

MR. R. VIDHYA SHANKAR

Mr. R. Vidhya Shankar (52) holds a Bachelor of Commerce and Bachelor of Law degree from Bharathiyar University, Coimbatore. He is a Gold Medalist and holds the record for a very rare first class in Law at Bharathiyar University. He specialises in Corporate Law, including in corporate transactions, corporate restructuring, schemes and arrangements, corporate litigations, domestic and international arbitrations, capital market, FEMA compliances, cross-border transactions and general corporate advisory services. He has several reported decisions in the field of corporate law to his credit.

MANAGING DIRECTOR

MR. VIKRAM MOHAN

Mr. Vikram Mohan (47) holds a bachelor's degree in Production Engineering with an Honors from PSG College of Technology, Coimbatore. He has 26 years of experience and is responsible for Strategy, Finance, Customer Relationship Management and Public Relations at Pricol. 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.

CEO & EXECUTIVE DIRECTOR

MR. P. M. GANESH

Mr. P. M. Ganesh (53) holds a Bachelor's Degree in Engineering from Coimbatore Institute of Technology, and an MBA (Gold Medalist) from Bharathiar University. He is currently responsible for the company's overall operations driving profitability, managing organizational structure and communicating with the management and board. He has held various positions in other firms before joining Pricol Limited in 2013 as the Chief Marketing Officer, wherein his responsibilities included planning, developing, implementing, and monitoring the overall business marketing strategy of the company. With more than 29 years of rich industrial experience, he is also a Director in Pricol Wiping Systems India Limited and an executive member in the Group's Risk Management Committee.

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INDEPENDENT DIRECTOR

MRS. SRIYA CHARI

Mrs. Sriya Chari (48) years of age is a B. Com (Hons.) graduate from Sriram College of Commerce, Delhi and holds an MBA from Cardiff Business School, University of Wales. She comes with 29 years of experience and also acts as the Director of Rajsriya Automotive Industries Private Limited, Yogya Systems Private Limited, and India Motor Parts & Accessories Limited.

INDEPENDENT DIRECTOR

MR. P. SHANMUGASUNDARAM

Mr. P. Shanmugasundaram (73) holds a B. Com, LLB, FCA, and comes with 47 years of experience as a Chartered Accountant. He is also a partner at the Reddy Goud & Janardhan, Chartered Accountants Firm, Bengaluru and acts as an Independent Director at Listed Companies namely L.G. Balakrishnan & Bros Limited and LGB Forge Limited. He holds the post of Chairman of Audit Committee in both the companies while holding an additional post of member of Nomination and Remuneration Committee of LGB Forge Limited.

INDEPENDENT DIRECTOR

MR. NAVIN PAUL

Mr. Navin Paul (64) holds a bachelor's degree in Science in Mechanical Engineering (with Honors) from National Institute of Technology, Kurukshetra, Haryana and a master's degree in Business Administration from Faculty of Management Studies, Delhi. He is also a Director in IP Rings Limited, Brakes India Private Limited and Amalgamations Repco Limited. He is also the Executive Committee Member of ACMA and Co-Chair of Government Regulations and Advocacy Sub Pillar. He was the Former Executive Vice President Sales and Marketing of Mobility Solutions with BOSCH, India from 2011-2017 reporting to BOSCH Board of Management in Germany.

INDEPENDENT DIRECTOR

DR. S. K. SUNDARARAMAN

Dr. S. K. Sundararaman (49) holds an MBBS Degree in his undergraduate studies and master's in business management from Cambridge University, U.K. He is currently the Managing Director of Shiva Texyarn Limited and the Managing Trustee of the Firebird Institute Of Research In Management. He has been the past Chairman of CII Coimbatore, Education Convener of CII, Tamilnadu. He is currently the Chairman of the Indian Technical Textile Association, Vice Chairman of The Southern India Mills Association & Vice Chairman of SIMA CDRA. He is director in 6 Public Limited Companies and 6 Private Limited Companies. He is also on the Governing Councils of Textile Associations.

INDEPENDENT DIRECTOR

MR. K. ILANGO

Mr. K. Ilango (57) holds a bachelor's degree in engineering and comes with 35 years of experience in manufacture of Auto Components. He also holds the position of Managing Director of RSM Autokast Private Limited and Codissia Industrial Park Limited. He is also a Director of KKR Securities Private Limited, Rajshree Sugars & Chemicals Limited and Tamil Nadu Electricity Consumers' Association. He is a Past President of Round Table India and CODISSIA. He is the Chairman of Round Table India Foundation and Treasurer at Codissia Intec Technology Center.

BOARD OF DIRECTORS

Mrs.	Vanitha Mohan, Chairman	(DIN: 00002168)
Mr.	Vikram Mohan, Managing Director	(DIN: 00089968)
Mr.	P. M. Ganesh, (from 8th November 2021) Chief Executive Officer & Executive Director	(DIN: 08571325)
Mr.	R. Vidhya Shankar, Independent Director	(DIN: 00002498)
Mrs.	Sriya Chari, Independent Director	(DIN: 07383240)
Dr.	S.K. Sundararaman, Independent Director	(DIN: 00002691)
Mr.	P. Shanmugasundaram, Independent Director	(DIN: 00119411)
Mr.	K. Ilango, Independent Director	(DIN: 00124115)
Mr.	Navin Paul, Independent Director	(DIN: 00424944)
Mr.	Balaji Chinnappan (upto 8th November 2021), Chief Operating Officer	(DIN: 08014402)

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. P. Shanmugasundaram
Mr. R. Vidhya Shankar
Mrs. Sriya Chari
Dr. S.K. Sundararaman
Mrs. Vanitha Mohan

NOMINATION & REMUNERATION COMMITTEE

Mr. R. Vidhya Shankar
Mrs. Sriya Chari
Mr. P. Shanmugasundaram

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. R. Vidhya Shankar
Dr. S.K. Sundararaman
Mrs. Vanitha Mohan
Mr. Vikram Mohan

INVESTMENT AND BORROWING COMMITTEE

Mrs. Vanitha Mohan
Mr. Vikram Mohan
Mr. R. Vidhya Shankar
Mr. P. Shanmugasundaram

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mrs. Vanitha Mohan
Mr. Vikram Mohan
Mr. K. Ilango

RISK MANAGEMENT COMMITTEE

Mr. Vikram Mohan
Mr. K. Ilango
Mr. P. M. Ganesh

CHIEF FINANCIAL OFFICER

Mr. P. Krishnamoorthy

COMPANY SECRETARY

Mr. T. G. Thamizhanban

STATUTORY AUDITOR

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

SECRETARIAL AUDITOR

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

COST AUDITOR

Mr. G. Sivagurunathan,
Cost Accountant,
No.277 /1, Second Floor, Thadagam Road,
(Indian Bank Upstairs), Venkitapuram,
Coimbatore - 641 025.

BANKS

ICICI Bank Limited
IndusInd Bank Limited

REGISTERED OFFICE

109, Race Course,
Coimbatore - 641 018, India.
Ph: +91 422 4336000
E-mail: cs@pricol.com
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.

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

CELEBRATING PEOPLE

Pricol cares for its people and their families and values their wellbeing and happiness. Because Pricol believes that the people are their soul strength and the most cherished members of the company. Aiming to bring back the 'factory-family connect' practice, digital entertainment programs for employees' families with a special focus to charm the little ones (kids) of every Pricolian family were coordinated and conducted.

Invoking the feel of togetherness, Pricol celebrates different occasions and festivals like Ganesh Chaturthi, Diwali, Ayudha Pooja, Pongal / Lohri, Christmas and New Year with the fellow Pricolians and their families. National days like International Men's Day, International Women's Day, World Environment Day, National Engineers Day, National Safety Week were also observed and commemorated at Pricol. In the wake of COVID-19, Pricol initiated a companywide vaccination drive for its employees and families ensuring health and safety to its people. Pricol makes its workplace calm and enthusiastic with Friday fun activities, fests and monthly birthday celebrations of the employees. Let it be work, target, happiness or success, people celebrate at Pricol with pride and power.

GIVING BACK TO SOCIETY

WE CARE

A **PRICOL** INITIATIVE

With Pricol' s longstanding commitment to social and employee welfare, we are determined to help create a better society. As good corporate citizens, we feel responsible to actively contribute our best efforts to enhance the societal and the environmental needs.

As part of our We Care Program, we continuously hold a variety of events that are in alignment with the above-mentioned purpose.

As part of the COVID-19 management initiatives in the district, we contributed INR 1 crore to Chief Minister's Relief Fund, part of which was actively contributed by the employees of Pricol. Same was utilised for the essential equipment and material needs of CMCH.

Based on the requirement of CMCH, an RT-PCR testing equipment was handed over to them. Also, a state-of-the-art anesthesia workstation had been handed over to the hospital. This integrated anesthesia workstation would serve as a complete anesthesia and respiratory gas delivery and monitoring system. It combines advanced ventilation features, gas delivery and agent vaporizing with patient monitoring and information management to form an integrated anesthesia care station.

MANAGEMENT DISCUSSION & ANALYSIS

Indian Economy in the Global Scenario

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest.

As the Ukraine conflict impacts the global GDP, India is projected to grow by 6.4 percent in 2022, slower than the last year's 8.8 percent but still the fastest-growing major economy, with higher inflationary pressures and uneven recovery of the labour market curbing private consumption and investment, according to a UN report.

As per the report, the war in Ukraine has upended the fragile economic recovery from the pandemic, triggering a devastating humanitarian crisis in Europe, increasing food and commodity prices and globally exacerbating inflationary pressures.

The global economy is now projected to grow by only 3.1 percent in 2022, down from the 4 percent growth forecast released in January 2022. Global inflation is projected to increase to 6.7 percent in 2022, twice the average of 2.9 percent during 2010 - 2020, with sharp rises in food and energy prices.

The outlook in South Asia has deteriorated in recent months, against the backdrop of the ongoing conflict in Ukraine, and higher commodity prices and potential negative spillover effects from monetary tightening in the United States.

The regional economic output is projected to expand by 5.5 percent in 2022, which is 0.4 percentage points lower than the forecast released in January.

India, the largest economy in the region, is expected to grow by 6.4 percent in 2022, well below the 8.8 percent growth in 2021, as higher inflationary pressures and uneven recovery of the labour market will curb private consumption and investment.

For the fiscal year 2023, India's growth is forecast to be 6 percent. India's projected growth for 2022 is 6.4 percent, a downward adjustment of 0.3 percent from January.

We expect Indian recovery to remain strong in the near term, in the next year and two, but again we cannot completely discount the downside risk that would come from external channels.

Higher prices and shortages of farming inputs including fertilisers are likely to persist in the region, negatively impacting the agricultural sector in Bangladesh, India, Pakistan, and Sri Lanka. This will probably result in weaker harvests and exert further upward pressures on food prices in the near term. Alongwith higher energy prices, elevated prices of food will likely increase food insecurity across the region. Consumer price inflation in the region is expected to accelerate to 9.5 percent in 2022, from 8.9 percent in 2021.

Tighter external financial conditions will adversely affect regional growth prospects, especially for countries with high exposure to global capital markets facing debt distress or risks of debt default.

The pandemic left many countries with large fiscal deficits and higher and unsustainable levels of public debt. Sri Lanka is currently facing a debt crisis and discussing a new IMF-supported programme to bring its economy out of the crisis.

The need of the hour is quick and decisive action to ensure a steady flow of food and energy in open markets, by lifting export restrictions, allocating surpluses and reserves to those who need them, and addressing food price increases to calm market volatility.

Indian Automotive Sector

In April 2022, all major OEMs witnessed the 'April Phenomena' where April sales are generally lower than March year-end sales push. PV OEM volumes remained impacted by semiconductor shortage. However, underlying demand remains strong along with high outstanding bookings and lean inventory. In the case of two-wheelers, increased cost of acquisition, higher fuel prices, semiconductor shortages and muted demand

demand trends continue to affect the sales volumes. Two-wheeler export demand remained relatively steady. Near term two-wheeler domestic demand is contingent on improvement in rural sentiment led by realisation of Rabi crop and marriage-related sales. In the CV segment, MHCV recovery witnessed a pause with double-digit MoM decline as rise in fuel prices has affected fleet operators' sentiments. Domestic Tractor volumes witnessed strong double-digit YoY growth on a fairly reasonable base. Tractor demand is likely to be supported by good Rabi harvest / Kharif sowing and normal monsoon forecast.

Two-wheeler demand is expected to pick up in coming months driven by encouraging farm sentiments and marriage season. In the PV segment, wholesales in the near term are likely to be a function of normalisation of chip supply as the underlying demand remains robust. Sequential increase in freight rates since July 2021 has supported the profitability of CV operators. Large fleet operators have entered the market, while retail purchases are yet to take off. CV volumes are expected to be supported by demand from the infrastructure and construction sectors.

Auto Ancillary Market in India

Overview

The auto ancillary market is anticipated to reach INR 7,756.98 billion by FY27, expanding at a compound annual growth rate (CAGR) of 15.35 percent during the FY22 - FY27 period.

In terms of revenue, the OEM suppliers segment holds the largest market share (55.98 percent), followed by exports and aftermarket. However, in terms of the number of players, the market is dominated by the aftermarket segment.

The auto ancillary market deals with the production and sale of intermediate equipment and automotive parts that are used in automobile manufacturing. It is a crucial part of the automotive industry in India. It is segmented into organized and unorganized sectors. The organized sector serves original equipment manufacturers (OEMs) and deals in high-value instruments.

The unorganized sector provides the aftermarket with low-value tools and parts. The business is moving toward the production of electric vehicle parts and components. It is expected that by 2025, the auto ancillary market in India will become the third-largest in the world.

Market Insights

The performance of the automotive industry impacts the auto ancillary market. The auto sector has been facing a slump since FY19, mostly due to weak consumer sentiments and tightening of liquidity in non-banking financial companies and other lending institutions. Furthermore, it was affected by strict lockdown measures in the wake of the COVID-19 pandemic.

Key Growth Drivers

- The enforcement of BS-VI standards of safety and emission is anticipated to help the export market expand during the forecast period for the benefit of auto component players in India
- Foreign players prefer India because it is a cost-effective location for manufacturing, which bodes well for the auto ancillary market

Key Deterrents to Growth

- Even though annual production of the overall automotive industry has improved, consumption in recent quarters (2019 onwards) experienced a decline mainly due to a liquidity crisis for Non-Banking Financial Companies (NBFCs)
- Lack of research and development infrastructure and quality standards is a threat to the market

Impact on Pricol

Pricol saw the Indian automotive sector moving into calendar year 2022 with subdued optimism and hoping for some semblance of normalcy to return in the supply chain. Despite the acute chip shortage and steep price increase of raw materials, which had a major impact on its sales and profitability, the company managed to clock a decent performance in FY22...better than its expectations. Whilst the economic activities are gaining momentum and the COVID-19 regulations and restrictions are being lifted, the outlook for the industry still remains bleak with continued chip shortage and supply chain disruptions. Pricol's focus remains sharp towards meeting the customer schedules on time as much as possible while keeping a check on the cost control, thereby hoping to perform better than the market growth in Fy23.

FY 22 Performance Highlights (Standalone Operations)

- Total Income stood at INR 1,483.37 Cr in FY22 as against INR 1,397.81 Cr in FY21.
- Revenue from operations for the year ended March 31, 2022 stood at INR 1,431.45 Cr as compared to INR1,336.15 Cr in FY21.
- The Company's Earnings before Interest, Tax, Depreciation and Amortization (Operational EBITDA) stands at INR 174.18 Cr in FY22, as against INR 178 Cr in FY21.
- Profit Before Tax (PBT) stood at INR 68.76 Cr for FY22 as compared to INR 46.52 Cr in FY21.
- Profit After Tax (PAT) stands at INR 45.62 Cr in FY22 as against INR 14.60 Cr in FY21.

Source: Company; Reports from Various Broking Houses, Industry Bodies & Agencies

All Value in INR(₹) Crs

Particulars	FY 21	FY 22
Total Income	1,397.81	1,483.37
Revenue from Operations	1,336.15	1,431.45
Operational EBITDA	178.00	174.18
Profit Before Tax (PBT)	46.52	68.76
Profit After Tax (PAT)	14.60	45.62
Cash generated from Operations	70.51	168.60
Free Cash Flow	25.77	98.19
Term Loan	229.83	125.15

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Your Directors have pleasure in presenting the Eleventh Annual Report and audited financial statements for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

₹ Lakhs

The summarised financial results are:		Standalone		Consolidated	
		2021-22	2020-21	**2021-22**	2020-21
Net Sales & Services					
- Domestic		**1,31,349.05**	1,24,499.87	**1,35,736.09**	1,26,593.45
- Export		**11,796.21**	9,115.46	**14,270.79**	9,300.74
Total Sales & Services		**1,43,145.26**	1,33,615.33	**1,50,006.88**	1,35,894.19
Other Operating Revenue		**4,462.41**	5,417.15	**4,462.41**	5,417.15
Other Income		**729.23**	748.68	**882.06**	783.96
Total Revenue		**1,48,336.90**	1,39,781.16	**1,55,351.35**	1,42,095.30
Profit from Operations before Finance Cost, Depreciation and Amortisation Expense, Exceptional items & Tax		**17,418.11**	17,799.58	**18,940.07**	18,575.60
Less : Finance Costs		**2,651.64**	4,052.86	**2,728.23**	4,307.05
: Depreciation and Amortisation Expenses		**7,890.71**	9,095.04	**8,183.90**	9,419.03
Profit / (Loss) before Exceptional items & Tax		**6,875.76**	4,651.68	**8,027.94**	4,849.52
Less: Exceptional items (Net)		**—**	—	**—**	—
Profit / (Loss) Before Tax		**6,875.76**	4,651.68	**8,027.94**	4,849.52
Less: Tax Expense					
Current Tax		**2,950.00**	3,307.28	**3,090.33**	3,463.32
Deferred Tax		**(636.70)**	538.73	**(569.23)**	446.95
Earlier years (Net)		**—**	(654.54)	**1.47**	(643.66)
Profit / (Loss) for the year from continuing Operations	**(A)**	**4,562.46**	1,460.21	**5,505.37**	1,582.91
Discontinued Operations					
Profit / (Loss) for the year from discontinued operations (Net off tax expense)	**(B)**	**—**	—	**—**	2,566.85
Profit / (Loss) for the year	**(C)= (A) + (B)**	**4,562.46**	1,460.21	**5,505.37**	4,149.76
Other Comprehensive Income for the year before tax		**(89.57)**	20.25	**167.05**	67.05
Income tax relating to these items		**31.30**	(7.08)	**27.87**	(7.61)
Other Comprehensive Income for the year after tax	**(D)**	**(58.27)**	13.17	**194.92**	59.44
Total Comprehensive Income for the Year	**(C) + (D)**	**4,504.19**	1,473.38	**5,700.29**	4,209.20

DIVIDEND & RESERVES

As the current year profit after setting off the losses of the previous years is inadequate to declare dividend, your Directors do not recommend any dividend and not transferred any amount to reserves for the year 2021-22.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

AUTO INDUSTRY

During the year, the Auto Industry's domestic sales grew by -6% and exports by 36%. The overall Auto Industry's production grew by 1.2 % as against -14% in the previous financial year.

Segment	Vehicle Production*			Pricol Sale to OEM
	2021-22	2020-21	**Growth %**	**Growth %**
2 Wheeler / 3 Wheeler	**1,84,77,005**	1,89,68,390	**(3) %**	**(0.11)%**
Commercial Vehicle	**8,05,527**	6,24,939	**29 %**	**35%**
Tractors	**8,30,500**	8,99,000	**(8) %**	**11%**
4 Wheeler	**36,50,698**	30,62,280	**19 %**	**45%**
Total	**2,37,63,730**	2,35,54,609	**1 %**	**5%**

*As per Society of Indian Automobile Manufacturers (SIAM)

OPERATIONS

In domestic market, Company primarily caters to 2 wheelers, Commercial Vehicles, Tractors, 4 wheelers and Off-road vehicles.

STANDALONE FINANCIALS

The Company's domestic sales was up by 5.50 % and overall Company's sales by 7.13 % compared to the previous year. The profit from operations before Finance cost, Depreciation, Amortisation expenses, Exceptional Items & Tax is ₹ 17,418.11 Lakhs compare to ₹ 17,799.58 Lakhs during the previous year. Profit before Exceptional Items & Tax has increased from ₹ 4,651.68 Lakhs to ₹ 6,875.76 Lakhs, due to increase in sales volume and better control on costs.

CONSOLIDATED FINANCIALS

The profit from operations before Finance cost, Depreciation, Amortisation expenses and Exceptional Items & Tax has increased from ₹ 18,575.60 Lakhs to ₹ 18,940.07 Lakhs. The operational performance has improved due to increase in sales volume and better control on costs. Profit before Exceptional Items & Tax from continuing operations is ₹ 8,027.94 Lakhs compared to ₹ 4,849.52 Lakhs.

AMALGAMATION

Amalgamation of Pricol Wiping Systems India Limited ("PWSIL"), a Wholly Owned Subsidiary company with its Holding Company, Pricol Limited with effect from 1st April 2021 ("Appointed Date") by way of Scheme of Amalgamation, application to National Company Law Tribunal (NCLT) was made. As per direction of NCLT, approval of unsecured creditors of PWSIL were obtained through a physical meeting. In line with NCLT's direction, public notice and individual notices to mentioned Statutory authorities were also issued. Expecting NCLT's approval for the said merger by September 2022.

By this amalgamation the Wiping Business of PWSIL will be integrated with Pricol Limited. As part of the proposed amalgamation all assets and liabilities of PWSIL shall stand transferred and vested with Pricol Limited. In this amalgamation there is no cash consideration involved being, PWSIL is a Wholly-Owned Subsidiary of Pricol Limited and the entire share capital of the PWSIL is held by Pricol Limited. Therefore, upon the Scheme becoming effective, all shares held by the Pricol Limited in the share capital of the PWSIL as on the effective date shall stand cancelled.

SUBSIDIARY COMPANIES

Pricol Asia Pte Limited, Singapore

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

In the financial year 2021-22, the Company achieved sales of USD 376.94 Lakhs (₹ 28,084.77 Lakhs) as against the previous year sales of USD 493.09 Lakhs (₹ 36,671.53 Lakhs). The company made a profit of USD 7,04,769 (₹ 525.11 Lakhs) during the year 2021-22 as against USD 10,78,270 (₹ 801.92 Lakhs) in 2020-21.

Pricol Wiping Systems India Limited

The company supplying wiping systems and other allied components to OEMs.

During the financial year 2021-22, the company has achieved sales of ₹ 4,727.87 Lakhs as against sales of ₹ 1,759.75 Lakhs in 2020-21. The company had earned a profit of ₹ 172.59 Lakhs in 2021-22 as against loss of ₹ 289.85 Lakhs in 2020-21.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

PT Pricol Surya Indonesia

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

In the financial year 2021-22, the company has achieved a sales of IDR 6,10,700 Lakhs (₹ 3,154.26 Lakhs) as against the previous year sales of IDR 2,86,315 Lakhs (₹ 1,382.90 Lakhs) an increase of 113 % in IDR & 128 % in INR terms.

The Company had a profit before tax of IDR 94,685 Lakhs (₹ 489.05 Lakhs) as against the loss before tax of IDR 1,29,794 Lakhs (₹ 626.91 Lakhs) of previous year.

PT Sripri Wiring Systems, Indonesia

The Company, a Wholly Owned Subsidiary Company of PT Pricol Surya Indonesia, during the financial year 2021-22, has achieved sales of IDR 23,579 Lakhs (₹ 121.78 Lakhs) as against sales of IDR 23,509 Lakhs (₹ 113.55 Lakhs) in 2020-21. The Company incurred loss of IDR 11,220 Lakhs (₹ 57.95 Lakhs) in 2021-22 as against profit of IDR 14,847 Lakhs (₹ 71.71 Lakhs) in 2020-21. Due to business reasons, the operations of the company have been currently suspended.

OUTLOOK, OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

India

The automotive industry ended up with a degrowth of 6 % in FY 22 compared to FY 21.

All segments of the market were affected due to rise in vehicle and fuel cost. Also, the other reason for degrowth is due to global semiconductor shortage - due to wafer shortage affecting the Automotive Industry.

The outlook for FY 23 is expected to have a degrowth due to continued semiconductor shortages. In addition, there has been steep increase in commodity prices such as aluminium, copper, zinc, nickel and steel, along with rising freight costs thereby increasing the overall cost of the vehicle. Also, due to covid situation, China has been affected which will further hamper the supply chain situation of the various electronic parts imported for the Automotive Industry.

The War in Ukraine has further compounded the semiconductor crisis as certain key raw materials required for semiconductor production has its source of origin in Ukraine. Industry experts are predicting that FY 23 will continue to see major swings in supply chains and cost disruption due to the above reasons, which will have a direct impact on our company.

Pricol has won many new businesses across various segments including the next generation products like Connected Vehicle Solution and around 10 % of the revenue of FY 22 was contributed by new business. This helped our company to grow more than the market.

International

The Company's export sales growth during FY 22 was 29 % compared to previous year. The reason for this growth was due to new business wins in the export market. Pricol expects this growth momentum to continue in FY 23 as well but subjected to restoration of normalcy in International supply chains and normalisation of freight movement.

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 Company has constituted a Risk Management Committee in accordance with Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for identifying, monitoring, evaluating and managing the risks.

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 is being 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 by Audit Committee.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

FINANCE

During the year the Company has not accepted / renewed any deposit from public. The total deposits remained unpaid or unclaimed as at 31st March, 2022 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.

Credit Rating

Consequent to the good financial performance, your company was able to improve its credit rating from the rating agency - India Ratings and Research.

Credit Agency	Facility	Present Ratings	Previous Ratings
ICRA	Term Loan, Long Term - Fund Based & Long Term - Unallocated	BBB (Stable)	BBB (Stable)
	Short Term - Non Fund Based	A3+	A3+
India Ratings and Research	Fund-Based and Non Fund-Based Working Capital Limits- INR 8,000 Lakhs(reduced from INR 10,000 Lakhs)	IND BBB+ / Stable / IND A2	IND BBB / Stable / IND A3+
	Long Term Loans - INR 15,530 Lakhs (reduced from INR 17,000 Lakhs)	IND BBB+ / Stable	IND BBB / Stable
	Proposed Fund-based and Non Fund - based working capital limits - INR 2,000 Lakhs	IND BBB+ /Stable/ IND 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

Independent Director

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
Dr. S.K.Sundararaman	Upto 29th May 2023
Mr. R.Vidhya Shankar	Upto 31st July 2024
Mr. P.Shanmugasundaram	Upto 14th June 2024
Mr. K.Ilango	Upto 14th June 2024
Mr. Navin Paul	Upto 21st October 2025
Mrs. Sriya Chari	Upto 26th May 2026

Dr. S.K.Sundararaman (DIN: 00002691)Independent Director, whose term of office expires on 29th May 2023, has given his consent for his re-appointment as Independent Director, for the second term of 5 (five) consecutive years commencing from 30th May 2023 to 29th May 2028. The Board recommends the re-appointment of Dr. S.K.Sundararaman as an Independent Director of the company to hold office for the second term.

EXECUTIVE DIRECTOR / NON INDEPENDENT DIRECTOR

Members appointed Executive Director / Non Independent Director as mentioned below :

Name of Director	Period of Appointment
Mrs. Vanitha Mohan	Upto 31st March 2024
Mr. Vikram Mohan	Upto 31st March 2022
Mr. V.Balaji Chinnappan	Upto 31st March 2022

Mr. V.Balaji Chinnappan (DIN: 08014402) has resigned as Chief Operating Officer (Whole Time Director) from the Board of Directors of the company with effect from 8th November 2021, as he desired to become an entrepreneur. The Board of Directors place on record its special appreciation to Mr. V.Balaji Chinnappan, Chief Operating Officer, for his valuable contribution for the development of the company.

Mr. P.M.Ganesh, (DIN : 08571325) was appointed as an Additional Director of the Company by the Board of Directors at their meeting held on 8th November 2021 and whose term of office expires at this Annual General

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Meeting ('AGM'). The Board recommends the appointment of Mr. P.M.Ganesh as a Director, liable to retire by rotation.

The Board of Directors, at the aforesaid meeting appointed Mr. P.M.Ganesh as Whole-Time Director with a designation "Chief Executive Officer & Executive Director", for a period with effect from 8th November 2021 to 31st March 2024 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.

The Board of Directors, at their meeting held on 9th February 2022 re-appointed Mr. Vikram Mohan as Managing Director for a period of three years with effect from 1st April 2022 to 31st March 2025 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 re-appointment & remuneration payable to him.

Mrs. Vanitha Mohan, Chairman will attain the age of 70 years on 9th December 2022. As per the provisions of Section 196(3) of Companies Act, 2013 for continuation of her employment as a Whole Time Director on attaining the age of 70 years, Shareholders approval is required. The Board recommends for her continuation as Chairman (Whole Time Director), on the same terms of appointment and remuneration as approved by members at the 10th Annual General Meeting held on 19th August 2021.

Mr. Vikram Mohan, a Non- Independent Director retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends the re-appointment of Mr. Vikram Mohan.

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. P.Krishnamoorthy, Chief Financial Officer & Mr. T.G.Thamizhanban, Company Secretary.

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 23rd May 2022 appointed Mr. G.Sivagurunathan, Cost Accountant, as the Cost Auditor for conducting the Cost Audit for the financial year 2022-23. 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 2022-23. The Secretarial Audit Report for the financial year 2021-2022, as per regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as "**Annexure A**".

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

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. CSR activities are carried out through registered trust (ND Foundation) 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

Though the second wave of the COVID-19 pandemic had impacted our business during the beginning months of this financial year 2021-22, continuous awareness programs to the employees and constant discussions with the union office bearers and the line operators has resulted in the whole-hearted support of the employees for the survival. Periodical interactions with the Union leaders and the line operators, monthly goodwill meetings with the shopfloor operators, Employee Engagement initiatives, etc. have improved the industrial relations scenario and resulted in "zero" hours loss due to industrial relations issues. Operators are also actively participating in Kaizen initiatives and Quality Circle competitions. Our Operators have won prizes in National level QC Competition and are getting ready to participate in the international level competitions to be held at Jakarta, Indonesia. The number of people employed as on 31st March 2022 is 4,951.

Employee Engagement

Today employee engagement has become a leadership priority as they constantly seek for different methods to keep their workforce engaged. The management is finding itself being tested every day on its capabilities to keep its employee engaged while also implementing the policies defined. Accordingly, number of initiatives have been taken on front of employee engagement which help to keep motivated workforce. We trust that when employees are truly engaged, teams go from being good to being great. Challenges turn into opportunities; outcomes turn into achievements and people give it their all.

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 2022, 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 2022, 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 are 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.

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 Obligations 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**

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

4. The particulars of Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013 are given in Note. 69 to the Standalone Financial Statements.

5. Disclosure as required under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in Note. 70 to the Standalone Financial Statements.

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:** NIL.

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. **Annual Return:**

   Annual Return in Form MGT-7 is available at the Company's website www.pricol.com and the weblink:https://pricol.com/Data/annual-report/MGT-7-2021-22-PRICOL.pdf

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 D"**.

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. 21(f) & 68 to the Standalone 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 E"**, 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:**

    Not Applicable

14. **Business Responsibility Reporting:**

    Business Responsibility Reporting as required pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/10/2015 dated 4th November 2015, is annexed herewith as "**Annexure 'F**".

15. **Details of Subsidiary Companies, Joint Venture and Associate Companies, and their financial position:**

    The information as required under the first proviso to sub-section (3) of Section 129 in Form AOC-1 is annexed herewith as **"Annexure G"**.

16. **Particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:**

    All the related party transactions entered by the Company during the financial year 2021-22 are in the ordinary course of business and at arm's length. Details of material contracts / arrangements / transactions entered at arm's length with the related parties as required under section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is annexed herewith as **"Annexure H"**.

17. **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

18. **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 mobilisation of funds, whether in India or abroad:** Disclosed under the heading "Finance" in this Report.

19. **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	2021-22	2020-21	% Change	Explanations, if any
i) Debtors Turnover	**7.07**	7.60	(6.91)	Not Applicable
ii) Inventory Turnover	**6.10**	6.52	(6.42)	
iii) Current Ratio	**1.11**	1.20	(7.60)	
iv) Interest Coverage Ratio	**6.57**	4.39	49.66	Reduction in term loans
v) Debt Equity Ratio	**0.22**	0.44	(49.34)	
vi) Operating Profit Margin	**6.45**	5.53	16.64	Not Applicable
vii) Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	**3.19**	1.09	191.65	Increase in sales and improved net profit

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

Particulars	2021-22	2020-21	% Change	Explanations, if any
Return on Net Worth	**0.08**	0.03	172.60	Improvement in net profit

19. There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

20. There was no instance of one-time settlement with any Bank or Financial Institution.

CORPORATE GOVERNANCE

Your company re-affirms its commitment to good corporate governance practices. The company complies with corporate governance requirements specified in Regulation 17 to 27 and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whichever applicable.

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 E"**.

Chief Executive Officer 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 2021-22.

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.

ACKNOWLEDGEMENT

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
23rd May 2022

ANNEXURE "A" TO DIRECTORS' REPORT

Form No. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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

To
The Members,
Pricol Limited (CIN: L34200TZ2011PLC022194)
109, Race Course, Coimbatore - 641 018

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, 2022,** 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, 2022 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, 2018 (Not applicable as the Company has not issued any security 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 (Buy-back of Securities) Regulations, 2018 (Not applicable as the Company has not bought back / proposed to buy back any of its securities during the Financial Year under review)

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.

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.

ANNEXURE "A" TO DIRECTORS' REPORT

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards wherever applicable.

It is hereby informed to the members that there was one case of a Designated Person trading 4 equity shares of the Company during the period of Trading Window Closure declared by the Compliance Officer for the declaration of Unaudited Financial Results for the quarter and nine months period ended on 31st December, 2021, which was a violation of the Company's Code of Conduct for prevention of insider trading. The above matter was informed by the Compliance Officer of the Company to the stock exchanges as required under Schedule B Clause 13 of the said regulations.

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
FCS No.: 6510, CP No.: 7069
UDIN: F006510D000365561
Peer review Cert. No.933/2020

Date : 23.05.2022
Place: Coimbatore

★★★★★

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE ISSUED BY COMPANY SECRETARY IN PRACTICE

To

The Members,
Pricol Limited [CIN: L34200TZ2011PLC022194]
109, Race Course, Coimbatore - 641 018

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

1. Maintenance of Secretarial Records, devising proper system to ensure compliance with the provisions of all applicable laws and regulations and ensuring that 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 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 correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed provide a 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
FCS No.: 6510, CP No.: 7069
UDIN: F006510D000365561
Peer review Cert. No.933/2020

Date : 23.05.2022
Place: Coimbatore

★★★★★

ANNEXURE "B" TO DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

(as per annexure attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR Policy of the Company:

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.

2. Composition of CSR Committee:

S. No	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Vanitha Mohan	Chairman	2	2
2	Mr. Vikram Mohan	Managing Director	2	2
3	Mr. K.Ilango	Independent Director	2	2

3. Provide the weblink where Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company:

CSR Policy : https://pricol.com/Data/policy/CSR-Policy_21.pdf

CSR Committee : https://pricol.com/Data/composition-of-board-commitee.pdf

CSR Reports : https://pricol.com/csr-report.aspx

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable attach the report.

Not applicable

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

S. No	Financial year	Amount available for set-off from preceding financial year (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
1	2021-22	NIL	NIL
	TOTAL	**NIL**	**NIL**

6. Average net profit of the company as per section 135(5) : ₹ 8,25,03,372

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹ 16,50,000

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a + 7b - 7c) : ₹ 16,50,000

ANNEXURE "B" TO DIRECTORS' REPORT

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
45,04,081	NA	NA	NA	NA	NA

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

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

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

S. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent in for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	COVID	Health care	Yes	Tamilnadu	Coimbatore	40,39,081	Yes	NA	NA
2	COVID	Health care	Yes	Tamilnadu	Coimbatore	4,65,000	No	ND Foundation	CSR 00002400
	TOTAL					**45,04,081**			

(d) Amount spent in Administrative Overheads : Nil

(e) Amount spent on Impact Assessment, if applicable : Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 45,04,081

(g) Excess amount for set off, if any

S. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	16,50,000
(ii)	Total amount spent for the Financial Year	45,04,081
(iii)	Excess amount spent for the financial year ((ii)-(i))	28,54,081
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	28,54,081

ANNEXURE "B" TO DIRECTORS' REPORT

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2018-19	NA	45,04,081	NA			NA
2	2019-20	NA					
3	2020-21	NA					
	TOTAL	**NA**	**45,04,081**	**NA**			

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

S. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project – Completed / Ongoing
Not Applicable								

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

(a) Date of creation or acquisition of the capital asset(s)	**Not Applicable**
(b) Amount of CSR spent for creation or acquisition of capital asset	
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc.	
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	

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

Not applicable

Date : 14th May 2022
Place: Coimbatore

Vikram Mohan
Managing Director
(DIN: 00089968)

Vanitha Mohan
Chairman CSR Committee
(DIN : 00002168)

★★★★★

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) Fuel saver additive is being used to reduce diesel consumption on boilers. This additive purify fuel and increase burning thereby gives 10% saving on fuel consumption.

b) Replaced a chiller with "45 ton chiller air conditioner with inverter and eco-friendly gas" to save energy at printing department as well as to save environment.

c) High volume low speed (HVLS) fans added at Coimbatore plant.

d) Continually replacing Conventional shop floor lights, street lights with LED light when the bulbs are coming due for replacement which save 50% of bulb power.

e) We use 100 % LED lighting for machine building at Manufacturing Engineering.

ii) the steps taken by the company for utilising alternate sources of energy:

a) The Renewable energy generation is 33.14 lakh units in the year 2021-22 from our roof top installations of capacity 2.62 MW. The generation is consumed at our plants.

b) To enhance solar power, an agreement executed with third party to purchase 35.84 lakh units through "Group captive" method which will commence from September '22.

c) Additional 150 KW & 250KW roof top solar plant is under proposal at Plant-2 (Gurugram) & Plant-10 (Sricity).

iii) the capital investment on energy conservation equipment's:

Energy saving products : ₹ 31.97 Lakhs (LED bulbs, Chiller etc.,)

B. TECHNOLOGY ABSORPTION:

I. Research and Development (R&D)

i) Specific areas of R & D

- The Company has two R & D centers, which are approved by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India, New Delhi.
- Established skilled engineering team to extend design and support to existing & new customers.
- All new technologies like Thin Film Transistor (TFT) display, Telematics, Intelligent Sensors are developed in-house and managed high degree of localisation content for competitiveness and deployed horizontally for retention & growth to attain market leadership.
- There are 13 inventions for which 18 patent has been filed at various jurisdictions in India and abroad. Out of which 12 are granted and remaining are under review. The Company continues to foster innovation for growth, across all product development functions.
- Technology road maps are evolved and constantly driven to suffice the future and the anticipated technological need of all our customers (2 Wheeler, 4 Wheeler, Commercial Vehicle, Off Road Vehicle, etc), so that we mutually benefit by localising design, development, and manufacturing.
- With the growing demand for safe, secure, connected, and smarter vehicles, automotive OEMs are increasingly developing automobiles with integrated information systems that provide a combination of information and entertainment for an enhanced experience which is very safe & secured. In line with the growing OEMs requirements & their road map, we have established P^{Smart}CORE (Pricol Smart Core Journey) Technology (Platform, Software, Products) Road Map for the class of products under "Driver Information & Connected Vehicle Solutions" Product group. Road map clearly exhibits our past (2 years), present & future (next 3 years) product & platform evolutions.
- The product transition journey from Mechanical products → Electro Mechanical products → Electronics products and now we are in the phase of "Solution based Products" with ranges

ANNEXURE "C" TO DIRECTORS' REPORT

of Technologies & Customer demand. Most of the products in the recent times, attracts royalty element & enriched eco system (internal & external) around us to keep up with the pace of ever-growing expectations of customers in terms of Process, Quality & Technologies.

- The brief Technology Road Map details given below as quick reference:
  - Roadmap on P[Smart]CORE Platform Evolutions
    - Evolution of no. of displays, size, resolutions, controller / processor, connectivity features, Human Machine Interface (HMI) tools, Operating System, etc.
  - Roadmap on Connected Vehicle Solutions
    - Evolution of End-to-End Connected Vehicle Solutions under one roof.
- Aggressive, systematic and structured value engineering initiatives taken to minimize wastages and to improve Productivity, Cost & Quality to sustain.
- We have in-house State-of-the-art Tear down and Bench marking facilities for learning & delivery with Adopt, Adapt and Evolve approach to enhance our R&D activities across the products.
- We have in-house State-of-the-art Operationalised Hardware in Loop (HIL) and Software in Loop (SIL) system with reusable test cases to improve the Functional & Software quality of instrument cluster.
- We have in-house State-of-the-Art Product Reliability & Proto Lab for early sample submission to customer & approval.
- Developed Fuel pump (PMDC) module which is required for supply of fuel from fuel tank to engine in fuel injection system required to comply for BS VI emission requirements. Implemented in mass production for TVS Motor Company Limited & HMC MM Auto Limited customers.
- To enhance reliability of performance, Fuel Pump with BLDC technology is developed from supplier outside India and samples are under testing by OEMs.
- As a part of localisation, Fuel Pump with BLDC technology is co-developed with Indian supplier and samples are under testing at Pricol.
- Since all OEMs started concentrating on development of Electrical Vehicles, we have developed prototype of all the engine driven products to Electrically driven products and under testing at Pricol.
- As a part of expanding business in Cabin Tilt System especially for export customers, consultants from Europe have been engaged to support to meet both specification and reliability requirements of overseas OEMs.
- Consultant is under finalisation for enhancing product portfolio with Disc Brake System for 2 Wheeler applications.

ii) Benefits derived from R&D:

- Won Car cluster business in domestic market & horizontally applied across passenger vehicle models and vehicle platforms.
- Attained market leadership in 2 Wheeler, Commercial vehicle & 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.
- Helped us to design in optimised way by using reusable functional models and thus to reduce time to market and enhance quality.
- Tear down and Bench marking study helped to learn emerging technology, new process, new features & cost optimisation.
- Prompted for Intellectual Property Rights (IPR) and triggered innovation to adopt with acceleration.
- Helping us to be a market leader in the Technology driven products like Driver Information Systems, Sensors, Telematics & Fuel Pumps.

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

- Continuously driving advanced Technology development to meet customer demand for next 3 years across all R&D verticals like Driver Information & Connected Vehicle Solutions (Formerly, Driver Information Systems, Switches

ANNEXURE "C" TO DIRECTORS' REPORT

and Sensors, Telematics), Actuation Control & Fluid Management System (formerly Pumps, Valves & Mechanical Products).

- We are adapting proven engineering process (ex. ASPICE) to enhance product quality of all our electronic products during the development stage only.

Expenditure on R&D 2021-22	(₹ Lakhs)
Capital	323.56
Revenue	3,495.01
Total	**3,818.57**
R & D expenditure as a percentage of sales:	**2.67 %**

II. Technology Absorption, Adaptation and Innovation

Imported Technology

a) The Company had entered into a strategic alliance with Candera, Austria for high end HMI software creation for connected vehicle solutions. This Strategic Partnership will empower both companies to respond to automotive product design opportunities in India and globally with collaborative concurrent HMI development, shorter lead time, cost effective solutions - all made possible by having a single HMI tool to support Next Generation Display Systems developed on P^{Smart}CORE (Pricol Smart Core Journey) platform.

b) The Company had entered into a strategic technology partnership with Sibros Technologies Inc, a California-based company for providing Over-the-Air (OTA) connected vehicle software systems for OEMs worldwide, to deliver deep connected vehicle solutions in the Indian and ASEAN markets. This Strategic Partnership will enhance the capability towards the next generation of connected vehicles which will be software and data-intensive and will require a comprehensive suite of cloud and in-vehicle software to introduce new features and keep them updated to maximize performance, efficiency, safety and security.

c) The Company had explored & finalised with Wenzhou Huirun Electrical Machinery Co. Ltd., (ACHR), China, in 2017-18 and JH, China in 2018-19 for supply of Fuel Pump & Pressure Regulator as products & child parts. Fuel Pump Module using these Pumps and Regulators designed, developed and productionised from December 2019 to various 2 Wheeler OEMs in India.

d) The Company had explored & finalized with PVCMT, India, in 2020-21 for exclusive supply of BLDC type Fuel Pump.

e) We are constantly adding Technology Partners (both for capacity & technological augmentation) to support and enhance our in-house product development capabilities.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the Company's foreign exchange earnings were ₹ 11,796.21 Lakhs (₹ 9,115.46 Lakhs in 2020-21). The revenue expenditure in foreign currency was ₹ 33,980.14 Lakhs (₹ 42,017.99 Lakhs in 2020-21) and the capital expenditure was ₹ 192.92 Lakhs (₹ 92.45 Lakhs in 2020-21). The Company will continue its efforts to enhance the export sales.

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ANNEXURE "D" 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 of Managerial Personnel) 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 Non Whole Time Director	No. of Meetings attended	Ratio
1	Mr. R.Vidhya Shankar	19	1.13
2	Mrs. Sriya Chari	13	0.96
3	Dr. S.K.Sundararaman	13	1.05
4	Mr. P.Shanmugasundaram	17	1.25
5	Mr. K.Ilango	8	0.57
6	Mr. Navin Paul	5	0.48

S.No.	Name of Whole Time Director	Ratio
1	Mrs. Vanitha Mohan, Chairman	66.35
2	Mr. Vikram Mohan, Managing Director	102.90
3	Mr. V.Balaji Chinnappan, COO (Upto 8-Nov-2021)	NA
4	Mr. P.M.Ganesh, CEO & Executive Director (From 8-Nov-2021)	NA

(ii) The percentage increase in remuneration of each Director, CFO, CEO and CS during the financial year

S.No.	Name of Non Whole Time Director	No. of meetings attended		% Increase / (Decrease) in remuneration
		2021-22	2020-21	
1	Mr. Suresh Jagannathan	**NA**	8	NA
2	Mr. R.Vidhya Shankar	**19**	29	25
3	Mrs. Sriya Chari	**13**	14	42
4	Dr. S.K.Sundararaman	**13**	17	95
5	Mr. P.Shanmugasundaram	**17**	18	83
6	Mr. K.Ilango	**8**	16	5
7	Mr. Navin Paul	**5**	4	31

S.No.	Name of Whole Time director/CFO/CEO/CS	% Increase / (Decrease) in remuneration*
1	Mrs. Vanitha Mohan, Chairman	78.65
2	Mr. Vikram Mohan, Managing Director	78.88
3	Mr. V.Balaji Chinnappan, Chief Operating Officer (Upto 8-Nov-2021)	NA
4	Mr. P.M.Ganesh, Chief Executive Officer & Executive Director (From 8-Nov-2021)	NA
5	Mr. P.Krishnamoorthy (CFO)	NA
6	Mr. T.G.Thamizhanban (CS)	7.39

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. Shareholders at their meeting held on 19th August 2021 approved payment of commission upto 1% of the net profit, for a period of 5 years from the financial year ended 31st March 2021 to financial year ended 31st March 2025.

(iii) The percentage increase / (decrease) in the median remuneration of employees in the financial year : 26.55 %

(iv) The number of permanent employees on the rolls of Company : 1,739

(v) Average percentile increase / (decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration* : **11**

* Due to Covid, as per Board's decisions Chairman and Managing Director did not receive Salary, Perquisites etc., during 1st April 2020 to 30th September 2020 and executives also had salary cut.

(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 and Key Managerial Personnel are as per the remuneration policy approved by the Board of Directors of the Company.

ANNEXURE "D" TO DIRECTORS' REPORT

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

Name & (Age)	Designation (Nature of Duties)	Gross Remuneration (₹ Lakhs)	Qualification & Experience (Years)	Date of Commencement of Employment	Last Employment
Mrs. Vanitha Mohan (69)	Chairman (Internal Audit and Corporate Social Responsibilities)	234.21	Commerce Graduate with PG Diploma in Business Management (36)	1st June,1999	—
Mr. Vikram Mohan (47)	Managing Director (Strategy, Finance, Customer Relationship Management and HR)	363.24	Bachelor of Engineering (Production Engineering) (26)	7th November, 2011	Pricol Corporate Services Limited
Mr. P.M. Ganesh (53)	Chief Executive Officer & Executive Director (Responsible for Overall Operations Business Development, Manufacturing Engineering, Tool Room and Purchase)	77.03	BE, MBA (29)	17th January 2013	Lucas TVS Limited
Mr. Tarun Tandon (49)	Senior General Manager (Responsible for Operations - Plant II, Plant VII & Plant IX)	70.48	BE.,SMP, DMM (28)	16th October 2009	Mahle Filter Systems India Limited
Mr. K.Ganesh (39)	Branch Manager - Japan Office (Overseeing Business Development activities at Japan)	61.62	MS (Information Technology) (14)	1st March 2011	Denso Corporation, Japan
Mr. Premramesh S.K (51)	General Manager (Responsible for Manufacturing Engineering)	59.00	BE (31)	8th September 2016	Tractors & Farm Equipment Limited
Mr. Dinesh Govind Dodmane (48)	Chief Technology Officer (CTO) - Driver Information and Connected Vehicle Solutions	58.76	BE (23)	6th February 2020	Tata Motors Limited
Mr. Kanakaraju.K (53)	Chief Technology Officer (CTO) - Actuation, Control and Fluid Management Systems	55.94	BE (32)	28th August 2015	Rane TRW Steering Systems Private Limited
Mr. Senthilkumar.K (47)	Regional Head - South & West zone	53.51	BE., MBA., ME (25)	2nd January 2021	Visteon Electronics India Private Limited
Mr. V.Balaji Chinnappan (57) (Upto 8th Nov. 2021) *	Chief Operating Officer (Responsible for Operations of all Plants)	40.04	BE, MBA (35)	9th April 2007	Roots Industries Limited

* Worked for part of the year

1. Mrs. Vanitha Mohan and Mr. Vikram Mohan are related to each other. Mrs. Vanitha Mohan is Mr. Vikram Mohan's Mother.
2. Mrs. Vanitha Mohan and Mr. Vikram Mohan owns more than 2% of the equity shares of the Company as on 31st March 2022.
3. Gross remuneration stated above comprises salary, commission, allowances, monetary value of perquisites, Company's contribution to provident fund and superannuation fund.
4. 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 "E" 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 2022, the Company's Board comprised of 9 Directors. The Board consists of 3 (33%) Executive Directors of whom one is a Woman Director and 6 (67%) Non-Executive Directors, of whom all are Independent Directors including one 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 and Mr. P.M.Ganesh, Chief Executive Officer & Executive Director. 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 including Pricol Limited				No. of shares held
			Board Meeting	Last AGM	Member		Chairman		
					*	#	*	#	
Mr. R.Vidhya Shankar	00002498	Non-Executive - Independent	3	✓	4	10	1	4	—
Mrs. Sriya Chari	07383240	Non-Executive - Independent	3	✓	1	3	—	—	—
Dr. S.K.Sundararaman	00002691	Non-Executive - Independent	4	✓	7	11	—	—	—
Mr. P.Shanmugasundaram	00119411	Non-Executive - Independent	4	✓	3	5	3	—	—
Mr. K.Ilango	00124115	Non-Executive - Independent	4	✓	2	5	—	—	9,547
Mr. Navin Paul	00424944	Non-Executive - Independent	4	✓	2	6	—	1	—
Mrs. Vanitha Mohan Chairman	00002168	Executive - Promoter	4	✓	2	3	—	1	57,31,468
Mr. Vikram Mohan Managing Director	00089968	Executive - Promoter	4	✓	1	3	—	1	76,25,506
Mr. V.Balaji Chinnappan $ Chief Operating Officer	08014402	Executive	3	✓	—	—	—	—	—
Mr. P.M.Ganesh @ Chief Executive Officer & Executive Director	08571325	Executive	2	NA	—	1	—	—	—

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.

@ Mr. P.M.Ganesh, Chief Executive Officer & Executive Director was appointed with effect from 8th November 2021.

$ Mr. V.Balaji Chinnappan, Chief Operating Officer resigned from the Board with effect from 8th November 2021.

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

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

ANNEXURE "E" TO DIRECTORS' REPORT

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 (s)	Category of directorship in that Listed Company(s)
	Public Company	Private Company	Foreign Company		
Mr. R. Vidhya Shankar	2	—	—	1. L G Balakrishnan & Bros Limited	1. Independent Director
Mrs. Sriya Chari	1	2	—	1. India Motor Parts & Accessories Limited	1. Independent Director
Dr. S.K. Sundararaman	5	7	—	1. Shiva Mills Limited 2. Shanthi Gears Limited 3. Shiva Texyarn Limited	1. Director 2. Independent Director 3. Managing Director
Mr. P.Shanmugasundaram	2	—	—	1. L G Balakrishnan & Bros Limited 2. LGB Forge Limited	1. Independent Director 2. Independent Director
Mr. K.Ilango	3	2	—	1. Rajshree Sugars & Chemicals Limited	1. Independent Director
Mr. Navin Paul	2	—	—	1. I P Rings Limited	1. Independent Director
Mrs. Vanitha Mohan	—	2	—	Nil	NA
Mr. Vikram Mohan	3	6	2	Nil	NA
Mr. V.Balaji Chinnappan #	—	—	—	Nil	NA
Mr. P.M.Ganesh *	1	—	—	Nil	NA

d. 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 and the names of the Directors who possess the skills/expertise / competence:

Board Members	Knowledge, Skills and Experience																		
	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
Mrs. Vanitha Mohan	23	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	F	69	✓	B.Com, PGDBM	E	P
Mr. Vikram Mohan	13	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	M	47	✓	BE	E	P
Mr. V.Balaji Chinnappan #	3	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	M	57	✓	BE., MBA	E	NP
Mr. R.Vidhya Shankar	17	✓	✓	✓	✓	-	✓	-	✓	✓	✓	✓	✓	M	52	✓	BL	NE	NP
Mrs. Sriya Chari	6	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	F	48	✓	B.Com., MBA	NE	NP
Dr. S.K.Sundararaman	4	✓	✓	✓	✓	-	✓	✓	-	✓	✓	✓	✓	M	49	✓	MBBS, MBA	NE	NP
Mr. P.Shanmugasundaram	3	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓	M	73	✓	B.Com., LLB., FCA	NE	NP
Mr. K.Ilango	3	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	M	57	✓	BE	NE	NP
Mr. Navin Paul	1.5	✓	✓	✓	✓	✓	✓	-	-	✓	✓	✓	✓	M	64	✓	B.Sc., MBA	NE	NP
Mr. P.M.Ganesh *	0.5	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	M	53	✓	BE, MBA	E	NP

* Mr. P.M.Ganesh, Chief Executive Officer & Executive Director was appointed with effect from 8th November 2021.

Mr. V.Balaji Chinnappan, Chief Operating Officer resigned from the Board with effect from 8th November 2021.

ANNEXURE "E" TO DIRECTORS' REPORT

e. 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.

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. Detailed reasons for the resignation of the Independent Director : Not applicable

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: https://pricol.com/Data/policy/Familiarisation Programme for Independent Directors March 2022.pdf. An exclusive meeting of the Independent Directors of the Company was held on 29th January 2022 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 2021-22, the Board met 4 times on 26th May 2021, 10th August 2021, 8th November 2021 and 9th February 2022, the gap between two meetings did not exceed 120 days.

j. **Brief note on Directors seeking appointment / re-appointment at the ensuing AGM:**

Mrs. Vanitha Mohan, Chairman will attain the age of 70 years on 9th December 2022. As per the provisions of Section 196(3) of Companies Act, 2013 for continuation of her employment as a Whole Time Director on attaining the age of 70 years Shareholders approval is required. The Board recommends for her continuation as Chairman (Whole Time Director), on the same terms of appointment and remuneration as approved by members at the 10th Annual General Meeting held on 19th August 2021.

Mr. Vikram Mohan, Managing Director is retiring at the ensuing Annual General Meeting. He is eligible and offers himself for re-appointment. The Board re-appointed him as Managing Director, for period of three years with effect from 1st April 2022 to 31st March 2025. The Board recommends the re-appointment of Mr. Vikram Mohan as Managing Director, liable to retire by rotation.

Mr. P.M.Ganesh was appointed as an Additional Director of the Company by the Board of Directors at their Meeting held on 8th November 2021 and whose term of office expires at this ensuing Annual General Meeting ('AGM'). The Board also appointed him as Whole Time Director with the designation Chief Executive Officer and Executive Director for a period commencing from 8th November 2021 to 31st March 2024, subject to the approval of shareholders. The Board recommends the appointment of Mr. P.M.Ganesh as a Director liable to retire by rotation.

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 / re-appointment at the ensuing AGM, were given in the Notice of the Annual General Meeting.

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.

The web link of the Audit Committee Charter is https://pricol.com/Data/policy/AuditCommitteeCharter.pdf

ANNEXURE "E" TO DIRECTORS' REPORT

b. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2021-2022:

Name of the member	Category	Date of Meeting / Members present				
		26-May-21	10-Aug-21	08-Nov-21	09-Feb-22	12-Mar-22
Mr. P. Shanmugasundaram (Chairman)	Non-Executive - Independent	✓	✓	✓	✓	✓
Mr. R. Vidhya Shankar	Non-Executive - Independent	✓	✓	—	✓	✓
Mrs. Sriya Chari	Non-Executive - Independent	✓	✓	✓	—	✓
Dr. S. K. Sundararaman	Non-Executive - Independent	✓	✓	✓	—	✓
Mrs. Vanitha Mohan	Executive - Promoter	✓	✓	✓	✓	✓

c. The Company Secretary acts as the Secretary to the Committee. Chief Executive Officer, Chief Financial 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 2021-2022:

Name of the member	Category	Date of Meeting / Members present				
		6-May-21	1-Sep-21	5-Nov-21	7-Jan-22	7-Feb-22
Mr. R. Vidhya Shankar (Chairman)	Non-Executive - Independent	✓	✓	✓	✓	✓
Mrs. Sriya Chari	Non-Executive - Independent	✓	✓	✓	✓	✓
Mr. P. Shanmugasundaram	Non-Executive - Independent	✓	✓	✓	✓	✓

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.

ANNEXURE "E" TO DIRECTORS' REPORT

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 https://www.pricol.com/Data/policy/NRC_policy_20.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. STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Committee comprises of Mrs. Vanitha Mohan, Mr. Vikram Mohan, Mr. R.Vidhya Shankar and Dr. S.K.Sundararaman. 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 4 times during the year on 30th June 2021, 25th September 2021, 31st December 2021 and 4th March 2022. 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 / rights issue matters, etc., and all of them were replied / resolved to their satisfaction. No transfer / dematerialisation / investor complaints are kept pending.

6. RISK MANAGEMENT COMMITTEE:

a. The Committee is mandated with the same terms of reference as specified in Regulation 21 and Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The web link of the risk management policy is https://www.pricol.com/Data/policy/Risk-Management-Policy-2021.pdf.

b. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2021-22:

Name of the member	Category	Date of Meeting / Members present
		8-Feb-2022
Mr. Vikram Mohan (Chairman)	Executive - Promoter	✓
Mr. K.Ilango	Non-Executive - Independent	✓
Mr. P.M.Ganesh	Executive	✓

ANNEXURE "E" TO DIRECTORS' REPORT

7. 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 2021 - 22:

₹ Lakhs

Name of the Director	Designation	Service Contract	Salary, perquisites & benefits (Gross)	Commission	Total
Mrs. Vanitha Mohan	Chairman	1st April 2021 to 31st March 2024	128.04	106.17	234.21
Mr. Vikram Mohan	Managing Director	1st April 2019 to 31st March 2022	231.67	131.57	363.24
Mr. V.Balaji Chinnappan	#Chief Operating Officer	15th June 2019 to 8th November 2021	40.04	—	40.04
Mr. P.M.Ganesh	*Chief Executive Officer and Executive Director	8th November 2021 to 31st March 2024	30.57	—	30.57

* Mr.P.M.Ganesh, Chief Executive Officer & Executive Director was appointed with effect from 8th November 2021.

\# Mr.V.Balaji Chinnappan, Chief Operating Officer resigned from the Board with effect from 8th November 2021.

Notice period and Severance pay will be as per the company's HR Policy.

The remuneration paid / payable to the Non-Executive Directors for the year 2021-2022 and the shares held by them are given below :

₹ Lakhs

Name of the Non-Executive Director	Commission	Sitting Fees	No of Shares held on 31st March 2022
Mr. R.Vidhya Shankar	2.00	2.00	—
Mrs. Sriya Chari	1.70	1.70	—
Dr. S.K.Sundararaman	1.85	1.85	—
Mr. P.Shanmugasundaram	2.20	2.20	—
Mr. K.Ilango	1.00	1.00	9,547
Mr. Navin Paul	0.85	0.85	—

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 ₹ 20 Lakhs. The said transaction value does not exceed ten per cent of the gross turnover of his legal firm.

ANNEXURE "E" TO DIRECTORS' REPORT

8. GENERAL BODY MEETINGS :

Year	Date & Time	Special Resolution	Location
2019 – 8th AGM	29th August 2019 4.30 PM	a. Re-appointment and Remuneration to Mr.Vikram Mohan, Managing Director b. Appointment and Remuneration to Mr.V.Balaji Chinnappan, Chief Operating Officer c. Appointment of Mr.P.Shanmugasundaram as an Independent Director d. Sale of Subsidiary Company(s)	'ARDRA', No. 9, North Huzur Road (Near Anna Statue),Coimbatore – 641 018
2020 – 9th AGM	16th September 2020 3.00 PM	a. Re-appointment of Mrs. Sriya Chari as an Independent Director	Through video conference (VC)
2021 – 10th AGM	19th August 2021 3.00 PM	a. Re-appointment and Remuneration to Mrs.Vanitha Mohan, Chairman	Through video conference (VC)

- Court convened meeting of the members held during the year 2021-22 : NIL
- Special resolution passed during the year 2021- 22, through postal ballot : NIL
- Person who conducted the postal ballot exercise : NA
- During 2022 - 23, there is no proposal to conduct postal ballot to pass any special resolution.

9. MEANS OF COMMUNICATION:

The quarterly / annual financial results of the Company are published in the Economic Times (English), Business Line (English), New Indian Express (English), Daily Thanthi (Tamil), The Hindu (Tamil) and Dinamalar (Tamil). The financial results, annual reports, Press releases, Investor presentation 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.

Management Discussion & Analysis forms part of the Annual Report.

10. GENERAL SHARE HOLDER INFORMATION:

a. Annual General Meeting

Date & Time : Wednesday, 10th August, 2022, 3.00 p.m.

Venue : Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 5th May 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

b. Financial Year : 1st April 2021 to 31st March 2022

c. Date of Book Closure / Record Date : Not Applicable

d. Financial Calendar :

Financial Reporting for the quarter ended	Financial Calendar
30th June, 2022	Between 15th July and 14th August 2022
30th September, 2022	Between 15th October and 14th November 2022
31st December, 2022	Between 15th January and 14th February 2023
31st March, 2023	Between 15th April and 30th May 2023

ANNEXURE "E" TO DIRECTORS' REPORT

e. Particulars of Dividend : No Dividend has been recommended for the Financial Year 2021-22.
Weblink of the Dividend Distribution Policy:
https://pricol.com/Data/policy/Pricol_Dividend_Distribution_Policy_2021.pdf

f. Listing on Stock Exchanges :

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra(E), Mumbai - 400 051

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

g. Stock Code : National Stock Exchange of India Limited : PRICOLLTD

BSE Limited : 540293

h. International Security Identification Number (ISIN) : INE726V01018

i. Listing and Custodial Fee : For the year 2022-23:

i) Annual Listing Fees were paid to National Stock Exchange of India Limited and BSE Limited.

ii) Custodial Fees were paid to Central Depository Services (India) Limited and National Securities Depository Limited.

j. Stock Market Data:

Month	National Stock Exchange of India Limited				BSE Limited			
	Price (₹)		CNX-500 (Points)		Price (₹)		BSE-Small Cap (Points)	
	High	Low	High	Low	High	Low	High	Low
April-21	87.30	68.95	12,659.40	11,923.20	87.40	69.05	21,880.77	20,282.07
May -21	92.25	74.10	13,244.40	12,210.55	92.00	73.00	23,743.32	21,581.43
June-21	100.85	78.00	13,634.35	13,155.55	101.90	78.15	25,299.64	23,424.24
July-21	106.70	92.05	13,761.10	13,409.10	106.65	92.45	26,895.93	25,244.90
August -21	100.00	74.25	14,571.80	13,716.70	100.15	74.00	27,323.18	25,151.96
September-21	102.20	81.20	15,305.20	14,527.05	102.00	80.15	28,456.90	26,861.85
October-21	114.70	94.55	16,004.45	14,932.75	114.60	94.55	30,416.82	27,468.91
November-21	126.75	96.85	15,664.45	14,402.10	126.65	97.05	29,483.93	26,919.51
December-21	131.25	107.30	15,280.00	14,128.15	131.35	107.25	29,599.07	27,186.02
January-22	139.50	110.60	15,834.20	14,410.90	139.45	110.70	31,304.44	27,807.69
February- 22	136.00	100.50	15,304.60	13,747.45	136.00	100.85	30,103.33	25,331.79
March-22	131.90	102.30	14,963.40	13,423.55	132.15	102.50	28,370.23	25,443.21

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.

ANNEXURE "E" TO DIRECTORS' REPORT

l. Share Transfer System :

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Physical shares received for dematerialization are processed and completed within the stipulated time, if the documents are complete in all respects.

The Company obtains from M/s. S.Krishnamurthy & Co., Company Secretaries, Chennai the following certificates:

a. Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on yearly basis, for due compliance of share transfer formalities by the Share Transfer Agent of the Company.

b. 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 2022 :

Shares held by	No of Holders*	No of Shares*	% of Total Paid-up Capital
1 to 500	59,926	64,21,055	5.26
501 to 1000	4,218	34,08,365	2.80
1001 to 2000	2,191	33,64,099	2.76
2001 to 3000	828	21,22,815	1.74
3001 to 4000	364	13,00,781	1.07
4001 to 5000	326	15,20,818	1.25
5001 to 10000	591	43,21,154	3.55
10001 and above	549	9,94,22,411	81.57
Total	**68,993**	**12,18,81,498**	**100.00**

* Based on PAN consolidation

n. Dematerialisation of shares and liquidity as on 31st March 2022 :

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)	31,718	45.16	9,36,62,821	76.85
ii. Central Depository Services (India) Limited (CDSL)	38,009	54.12	2,70,42,791	22.19
Demat Form (i + ii)	**69,727**	**99.28**	**12,07,05,612**	**99.04**
iii. Physical Form	500	0.72	11,75,886	0.96
Total (i + ii+iii)	**70,227**	**100.00**	**12,18,81,498**	**100.00**

ANNEXURE "E" TO DIRECTORS' REPORT

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	10,77,370
Transferred from Unclaimed Shares Suspense account upto 31st March 2021	b	505	7,31,800
Closing Balance as on 31st March 2021	c = a - b	259	3,45,570
Claimed during the year 2021-22		14	18,225
Transferred from Unclaimed Shares Suspense account during the year 2021-22	d	14	18,225
Closing Balance as on 31st March 2022	e = c - d	245	3,27,345

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

p. As on 31st March 2022, there are no Outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

q. Commodity price risk or foreign exchange risk and hedging activities :

Refer Note.53 to Notes to Standalone 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,
Billichi Village, Press Colony Post,
Coimbatore - 641 019,
Tamilnadu, India

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

ANNEXURE "E" TO DIRECTORS' REPORT

s. **Address for correspondence:**

Registrar & Transfer Agents	**Company**
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 E mail: srirams@integratedindia.in	**Pricol Limited,** Secretarial Department 109, Race Course, Coimbatore - 641 018, India. Phone: +91 422 4336238 / 6272 E mail: cs@pricol.com / investor@pricol.com

t. **Website address** : www.pricol.com

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

11. 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.68 to Notes to Standalone 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 weblink: https://pricol.com/Data/policy/RelatedPartyPolicy.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: https://pricol.com/Data/policy/Whistle-Blower-Policy_20.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 weblink: https://pricol.com/Data/policy/Material-Subsidiary_policy_20.pdf

f. Disclosure of commodity price risks and commodity hedging activities: Refer Note.53 to Notes to Standalone 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.

ANNEXURE "E" TO DIRECTORS' REPORT

i. The board has accepted all the recommendation of the Committees of the Board which is mandatorily required, in the relevant financial year.

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:

Particulars	Pricol Limited and Subsidiaries (₹ Lakhs)
For Audit	**46.25**
For Taxation Matters	**22.50**
For Certification & Others	**7.12**
Reimbursement of Expenses	**1.68**
Total	**77.55**

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. Complaints Committee (CC) 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 2021-22.

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. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms / companies in which directors are interested by name and amount - Nil

n. 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.

o. 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)

Date : 23rd May 2022
Place : Coimbatore

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 https://pricol.com/Data/policy/Code-of-Conduct-BOD_SM.pdf The declaration of the Chief Executive Officer 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 2022.

P.M.Ganesh
Chief Executive Officer
(DIN : 08571325)

Date : 23rd May 2022
Place : Coimbatore

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ANNEXURE "E" TO DIRECTORS' REPORT

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Under Regulation 34(3) read with Part C (10) (i) of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members of 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 registered office at 109, Race Course, Coimbatore – 641018 (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 Sub clause 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 as stated below for the Financial Year ending on 31st March, 2022 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.

S.No	DIN/DPIN /PAN	Full Name	Designation	Date of Appointment
1	00002168	Vanitha Mohan	Chairman and Wholetime Director	01/11/2016
2	00089968	Vikram Mohan	Managing Director	01/06/2013
3	00002498	Ramani Vidhya Shankar	Independent Director	01/11/2016
4	00002691	Sangampalayam Kandasami Sundararaman	Independent Director	30/05/2018
5	00119411	Palanisamy Shanmugasundaram	Independent Director	15/06/2019
6	00124115	Kasthurirangaian Ilango	Independent Director	15/06/2019
7	00424944	Navin Paul	Independent Director	22/10/2020
8	07383240	Sriya Chari	Independent Director	01/11/2016
9	08571325	Panchapagesa Muthuswamy Ganesh	Wholetime Director	08/11/2021

Ensuring the eligibility 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, CP No.: 7069
UDIN: F006510D000369422
Peer review Cert. No.933/2020

Date : 23rd May 2022
Place : Coimbatore

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of 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, 2022.** 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, CP No.: 7069
UDIN: F006510D000369444
Peer review Cert. No.933/2020

Date : 23rd May 2022
Place : Coimbatore

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ANNEXURE "F" TO DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT (BRR)

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. CIN of the Company : L34200TZ2011PLC022194
2. Name of the Company : PRICOL LIMITED
3. Registered address : 109, Race Course, Coimbatore – 641018, India.
4. Website : www.pricol.com
5. E-mail id : cs@pricol.com
6. Financial Year reported: 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Industrial Activity Code	Description
28132	Oil Pumps
29301 & 29304	Auto Components - Motor Vehicles
30913	Auto Components - Motor Cycles and Three Wheelers

8. List three key products/services that the Company manufactures/provides
   a) Dashboard Instruments
   b) Pumps & Mechanical Products
   c) Switches & Sensors
9. Total number of locations where business activity is undertaken by the Company
   a) Number of International Locations : 1 (One)
      Tokyo, Japan
   b) Number of National Locations : 5 (Five)
      Plants
      Coimbatore (Tamilnadu)
      Pune (Maharashtra)
      Gurugram (Haryana)
      Rudrapur (Uttarakhand)
      Sricity (Andhra Pradesh)
10. Markets served by the Company : Local / State / National / International
    Asia (including all over India), Europe, America

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Particulars	FY 2021-22
1. Paid up Capital (₹)	₹ 1,218.81 Lakhs
2. Total Turnover (₹)	₹ 1,43,145.26 Lakhs
3. Total profit after taxes (₹)	₹ 4,562.46 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	CSR for 2021-22 is ₹ 45.04 Lakhs, which is 5.5 % of of average net profits of the last 3 financial years.
5. List of activities in which expenditure in 4 above has been incurred	Please refer "Report on CSR" attached with this Annual Report.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company / Companies?**

   Yes. The Company has following subsidiaries.
   1. Pricol Asia Pte. Limited, Singapore
   2. Pricol Wiping Systems India Limited, India
   3. PT Pricol Surya Indonesia
   4. PT Sripri Wiring Systems, Indonesia (100% subsidiary of PT Pricol Surya Indonesia)

2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   The subsidiary companies are not required to comply with the Business Responsibility initiatives as per the laws applicable to them. However, the company proactively encourages its subsidiaries to adopt BR initiatives of the company. Subsidiaries are guided by the Company to conduct their business in an ethical, transparent and accountable manner.

ANNEXURE "F" TO DIRECTORS' REPORT

3. **Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, More than 60 %)**

   Company engages on a regular basis with suppliers / vendors through various channels for operational matters and strategic planning and also focuses on emerging and futuristic technologies.

   Suppliers / Vendors are provided awareness on environmental and socio-economic issues. Customers, Supplier / Vendor meets are used as a platform to raise awareness on health & safety, legal compliance, environmental and community initiatives of the company.

SECTION D: BR INFORMATION

1. **Details of Director / Directors responsible for BR**

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

Sl.No	Name of Members	DIN	Designation
1	Mr. Vikram Mohan	00089968	Executive - Managing Director

   (b) Details of the BR head

Sl.No	Particulars	Details
1	DIN Number	00089968
2	Name	Mr. Vikram Mohan
3	Designation	Managing Director
4	Telephone number	0422 - 4336000
5	e-mail id	vikram@pricol.co.in

NATIONAL VOLUNTARY GUIDELINES (NVG) PRINCIPLE

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

ANNEXURE "F" TO DIRECTORS' REPORT

2. Principle-wise (as per NVGs) BR Policy / Policies

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

No	Questions	Business Ethics	Product Responsibility	Well being of employee	Stakeholders engagement	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies of the Company are in compliance with National / International standards to the extent applicable.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Mandatory policies viz., CSR Policy, Whistle Blower Policy, Nomination & Remuneration Policy, Code of Conduct for prevention of Insider Trading, Code of Conduct for Board and Senior Management have been adopted by the Board and other operational internal policies are approved by the management.								
5	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Implementation and adherence to the employees / Human rights related policies are administered by the HR Department. CSR policy is administered by CSR Committee in line with the requirements of the Companies Act, 2013. Environmental, Health and Safety (EHS) policy adherence is overseen by HR Department and Plant Maintenance Department (PMD). Customer, Vendor, Suppliers, other stakeholders related policies adherence are overseen by Business Development (BD) / Strategic Material Sourcing (SMS) Department.								
6	Indicate the link for the policy to be viewed online.	Mandatory policies are available on https://www.pricol.com/policy.aspx								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Policies are communicated to all relevant stakeholders.								
8	Does the company have in-house structure to implement the policy / policies?	The Company has an established in-house structures to implement these policies.								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	The whistle blower mechanism enables employees to report any concern or grievances pertaining to any potential or actual violation of the Company's Code of Conduct, which covers all aspects of BRR Policies formulated by the Company have an in-built grievance and redressal mechanism								
10	Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The implementation of the Company's Code of Conduct and other policies are reviewed through internal / external audit function.The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process and continuous assessment. All policies adopted by the Company for ensuring the orderly and efficient conduct of business including adherence to Company's policies are evaluated annually by an internal and external audit team.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why (Tick up to 2 options) : **Not applicable.**

ANNEXURE "F" TO DIRECTORS' REPORT

3. Governance related to Business Responsibility

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	Management team reviews the BR performance of the Company through monthly review meetings. Gap, if any, in the compliance is analysed and suitable measures were taken till it gets closed.
b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BR report is available as part of the Annual Report. The report is available at https://www.pricol.com/annual-report.aspx

SECTION E : PRINCIPLE-WISE PERFORMANCE

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

1. Does the policy relating to ethics, bribery and corruption cover only the company? : **Yes.**

   Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? : **Yes.**

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

   Company has not received any complaints with regard to violation of Code of Conduct, during 2021-22.

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

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

   Driver Information System, Switches & Sensor and Fuel Pump Module products have been developed & successfully running to suit BS VI norms for emission control.

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

   The above said products are productionised across the plants with 15 % green energy sources.

   (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain? **Not applicable**

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year? **Not applicable**

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

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

   Yes, the company have sourcing procedure for supplier selection and maintaining for all approved suppliers on sustainability. And the expiry dates of ISO 9001/ IATF 16949 / ISO 14001 / ISO 45001 are being tracked and monitored with regular intervals by effective usage of supplier portal and informing to all suppliers through B2B on or before 30 days before expiry.

   Wherever required, Customer approved sources are used for special process like plating, painting, heat treatment for better control and sustainability. Process and system audits at suppliers are being conducted for controlling quality of parts.

   Milk run concept transportation being arranged for critical material transitions at plant level from local suppliers for minimizing the number of vehicles. This will help to meet customer schedules and to reduce inventory.

   It is difficult to ascertain the percentage of inputs sourced from these suppliers accounting towards total input due to different kind of materials being used by the company.

ANNEXURE "F" TO DIRECTORS' REPORT

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   Yes, 70 to 80 % of the parts are developed using sources located nearby Pricol plants who are local & small producers. Pricol is focusing on developing local suppliers to improve their capacity and capability on Quality, Cost, Delivery, Serviceability, Technology, Flexibility (QCDSTF) through trainings and periodic audits.

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

   The nature of the Company's business is such that there are no significant emissions or process wastes. The company recycles materials wherever it is usable within the company, materials which cannot be reused is disposed off in a manner in compliance with applicable statutory provisions.

Principle 3: Businesses should promote the well being of all employees

1. Please indicate the Total number of employees, as at 31st March 2022	4,951
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis, as at 31st March 2022	3,212
3. Please indicate the Number of permanent women employees as at 31st March 2022	307 (60 Staffs and 247 Operators).
4. Please indicate the Number of permanent employees with disabilities, as at 31st March 2022	2 (1 Staff and 1 Operator).
5. Do you have an employee association that is recognized by management?	Yes
6. What percentage of your permanent employees (workers) is members of this recognized employee association as at 31st March 2022?	Around 90 %

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

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

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

(a)	Permanent Employees	100 %
(b)	Permanent Women Employees	100 %
(c)	Casual / Temporary / Contractual Employees	100 %
(d)	Employees with Disabilities	100 %

ANNEXURE "F" TO DIRECTORS' REPORT

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

1. Has the company mapped its internal and external stakeholders? **Yes.**

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders. **Yes.**

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

   The Company has taken initiatives to engage with and uplift the disadvantages, vulnerable, marginalized stakeholders as per its CSR policy

Principle 5: Businesses should respect and promote human rights

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

   The company has adopted: Code of conduct and whistle blower policy along with Business responsibility policy. These policies are applicable to the Directors and employees of the company, the underlying principles are communicated to vendors, suppliers and distributors and other key business associates of the company, which they are expected to adhere to while dealing with the company.

   For the foreign subsidiaries, the code and policy is applicable in line with the requirement of the respective countries of operations.

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

   The Company has not received any complaint from any stakeholders, in connection with Human rights.

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

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

   Company's EHS Policy that commits to provide support to suppliers and contractors in adopting sound EHS practices.

   All manufacturing plants of the Company has been certified with ISO 14001:2015 environmental management system& ISO 45001:2018 occupational health and safety (OH&S) management system standards.

   Company is promoting the certification of all its key stakeholders- suppliers and contractors.

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

   Yes. Over several years, the Company has undertaken various initiatives to address global environmental issues.

   The emissions or waste generated by the company are within the permissible limits as specified by the Pollution Control Boards (Cental & State).

   Energy conservation measures are on going exercise and the initiatives are mentioned in the Company's Annual Report.

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

   Yes. Company is certified under ISO 14001: 2015 standard and has laid down procedure for Risk identification, assessment and mitigation.

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

   Under Clean development mechanism, we have taken the following steps:

   a. Emission reduction :

   Company is keen to increase Renewable energy through Roof Top Solar projects from the present level of 2.62 MW to 3.00 MW at various plant locations. Over 33 lakh units of solar energy had been generated and utilised at plant level.

   - An agreement is executed to purchase 40 lakh units renewable energy through external sources.
   - Fuel saver is being used with diesel to improve efficiency of boilers & stand by DG sets. It reduces the emission by settling down the impurities in fuel.

ANNEXURE "F" TO DIRECTORS' REPORT

b. Green house Gas emission :

HFC refrigerant Air conditioners has been preferred for new projects as well as replacements at all plants. About 109 tons of HFC refrigerant based Air conditioners replaced in 2021-22.

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

Energy Efficiency:

100 % LED lighting is being used for SPM building department to have better and efficient lighting.

Invertor model chiller / Air conditioners are preferred for higher capacities, A 45 Ton chiller installed with invertor to replace fixed speed scroll compressor model chiller.

Curing ovens are introduced with current control model to have better efficiency by replacing voltage control system.

High volume low speed (HVLS) fans added at Coimbatore plant to replace industrial fans to have better comfort and savings.

Energy saving projects are implemented year on year to reduce specific power consumption of plant. The projects are in operational which includes operational control techniques, energy efficient products like VRF for A/c, LED lights, HVLS fans, VFD's, Motion sensors, Timer cut off, Water saver taps etc.

Pricol plants have 2,634 KL capacity of rain water harvesting structures whereas 2,557 KL are UG Tanks, the water is being used for various internal applications like gardening and flushing etc.

Vermi composed beds produce 8 Tons of fertilizers every year.

Renewable energy: Details as mentioned in point no.4 above.

6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes. To ensure, the emission / waste generation are with in permissible limits as given by State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB), the company tests all emission parameter as CPCB/ SPCB legal requirements. Test reports were submitted to the concerned Pollution Control Board. In addition, to reduce the emission factor the company keeps increasing the green energy.

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

Nil. No show cause notices have been issued by the concerned authorities.

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

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

- Confederation of Indian Industry (CII);
- Automotive Component Manufactures Association (ACMA)
- Society of Indian Automobile Manufacturers (SIAM)
- The Indian Chamber of Commerce and Industry, Coimbatore.
- The Employers Federation of Southern India

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

Principle 8: Businesses should support inclusive growth and equitable development

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

Yes. Company has a Corporate Social Responsibility Policy which derived its core value on various aspects as per the requirement of Companies Act 2013. The Company undertakes purposeful activities for the welfare of the society. The details are given in the "**Annexure B**", Annual Report 2021-22.

ANNEXURE "F" TO DIRECTORS' REPORT

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

   The CSR programmes are undertaken through in-house team along with ND Foundation and other implementing agencies.

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

   A formal impact assessment has not been done. However the CSR programme / projects of the Company are giving desired results, for upliftment of underprivileged school children, women, increase in ground water level, health awareness etc.

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

   Details of CSR spent during 2021-22, are given in the "**Annexure B**" of this Annual Report.

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

   Yes, the company regularly monitors the projects to ensure that they are adopted and continued and sustain within communities beyond our interactions.

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

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year:

   As on FY 2021-22 end, no customer complaints are pending and no consumer cases.

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

   Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

   No

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

   Yes. Customer Satisfaction trends are being monitored on monthly basis.

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

Coimbatore
23rd May 2022

★★★★★

ANNEXURE "G" TO DIRECTORS' REPORT

Form AOC - 1

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)

Part - "A" - Subsidiaries

Information in respect of each subsidiary

₹ Lakhs

Particulars	PT Pricol Surya Indonesia	PT Sripri Wiring Systems Indonesia (Subsidiary of PT Pricol Surya Indonesia)	Pricol Asia Pte Limited, Singapore	Pricol Wiping Systems India Limited
Reporting Period	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar
Reporting Currency	Indonesian Rupiah (IDR)	Indonesian Rupiah (IDR)	US Dollar (USD)	Indian Rupee (INR)
Exchange Rate for 1 reporting currency as on 31st March 2022 (INR)	0.00528	0.00528	75.64510	N.A.
Share Capital	7,022.44	372.67	189.11	2,125.00
Reserves and Surplus	(2,343.05)	(1,203.23)	3,822.62	(360.99)
Total Assets	5,808.08	13.21	9,358.90	3,498.02
Total Liabilities	5,808.08	13.21	9,358.90	3,498.02
Investments	5.84	—	—	—
Turnover	3,154.26	121.78	28,084.77	4,727.87
Profit / (Loss) before Tax	489.05	(57.95)	630.90	172.59
Provision for Taxation	105.24	1.68	105.79	—
Profit / (Loss) after Tax	383.81	(59.63)	525.11	172.59
Proposed Dividend	—	—	—	—
% of Shareholding	100%	100%	100%	100%

Notes:

1. Names of the subsidiaries which are yet to commence operations : Nil
2. Names of the subsidiaries which have been liquidated or sold during the year : Nil

Part - "B" - Associates and Joint Ventures : Not Applicable

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

P.M. Ganesh
Chief Executive Officer
& Executive Director
(DIN : 08571325)

P. Krishnamoorthy
Chief Financial Officer
(ACA No. : 28799)

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

Coimbatore
23rd May 2022

ANNEXURE "H" TO DIRECTORS' REPORT

Form AOC - 2

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

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

1. **Details of contracts or arrangements or transactions not at arm's length basis**
   Not Applicable. During the year, all transactions with the related parties were entered at arm's length.

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

Sl.No.	Name of the related party and Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1.	Pricol Asia Pte Limited, Singapore (Wholly owned subsidiary of Pricol Limited)	Agreement for purchase of goods	One year – 1st April, 2021 to 31st March, 2022	Purchase of goods. Value of transactions during the reporting period is ₹ 29,093.74 Lakhs	Not applicable	NIL

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Coimbatore
23rd May 2022

TEN YEARS PERFORMANCE AT A GLANCE

OPERATING RESULTS

₹ Lakhs

Year Ended 31st March		2013 Erstwhile Pricol Limited	2014 Erstwhile Pricol Limited	2015 Erstwhile Pricol Limited	2016 Erstwhile Pricol Limited	2017 Pricol Limited	2018 Pricol Limited	2019 Pricol Limited	2020 Pricol Limited	2021 Pricol Limited	**2022 Pricol Limited**
Net Sales & Services - Domestic		69,966.84	68,996.47	78,423.45	97,992.03	1,13,155.51	1,09,564.18	1,22,130.04	1,05,486.58	1,24,499.87	**1,31,349.05**
- Export		12,859.12	14,027.83	11,625.45	10,052.82	8,409.61	8,107.26	7,593.97	8,418.29	9,115.46	**11,796.21**
Total Net Sales & Services		82,825.96	83,024.30	90,048.90	1,08,044.85	1,21,565.12	1,17,671.44	1,29,724.01	1,13,904.87	1,33,615.33	**1,43,145.26**
Gross Surplus from Operation		6,043.65	6,581.28	2,328.39	10,665.39	13,186.52	15,050.28	9,372.63	8,514.65	17,050.90	**16,688.88**
Other Income		151.60	362.25	200.57	699.96	429.46	667.46	846.34	1,263.23	748.68	**729.23**
Depreciation & Amortisation Expense	(a)	3,195.01	3,066.46	3,525.45	3,417.37	6,599.73	7,156.53	8,019.74	9,269.24	9,095.04	**7,890.71**
Finance Costs	(b)	1,633.07	651.96	789.00	931.19	784.14	1,139.39	1,808.74	3,108.45	4,052.86	**2,651.64**
Profit / (Loss) from operations before Exceptional Items and Tax		1,367.17	3,225.11	(1,785.49)	7,016.79	6,232.11	7,421.82	390.49	(2,599.81)	4,651.68	**6,875.76**
Exceptional Items (Net)		–	5,163.34	(467.68)	(1,001.62)	–	–	(23,197.75)	(19,072.36)	–	**–**
Profit / (Loss) Before Tax (PBT)	(c)	1,367.17	8,388.45	(2,253.17)	6,015.17	6,232.11	7,421.82	(22,807.26)	(21,672.17)	4,651.68	**6,875.76**
Tax Provision incl. Deferred Tax		(206.87)	1,688.52	(453.45)	1,695.43	1,564.73	2,074.46	(14.31)	(384.20)	3,191.47	**2,313.30**
Profit / (Loss) After Tax (PAT)	(d)	1,574.04	6,699.93	(1,799.72)	4,319.74	4,667.38	5,347.36	(22,792.95)	(21,287.97)	1,460.21	**4,562.46**
Other Comprehensive Income for the year after tax		NA	NA	NA	NA	(112.87)	160.64	31.09	191.97	13.17	**(58.27)**
Total Comprehensive Income for the year		NA	NA	NA	NA	4,554.51	5,508.00	(22,761.86)	(21,096.00)	1,473.38	**4,504.19**
Dividend (including tax)	(e)	421.18	884.48	–	1,140.95	1,140.95	1,142.82	–	–	–	**–**
Retained Profit / (Loss)		1,152.86	5,815.45	(1,799.72)	3,178.79	3,413.56	4,365.18	(22,761.86)	(21,096.00)	1,473.38	**4,504.19**
As at 31st March		2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
SOURCES OF FUNDS											
Share Capital		900.00	945.00	947.97	947.97	947.97	947.97	947.97	947.97	1,218.81	**1,218.81**
Reserves & Surplus		24,552.75	31,133.20	25,805.92	28,984.71	82,612.01	86,979.06	63,074.38	41,978.38	51,132.97	**55,637.16**
Money received against Share Warrants		202.50	–	–	–	–	–	–	–	–	**–**
Networth	(f)	25,655.25	32,078.20	26,753.89	29,932.68	83,559.98	87,927.03	64,022.35	42,926.35	52,351.78	**56,855.97**
Deferred Tax Liability / (Asset)		400.00	810.00	140.00	(100.00)	3,714.00	5,468.55	5,470.94	5,189.85	5,735.66	**5,067.66**
Loan Funds	(g)	10,492.40	4,394.17	6,401.02	5,000.00	10,834.74	12,725.27	26,022.67	34,328.77	22,983.45	**12,645.04**
Total Capital Employed	(h)	36,547.65	37,282.37	33,294.91	34,832.68	98,108.72	1,06,120.85	95,515.96	82,444.97	81,070.89	**74,568.67**

TEN YEARS PERFORMANCE AT A GLANCE (Contd.,)

OPERATING RESULTS

₹ Lakhs

As at 31st March		2013 Erstwhile Pricol Limited	2014 Erstwhile Pricol Limited	2015 Erstwhile Pricol Limited	2016 Erstwhile Pricol Limited	2017 Pricol Limited	2018 Pricol Limited	2019 Pricol Limited	2020 Pricol Limited	2021 Pricol Limited	**2022 Pricol Limited**
APPLICATION OF FUNDS											
Gross Fixed Assets		51,806.39	50,415.97	45,570.14	47,033.34	82,983.19	88,957.61	97,175.34	1,06,512.54	1,05,154.81	**1,09,021.44**
Accumulated Depreciation		33,471.32	32,317.98	27,963.29	28,987.74	12,604.25	19,474.67	27,401.60	36,652.38	42,083.76	**49,801.05**
Net Fixed Assets		18,335.07	18,097.99	17,606.85	18,045.60	70,378.94	69,482.94	69,773.74	69,860.16	63,071.05	**59,220.39**
Non-Current Investments		3,880.50	6,038.53	5,275.63	9,544.15	11,526.42	15,527.62	4,671.90	4,671.90	5,946.90	**8,188.12**
Other Assets (Net)		14,332.08	13,145.85	10,412.43	7,242.93	16,203.36	21,110.29	21,070.32	7,912.91	12,052.94	**7,160.16**
Net Assets Employed		36,547.65	37,282.37	33,294.91	34,832.68	98,108.72	1,06,120.85	95,515.96	82,444.97	81,070.89	**74,568.67**
Year Ended 31st March		2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
PERFORMANCE INDICATORS											
Equity shares (Nos. in Lakhs)	(i)	900.00	945.00	947.97	947.97	947.97	947.97	947.97	947.97	1,218.81	**1,218.81**
Face Value of Equity Share (₹)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	**1.00**
Earnings per share (EPS) (₹)	(d/i)	1.75	7.16	(1.90)	4.56	4.92	5.64	(24.04)	(20.41)	1.34	**3.74**
Diluted Earnings per share (₹)		1.67	7.16	(1.90)	4.56	4.92	5.64	(24.04)	(20.41)	1.34	**3.74**
Dividend per share (₹)		0.40	0.80	—	1.00	1.00	1.00	—	—	—	**—**
Networth per share (NWPS) (₹)	(f/i)	28.51	33.95	28.22	31.58	88.15	92.75	67.54	45.28	42.95	**46.65**
Return on Average Networth (RONW) (%)	*	6.28	23.21	(6.12)	15.24	5.69	6.24	(30.00)	(39.81)	3.07	**8.36**
Return on Average Capital Employed (ROCE) (%)	**	7.60	24.49	(4.15)	20.39	7.64	8.38	(20.83)	(20.86)	10.65	**12.24**
Total Debt to Networth	(g/f)	0.41	0.14	0.24	0.17	0.13	0.14	0.41	0.80	0.44	**0.22**
Interest Coverage Ratio	(a+b+c)/b	3.79	18.57	2.61	11.13	17.36	13.79	5.65	3.15	4.39	**6.57**

* 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

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

To the Members of Pricol Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of **Pricol Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the Standalone Financial Statements including a summary of significant accounting policies and other explanatory information (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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2022, its profit 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 Standards on Auditing (SA's) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and 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 on the Standalone Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements 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 report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Trade receivables and expected credit loss: The trade receivables as at March 31, 2022 is ₹ 22,512.91 Lakhs and provision for expected credit loss as on the Balance Sheet date is ₹ 279.77 Lakhs. (Refer Note. 15) The Company measures expected credit loss on trade receivables based on significant management judgement and estimates. We have considered assessment of expected credit loss for receivables as a key audit matter because of the significant management judgement involved in its estimation.	**Our audit procedures included the following:** • Assessed the appropriateness of the accounting policy for expected credit loss as per the relevant accounting standards. • Obtained an understanding of and assessed the design, implementation and operating effectiveness of key controls relating to collection monitoring process, credit control process and estimation of expected credit losses. • Tested the controls relating to classification of the receivable balances included in the receivables ageing report. • Reviewed the ageing, tested the validity of the receivables, discussed with the management on the disputes, if any, with the customers,

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

Key Audit Matter	How our audit addressed the Key Audit Matter
	understood and evaluated the reason for delay in realization of the receivables and possibility of realization of the aged receivable. • Assessed the methodology used by management to estimate the expected credit loss provision and its compliance with the relevant accounting standard. • Assessed the reasonableness of estimate of expected credit loss. • Assessed the adequacy of disclosures relating to trade receivables and related credit risk.
Provisions for litigations and disclosure of contingent liabilities: The Company is involved in litigations, both for and against the Company, comprising of tax matters, legal compliances and other disputes as on the Balance Sheet date. The Company assesses the need to make a provision or disclose a contingency on a case-to-case basis considering the underlying facts of each matter, in consultation with its legal advisors and lawyers. This involves a high level of management judgement and assumptions which impact the risk assessment and consequential provisioning and disclosure of contingencies in the financial statements. This area is significant to our audit, since the completeness and accuracy of accounting and disclosures for contingencies is dependent on such management judgement and assumptions.	**Our audit procedures included the following:** • We evaluated and tested the Company's processes and controls for monitoring of litigations, disputes, compliances and assessment thereof for determining the likely outcome. • We reviewed the summary of the litigations prepared by the management and discussed the material cases to determine the Company's assessment of the likelihood and magnitude of any liability that may arise. • We evaluated the legal opinion obtained by the Company and assessed the management's judgements and assumptions on such matters. • We tested the adequacy of disclosures in the financial statements. • We also obtained necessary representations from the management in regard to the provisioning and disclosures in respect of the litigations.

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

The Company's Management and Board of Directors are responsible for 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 / Consolidated Financial Statements and our Auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not and will 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. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

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

Management's and Board of Directors Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including 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, that were operating effectively for ensuring 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 Management and Board of Directors are 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 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 this 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

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

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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 Standalone 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 Standalone 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.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in **"Annexure 1"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) (A) 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 Statement of Changes in Equity and the Standalone Statement of Cash Flows 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 the written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"**.

(B) 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

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

best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations as at March 31,2022 on its financial position in its Standalone Financial Statements - Refer Note. 46 on Contingent Liabilities 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 Note.25 & 31 to the Standalone Financial Statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March 2022.

iv) a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note.73(ii)A to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- Whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note.73(ii)B of Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- Whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c)Based on the audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv (a) and (b) contain any material mis-statement.

v) The company has not proposed / paid any dividend during the year.

(C) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

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. The remuneration paid to any director is not in excess of the Limit laid down under Section 197 of the Companies Act.

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Registration No.000066S
CS Sathyanarayanan
Partner
Membership No.028328
UDIN: 22028328AJNICY6376

Coimbatore
23rd May 2022

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INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (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, 2022)

In our opinion and to the best of our knowledge & belief, the books of accounts and records examined by us and according to the information and explanation given to us, we report that

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) The Company has a regular program of verification of property, plant and equipment, by which all the property, plant and equipment are verified in a phased manner over a period of three years. In accordance with the programme certain property, plant and equipment were verified during the year. The periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the Company) disclosed in the Standalone Financial Statements included in are held in the name of the Company, except for the following:

₹ Lakhs

Description of Property	As at 31-3-2022 Gross Carrying Value	Held in the Name of	Whether promoter, director or their relative or employee	Period Range	Reason for not being held in name of Company (including Dispute)
Property, Plant & Equipment					
Land	8,322.27	Premier Instruments & Controls Limited	No	From 1972 - 2004	Refer Note below
Building	8,639.00				
Investment Property					
Land	650.00				
Building	1,061.00				

Note: The title deeds are in the name of the Premier Instruments & Controls Limited. The name of the company was subsequently changed to Pricol Limited.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories, except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. The coverage and procedure of such verification

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

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

by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly returns / statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans to Companies, firms, limited liability partnership during the year. The Company has made investment in its wholly owned subsidiary company which prima facie is not prejudicial to the interest of the Company. The Company has not made any investments during the year in any firm, LLP or any other parties. Hence, clause 3(iii) (a) and 3(iii) (c) to (f) of the order is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees, and securities provided, wherever applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022, on account of disputes are given below:

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

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

₹ Lakhs

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending	Deposits paid under Protest
Central Excise Act / Service Tax Act / Customs Act	Excise Duty	676.10	1997-98 to 2014-15	CESTAT	87.76
	Customs Duty	426.16			
	Customs Duty	8.95		Joint Secretary - Ministry of Finance	
	Excise Duty	120.82		Departmental adjudication	
	Customs Duty	55.53			
Central Sales Tax Act	CST	301.83	2009-10 to 2013-14	Additional Commissioner	54.49
	CST	32.44	2014-15	Joint Commissioner Appeals	
	VAT	76.81	2012-13	Appellate Tribunal	
	VAT	449.93	2011-12 to 2015-16	Joint Commissioner Appeals	
	CST	8.97	2012-13 to 2017-18	Assistant Commissioner	0.87
	CST	3.49	2007-08	Appellate Authority	
	CST	1.51	2017-18	Superintendent, Audit Circle	
	CST	3.95	2015-16	Departmental adjudication	
	CST	25.29	2014-15 to 2017-18	Senior Intelligence Officer	
Goods and Services Tax Act	GST	47.72	2017-18	Departmental adjudication	–
		12.00	2017-18 to 2018-19	Assistant Commissioner	
Employees State Insurance Act, 1948	ESI	88.52	2010-11	ESI Corporation	25.31
Total		**2,340.02**			**168.43**

(viii) The company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of accounts in the tax assessments under the Income Tax Act, during the year.

(ix) (a) The Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) We report that the Company has neither taken any funds from any entity or person during the year, to meet the obligations of its subsidiaries as defined under the Companies Act 2013.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge, no fraud by the Company or on the Company has been noticed or reported during the year.

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

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

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) There were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) The transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, where applicable and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) The Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued till date for the period under audit.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Company is not a Core Investment Company as defined in the regulation made by RBI and hence reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) There is no unspent amount under section 135(5) of the Companies Act,2013 pursuant to any project under CSR. Accordingly, Clause 3(xx)(a) & 3 (xx)(b) of the Order is not applicable.

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Registration No.000066S
CS Sathyanarayanan
Partner
Membership No.028328
UDIN: 22028328AJNICY6376

Coimbatore
23rd May 2022

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

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

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")

(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, 2022)

We have audited the internal financial controls over financial reporting of **Pricol Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

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 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

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

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

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, 2022, 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
CS Sathyanarayanan
Partner
Membership No.028328
UDIN: 22028328AJNICY6376

Coimbatore
23rd May 2022

★★★★★

STANDALONE BALANCE SHEET AS AT 31st MARCH 2022

	Note.	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	2	**35,540.40**	35,293.50
(b) Right of Use	3	**3,008.25**	3,675.97
(c) Capital Work-in-progress	4	**842.25**	1,975.66
(d) Investment Property	5	**1,538.79**	1,503.46
(e) Goodwill	6	**7,947.20**	8,940.60
(f) Other Intangible assets	7	**10,343.50**	11,681.86
(g) Intangible Assets under Development	8	**—**	—
(h) Financial Assets			
i) Investments	9	**8,188.12**	5,946.90
ii) Loans	10	**—**	—
iii) Other Financial Assets	11	**669.18**	803.42
(i) Other Non-Current Assets	12	**1,803.36**	3,348.10
Total Non-Current Assets		**69,881.05**	73,169.47
(2) Current Assets			
(a) Inventories	13	**22,997.64**	23,909.12
(b) Financial Assets			
i) Investments	14	**213.02**	80.15
ii) Trade Receivables	15	**22,233.14**	18,247.98
iii) Cash and Cash equivalents	16	**60.45**	1,650.28
iv) Bank Balances other than (iii) above	17	**248.85**	1,180.88
v) Other Financial Assets	18	**78.71**	101.21
(c) Other Current Assets	19	**1,321.52**	1,481.91
Total Current Assets		**47,153.33**	46,651.53
Non-Current Investments held for Sale	20	**—**	—
		47,153.33	46,651.53
TOTAL ASSETS		**1,17,034.38**	1,19,821.00

STANDALONE BALANCE SHEET AS AT 31st MARCH 2022

	Note.	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
Standalone Balance Sheet as at 31st March 2022 (Contd.,)			
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	21	1,218.81	1,218.81
(b) Other Equity	22	55,637.16	51,132.97
Total Equity		56,855.97	52,351.78
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	23	9,310.98	18,551.43
ii) Lease Liabilities	24	1,883.35	2,499.17
iii) Other Financial Liabilities	25	490.70	901.00
(b) Provisions	26	1,044.99	1,037.35
(c) Deferred Tax Liabilities (Net)	27	5,067.66	5,735.66
Total Non-Current Liabilities		17,797.68	28,724.61
(2) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	28	3,334.06	4,432.02
ii) Lease Liabilities	29	631.44	551.86
iii) Trade Payables	30		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		1,031.91	545.87
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		26,113.28	26,656.22
iv) Other Financial Liabilities	31	9,133.54	4,795.79
(b) Other Current Liabilities	32	1,559.35	1,203.28
(c) Provisions	33	577.15	559.57
Total Current Liabilities		42,380.73	38,744.61
TOTAL EQUITY AND LIABILITIES		1,17,034.38	1,19,821.00

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
CS Sathyanarayanan
Partner
Membership No.028328
Coimbatore
23rd May 2022

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

P.M. Ganesh
Chief Executive Officer
& Executive Director
(DIN : 08571325)

P. Krishnamoorthy
Chief Financial Officer
(ACA No. : 28799)

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

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2022

	Note.	2021-22 ₹ Lakhs	2020-21 ₹ Lakhs
INCOME			
Revenue from Operations	34	1,43,145.26	1,33,615.33
Other Operating Revenue	35	4,462.41	5,417.15
Other Income	36	729.23	748.68
Total Income		1,48,336.90	1,39,781.16
EXPENSES			
Cost of Materials Consumed	37	98,100.42	92,767.54
Purchases of Stock-in-Trade		4,792.08	5,466.80
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	38	878.44	(1,752.19)
Employee Benefits Expense	39	18,164.79	15,815.11
Finance Costs	40	2,651.64	4,052.86
Depreciation and Amortisation Expense	41	7,890.71	9,095.04
Other Expenses	42	8,983.06	9,684.32
Total Expenses		1,41,461.14	1,35,129.48
Profit / (Loss) before Exceptional Items and Tax		6,875.76	4,651.68
Less : Exceptional Items (Net)		—	—
Profit / (Loss) Before Tax		6,875.76	4,651.68
Less : Tax Expense			
Current Tax		2,950.00	3,307.28
Deferred Tax	56 (c)	(636.70)	538.73
Earlier years (Net)		—	(654.54)
Profit / (Loss) for the year	(A)	4,562.46	1,460.21

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2022

	Note.	**2021-22 ₹ Lakhs**	2020-21 ₹ Lakhs
Standalone statement of Profit & Loss for the year ended 31st March 2022 (Contd.,)			
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurement of post employment benefit obligations		**(89.57)**	20.25
Income tax relating to these items	**56 (c)**	**31.30**	(7.08)
Other Comprehensive Income for the year after tax	**(B)**	**(58.27)**	13.17
Total Comprehensive Income for the year	**(A) + (B)**	**4,504.19**	1,473.38
Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees	**44**		
Basic & Diluted		**3.74**	1.34

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
CS Sathyanarayanan
Partner
Membership No.028328
Coimbatore
23rd May 2022

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

P.M. Ganesh
Chief Executive Officer
& Executive Director
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P. Krishnamoorthy
Chief Financial Officer
(ACA No. : 28799)

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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2022

a) Equity Share Capital

₹ Lakhs

	Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
As at 31st March 2022	**1,218.81**	**–**	**1,218.81**
As at 31st March 2021	947.97	270.84	1,218.81

₹ Lakhs

b) Other Equity	Securities Premium	Retained Earnings	Other Comprehensive Income	Total
Balance as on 1st April 2021	88,642.77	(37,793.80)	284.00	51,132.97
- Profit / (Loss) for the year 2021-22	—	4,562.46	—	4,562.46
- Other Comprehensive Income, Net off Income Tax	—	—	(58.27)	(58.27)
Balance as on 31st March 2022	**88,642.77**	**(33,231.34)**	**225.73**	**55,637.16**
Balance as on 1st April 2020	80,961.56	(39,254.01)	270.83	41,978.38
- Profit / (Loss) for the year 2020-21	—	1,460.21	—	1,460.21
- Other Comprehensive Income, Net off Income Tax	—	—	13.17	13.17
- Premium on issue of equity shares (Net off issue expenses)	7,681.21	—	—	7,681.21
Balance as on 31st March 2021	88,642.77	(37,793.80)	284.00	51,132.97

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
CS Sathyanarayanan
Partner
Membership No.028328
Coimbatore
23rd May 2022

For and on behalf of the Board

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

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

			Year Ended 31st March 2022 ₹ Lakhs		Year Ended 31st March 2021 ₹ Lakhs
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) Before Tax		**6,875.76**		4,651.68
	Adjustments for :				
	Depreciation & Amortisation Expense	**7,890.71**		9,095.04	
	Expected Credit Loss / Advances written off (Net off Provisions)	**43.78**		53.68	
	Excess Provision no longer required written back	**(330.92)**		(32.82)	
	(Profit) / Loss on sale of Property, Plant and Equipment (Net) / Assets Discarded (Net of Impairment / (Reversals))	**98.10**		1,417.88	
	Proceeds from disposal of Non-Current Investments	**—**		(37.44)	
	Interest received	**(47.60)**		(79.09)	
	Exchange Fluctuation (Gain) / Loss on Re-statement	**(512.51)**		365.50	
	Gain on Fair Valuation / Disposal of Investments at Fair Value through P&L	**(2.88)**		(11.55)	
	Finance Costs	**2,651.64**		4,052.86	
			9,790.32		14,824.06
	Operating Profit before working capital changes		**16,666.08**		19,475.74
	Adjustments for :-				
	(Increase) / Decrease in Trade Receivables	**(3,677.58)**		(1,477.62)	
	(Increase) / Decrease in Inventories	**911.48**		(6,843.10)	
	(Increase) / Decrease in Other Assets	**1,003.24**		(126.27)	
	Increase / (Decrease) in Trade Payables	**(58.19)**		1,291.66	
	Increase / (Decrease) in Other Payables	**4,795.86**		565.20	
			2,974.81		(6,590.13)
	Cash generated from Operations		**19,640.89**		12,885.61
	Direct taxes		**(881.46)**		(105.35)
	Net cash from operating activities		**18,759.43**		12,780.26
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**				
	Purchase of Property, Plant and Equipment	**(4,372.63)**		(2,983.52)	
	Sale of Property, Plant and Equipment	**251.34**		46.16	
	Adjustment for capital advances	**(297.43)**		16.46	
	Purchase of Non-Current Investments	**(2,241.22)**		(1,277.68)	
	Proceeds from disposal of Non-Current Investments	**—**		37.44	
	Purchase of Current Investments	**(129.99)**		(230.00)	
	Proceeds on Sale of Current Investments	**—**		632.34	
	Interest received	**58.14**		263.12	
	Net Cash (used in) / from investing activities		**(6,731.79)**		(3,495.68)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

			Year Ended 31st March 2022 ₹ Lakhs		Year Ended 31st March 2021 ₹ Lakhs
Standalone Cash Flow Statement for the Year Ended 31st March 2022 (Contd.,)					
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**				
	Proceeds from / (Repayment of) Current Borrowings (Net)	**130.09**		(8,819.84)	
	Repayment of Long Term Borrowings	**(15,475.42)**		(3,390.64)	
	Proceeds from Long Term Borrowings	**4,757.00**		—	
	Proceeds from Right Issue (Net off issue expenses)	**—**		7,952.05	
	Repayment of Lease Liabilities	**(553.10)**		(268.90)	
	Finance Costs paid	**(2,476.04)**		(3,340.08)	
	Net Cash from / (used in) financing activities		**(13,617.47)**		(7,867.41)
D.	**NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**		**(1,589.83)**		1,417.17
	Cash and cash equivalents as at 1.4.2021 and 1.4.2020 (Opening Balance)		**1,650.28**		233.11
	Cash and cash equivalents as at 31.3.2022 and 31.3.2021 (Closing Balance)(Refer Note.16)		**60.45**		1,650.28

Changes in Liability arising from financing activities, disclosing changes arising from Cash and Non Cash Flow:

As on 31-3-2022 **₹ Lakhs**

Particulars	Non Current Borrowings (including current maturities)	Current Borrowings	Lease Liability
Opening Balance as at 1st April, 2021	22,983.45	–	3,051.03
Cash Flows (Net) - Proceeds / (Repayment)	(10,718.42)	130.09	(553.10)
Addition during the year - Impact on account of Ind AS 116	–	–	16.86
Amortisation of Loan Origination cost	112.53	–	–
De-recognition of unamortised portion of finance charges	137.39	–	–
Closing Balance as at 31st March 2022	**12,514.95**	**130.09**	**2,514.79**
As on 31-3-2021			
Opening Balance as at 1st April, 2020	25,508.93	8,819.84	2,533.48
Cash Flows (Net) - Proceeds / (Repayment)	(3,390.64)	(8,819.84)	(268.90)
Addition during the year - Impact on account of Ind AS 116	–	–	786.45
Interest converted into Loan	717.39	–	–
Amortisation of Loan Origination cost	147.77	–	–
Closing Balance as at 31st March 2021	22,983.45	–	3,051.03

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
CS Sathyanarayanan
Partner
Membership No.028328
Coimbatore
23rd May 2022

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

P.M. Ganesh
Chief Executive Officer
& Executive Director
(DIN : 08571325)

P. Krishnamoorthy
Chief Financial Officer
(ACA No. : 28799)

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2022

1.A. 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. The Equity share of the company are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE).

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 from time to time 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 31 March 2022 were authorised and approved for issue by the Board of Directors on 23rd May 2022.

1. B. Significant Accounting Policies

i. 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 convention and on accrual basis, except for the following material items in the Balance Sheet:

- Financial assets are measured either at fair value or at amortised cost depending on their classification;
- Derivative instruments are measured at their fair values;
- Employee defined benefit assets/ liabilities are recognised as the net total of fair value of plan assets, adjusted for actuarial gains / losses and the present value of defined benefit obligations;
- Long term borrowings are measured at amortised cost using the effective interest rate (EIR) method;
- Assets held for sale are measured at fair value less cost to sell;
- Right-of-use of Assets are recognised at the present value of lease payments that are not paid as on that date. This amount is adjusted for any lease payments made at or before the commencement of the lease and initial direct cost incurred, if any.

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 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;

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

- 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.

ii. 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 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 judgments and the use of assumptions in these Financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumptions".

iii. 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.

Current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current assets and liabilities.

iv. 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 decimals.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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.

v. Revenue Recognition:

Sale of goods

Revenue from customers is recognised when the company 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.

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 (included in other financial liabilities) 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.

Export benefits

Export incentive entitlement are recognised as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no uncertainty regarding the ultimate collection of the exports proceeds.

Unbilled Revenue

Contract Assets are recognised when there is excess of revenue earned over the contract billing. Contract assets are classified as unbilled receivables when there is a unconditional right to receive payment as per the contractual terms.

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.

vi. 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, for rental to others, 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 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) are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for leasehold improvements which are amortised as depreciation over the useful life or lease period, which ever is lower 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:

Class of Assets	Useful Lives
Factory Buildings	30 years
Improvement to Leasehold Buildings	Useful life or lease period whichever is lower
Plant & Equipments	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 - End User Devices	 6 years 3 years
Spares	1 - 3 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.

vii. Investment property:

Investment property is a land or building, held 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. Investment properties are depreciated using the straight-line method over their estimated useful lives.

The Company has used the following useful lives to provide depreciation on its Investment Property:

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Class of Assets	Useful Lives
Buildings	30 years

viii. 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:

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 acquired on Amalgamation	15 years (Based on a technical opinion)

ix. Non-current assets held for sale and discontinued operations:

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale. Non-current assets and Disposal Group held for sale are measured at the lower of carrying amount and fair value less cost to sell.

Non-current assets and Disposal Group that ceases to be classified as held for sale shall be measured at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale adjusted for any depreciation / amortisation and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria.

x. 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.

xi. 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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.

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

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

xiii. 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 in 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);

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

- 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 instrument 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 instrument at FVTPL:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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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 venture 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 venture, the difference between net disposal proceeds and the 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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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 or loss.

Offsetting of financial instruments

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

xiv. 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.

xv. 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.

xvi. 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 an 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 an 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

i. 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.

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.

xvii. Provisions:

A provision is recognised when an enterprise has a present obligation (legal or constructive) as result of

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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.

xviii. 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 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.

xix. 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.

xx. 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.

xxi. 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 other comprehensive income/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

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SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 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.

xxii. 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.

xxiii. Leases:

a. The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land, buildings and computer equipments. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

b. The Company as a Lessor :

Leases for which the company is a lessor is classified as a finance or operating lease. Wherever the terms of the lease transfers substantially all the risks and ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease.

xxiv. 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.

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.

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xxv. 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.

xxvi. 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 Judgments, 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 utilized.

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 period. As at March 31, 2022 management assessed that the useful lives represent the expected 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 of 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.

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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 is 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 assumptions 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.

h) Leases:

Significant judgments are required in the assumptions and made in order to determine the ROU asset and lease liability. The assumptions and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease term, determination of applicable incremental borrowing rate, among others.

Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Business Combinations

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS 16 – Property, Plant and Equipments

The amendment clarifies that excess of net sale proceeds of items tested over the cost of testing, if any, shall not be recognised in the statement of profit and loss but deducted from the directly attributable cost of an items of Property, Plant and Equipments.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that related directly to fulfilling contracts.

Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect the above amendments to have any significant impact in the financial statements.

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NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ Lakhs

Particulars	Land	Buildings	Improve-ments to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Gross Carrying Value									
As at 1st April, 2020	8,756.19	16,399.28	374.46	32,124.39	818.18	273.00	78.82	2,881.74	61,706.06
Additions during 2020-21	—	336.68	—	2,637.46	4.00	17.15	—	37.26	3,032.55
Deletions during 2020-21	—	19.33	—	1,613.12	41.54	10.97	15.77	73.26	1,773.99
Impaired during 2020-21	—	—	—	242.51	—	—	—	1,114.23	1,356.74
Re-classified as Investment Property (Refer Note. 5)	188.00	543.83	—	—	—	—	—	—	731.83
As at 31st March, 2021	8,568.19	16,172.80	374.46	32,906.22	780.64	279.18	63.05	1,731.51	60,876.05
Additions during 2021-22	1,360.04	82.67	—	3,348.25	3.50	310.29	2.76	279.28	5,386.79
Deletions during 2021-22	—	—	—	984.20	8.90	73.46	5.22	—	1,071.78
Impaired during 2021-22	—	—	—	—	—	—	—	—	—
Adjustment on Reversal of Impairment during 2021-22	—	—	—	242.51	—	—	—	307.79	550.30
Re-classified as Investment Property	—	—	—	—	—	—	—	—	—
As at 31st March, 2022	**9,928.23**	**16,255.47**	**374.46**	**35,512.78**	**775.24**	**516.01**	**60.59**	**2,318.58**	**65,741.36**

Accumulated Depreciation

₹ Lakhs

Particulars	Land	Buildings	Improve-ments to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 1st April, 2020	—	3,521.22	140.69	15,854.37	303.92	166.40	48.53	2,100.98	22,136.11
Depreciation for the year 2020-21	—	829.92	36.57	4,611.71	78.56	28.88	5.62	291.21	5,882.47
Withdrawn during the year 2020-21	—	3.12	—	1,142.35	23.12	6.17	14.38	43.44	1,232.58
Withdrawn on Impairment during 2020-21	—	—	—	122.19	—	—	—	955.02	1,077.21
Re-classified as Investment Property (Refer Note. 5)	—	126.24	—	—	—	—	—	—	126.24
As at 31st March, 2021	—	4,221.78	177.26	19,201.54	359.36	189.11	39.77	1,393.73	25,582.55
Depreciation for the year 2021-22	**—**	**764.34**	**36.57**	**3,751.23**	**68.38**	**29.08**	**4.93**	**136.13**	**4,790.66**
Withdrawn during the year 2021-22	—	—	—	517.63	2.73	45.47	4.65	—	570.48
Adjustment on Reversal of Impairment during 2021-22	—	—	—	122.18	—	—	—	276.05	398.23
As at 31st March, 2022	**—**	**4,986.12**	**213.83**	**22,557.32**	**425.01**	**172.72**	**40.05**	**1,805.91**	**30,200.96**

Net Carrying Value

₹ Lakhs

Particulars	Land	Buildings	Improve-ments to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 31st March, 2021	8,568.19	11,951.02	197.20	13,704.68	421.28	90.07	23.28	337.78	35,293.50
As at 31st March, 2022	**9,928.23**	**11,269.35**	**160.63**	**12,955.46**	**350.23**	**343.29**	**20.54**	**512.67**	**35,540.40**

Certain Property, Plant and Equipment have been given as security against borrowings availed by the company (Refer Note. 23 & 28).
All immovable properties are held in the name of the Company except as disclosed in Note.67
The impairment loss of ₹ 279.53 Lakhs was provided in earlier year have been reversed and the actual loss has been accounted for during the current year. (Refer Note.42).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

3. RIGHT OF USE

₹ Lakhs

Particulars	Land	Buildings	Computer Equipments	Total
Gross Carrying Value				
As at 1st April, 2020	921.00	2,808.69	–	3,729.69
Additions during 2020-21	–	130.03	656.42	786.45
Deletions during 2020-21	–	–	–	–
As at 31st March, 2021	921.00	2,938.72	656.42	4,516.14
Additions during 2021-22	–	–	16.86	16.86
Deletions during 2021-22	–	–	–	–
As at 31st March, 2022	**921.00**	**2,938.72**	**673.28**	**4,533.00**

Accumulated Depreciation ₹ Lakhs

As at 1st April, 2020	33.49	388.27	–	421.76
Depreciation for the year 2020-21	13.60	393.69	11.12	418.41
Withdrawn during the year 2020-21	–	–	–	–
As at 31st March, 2021	47.09	781.96	11.12	840.17
Depreciation for the year 2021-22	**14.55**	**453.28**	**216.75**	**684.58**
Withdrawn during the year 2021-22	–	–	–	–
As at 31st March, 2022	**61.64**	**1,235.24**	**227.87**	**1,524.75**

Net Carrying Value ₹ Lakhs

As at 31st March, 2021	873.91	2,156.76	645.30	3,675.97
As at 31st March, 2022	**859.36**	**1,703.48**	**445.41**	**3,008.25**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

4. CAPITAL WORK-IN-PROGRESS **₹ Lakhs**

Particulars	**As at 31st March 2022**	As at 31st March 2021
As at 1st April, 2021 & 1st April, 2020	**1,975.66**	2,025.41
Add : Addition during the year	**4,253.38**	2,982.80
Less : Deletion during the year	**5,386.79**	3,032.55
As at 31st March, 2022 & 31st March, 2021	**842.25**	1,975.66

Capital Work-in-progress ageing as on 31-3-2022 **₹ Lakhs**

Particulars	**Amount in Capital Work-in-progress for a period of**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	**842.25**	–	–	–	**842.25**
Projects temporarily suspended	–	–	–	–	–

Capital Work-in-progress ageing as on 31-3-2021 ₹ Lakhs

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,012.64	638.06	294.92	30.04	1,975.66
Projects temporarily suspended	–	–	–	–	–

Following table represents Capital Work-in-progress projects which have exceeded their original budgeted cost and / or Planned time of completion :

As on 31-3-2022 **₹ Lakhs**

Particulars	**To be completed in**				**Total**
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

As on 31-3-2021 ₹ Lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	991.52	–	–	–	991.52
Projects temporarily suspended	–	–	–	–	–

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

5. INVESTMENT PROPERTY

₹ Lakhs

Particulars	Land	Building	Total
Gross Carrying Value			
As at 1st April, 2020	462.00	700.00	1,162.00
Additions during 2020-21	–	–	–
Reclassified from PPE	188.00	543.83	731.83
Deletions during 2020-21	–	–	–
As at 31st March, 2021	650.00	1,243.83	1,893.83
Additions during 2021-22	–	96.49	96.49
Reclassified from PPE	–	–	–
Deletions during 2021-22	–	–	–
As at 31st March, 2022	**650.00**	**1,340.32**	**1,990.32**

Accumulated Depreciation ₹ Lakhs

As at 1st April, 2020	–	210.26	210.26
Depreciation for the year 2020-21	–	53.87	53.87
Reclassified from PPE	–	126.24	126.24
Withdrawn during the year 2020-21	–	–	–
As at 31st March, 2021	–	390.37	390.37
Depreciation for the year 2021-22	**–**	**61.16**	**61.16**
Reclassified from PPE	–	–	–
Withdrawn during the year 2021-22	–	–	–
As at 31st March, 2022	**–**	**451.53**	**451.53**

Net Carrying Value ₹ Lakhs

As at 31st March, 2021	650.00	853.46	1,503.46
As at 31st March, 2022	**650.00**	**888.79**	**1,538.79**

For depreciation method and useful lives - Refer Note.1 (B) (vii) of significant accounting policies.

The Company has identified Land and Building at Karamadai and Poochiyur 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	2021-22	2020-21
Rental Income	**62.87**	94.04
Direct operating expenses arising from investment property that generated rental income during the year		
Less : Depreciation expense	**61.16**	53.87
Less : Repairs and Maintenance - Buildings	**55.48**	123.91
Profit / (Loss) from Investment Property	**(53.77)**	(83.74)

ii) Fair Value of Land and Building held as Investment Property - ₹ 2,700.63 Lakhs (Previous year - ₹ 2,700.63 Lakhs).

Fair Valuation of Investment property is as per the Registered Valuer.

The Fair Valuation was obtained in November'2019 & August'2020. The Management believes that the Fair Valuation would not be different from those obtained earlier.

iii) Contractual obligations to construct investment property or for Repairs & Maintenance or enhancement - ₹ Nil (Previous year - ₹ Nil)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

6. GOODWILL

₹ Lakhs

Particulars	Amount
Gross Carrying Value	
As at 1st April, 2020	15,479.67
Additions during 2020-21	–
Deletions during 2020-21	–
As at 31st March, 2021	15,479.67
Additions during 2021-22	–
Deletions during 2021-22	–
As at 31st March, 2022	**15,479.67**

Accumulated Amortisation ₹ Lakhs

As at 1st April, 2020	5,545.67
Amortisation for the year 2020-21	993.40
Withdrawn during the year 2020-21	–
As at 31st March, 2021	6,539.07
Amortisation for the year 2021-22	**993.40**
Withdrawn during the year 2021-22	–
As at 31st March, 2022	**7,532.47**

Net Carrying Value ₹ Lakhs

As at 31st March, 2021	8,940.60
As at 31st March, 2022	**7,947.20**

Refer Note.51 in relation to Scheme of Amalgamation and accounting treatment.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

7. OTHER INTANGIBLE ASSETS

₹ Lakhs

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total
Gross Carrying Value					
As at 1st April, 2020	1,746.81	1,597.87	4,914.00	14,116.00	22,374.68
Additions during 2020-21	35.75	–	–	–	35.75
Deletions during 2020-21	902.02	1,087.05	–	–	1,989.07
Impaired during 2020-21	7.90	–	–	–	7.90
As at 31st March, 2021	872.64	510.82	4,914.00	14,116.00	20,413.46
Additions during 2021-22	22.76	–	–	–	22.76
Deletions during 2021-22	9.28	–	–	–	9.28
Impaired during 2021-22	–	–	–	–	–
Adjustment on Reversal of Impairment during 2021-22	7.90	–	–	–	7.90
As at 31st March, 2022	**894.02**	**510.82**	**4,914.00**	**14,116.00**	**20,434.84**

Accumulated Amortisation

₹ Lakhs

As at 1st April, 2020	1,170.58	824.65	1,638.00	4,705.35	8,338.58
Amortisation for the year 2020-21	201.63	276.59	327.60	941.07	1,746.89
Withdrawn during the year 2020-21	758.92	590.42	–	–	1,349.34
Withdrawn on Impairment during the year 2020-21	4.53	–	–	–	4.53
As at 31st March, 2021	608.76	510.82	1,965.60	5,646.42	8,731.60
Amortisation for the year 2021-22	**92.24**	**–**	**327.60**	**941.07**	**1,360.91**
Withdrawn during the year 2021-22	5.70	–	–	–	5.70
Withdrawn on Impairment during the year 2021-22	–	–	–	–	–
Adjustment on Reversal of Impairment during 2021-22	4.53	–	–	–	4.53
As at 31st March, 2022	**699.83**	**510.82**	**2,293.20**	**6,587.49**	**10,091.34**

Net Carrying Value

₹ Lakhs

As at 31st March, 2021	263.88	–	2,948.40	8,469.58	11,681.86
As at 31st March, 2022	**194.19**	**–**	**2,620.80**	**7,528.51**	**10,343.50**

The impairment loss of ₹ 3.37 Lakhs was provided in earlier year have been reversed and the actual loss has been accounted for during the current year. (Refer Note.42).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
8. INTANGIBLE ASSETS UNDER DEVELOPMENT		
COMPUTER SOFTWARE		
As at 1st April 2021 & 1st April 2020	**–**	35.03
Add: Additions during the year	**22.76**	0.72
Less : Deletions during the year	**22.76**	35.75
As at 31st March 2022 & 31st March 2021	**–**	–
9. INVESTMENTS		
Investments in Equity Instruments, fully paid-up		
In Subsidiaries (at Cost)		
In Equity Shares, unquoted		
a) 10,500 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%)	**6,762.74**	4,521.52
b) 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
c) 21,25,00,000 Equity Shares of ₹ 1/- each fully paid-up in Pricol Wiping Systems India Limited (Previous year - 21,25,00,000 Equity Shares of ₹ 1/- each) (Extent of holding - 100%)	**2,125.00**	2,125.00
	9,038.12	6,796.90
Less : Provision for Impairment		
In relation to Pricol Wiping Systems India Limited	**850.00**	850.00
	8,188.12	5,946.90

Aggregate amount of Quoted and Unquoted investments

Investments in Equity Instruments		
Aggregate amount of quoted investments	**—**	—
Aggregate market value of quoted investments	**—**	—
Aggregate amount of unquoted investments	**9,038.12**	6,796.90
Aggregate amount of impairment in value of investments	**850.00**	850.00

Note :

Provision of Impairment loss of ₹ 850 Lakhs in relation to its wholly-owned subsidiary, Pricol Wiping Systems India Limited was recognised in earlier years consequent to the decision of the board to dispose off the subsidiary along with other subsidiaries. The Board at its meeting dated 26th May 2021 approved the draft scheme of amalgamation of the subsidiary company with Pricol Limited. Considering the synergies in operations on amalgamation, the management is of the view that no further impairment is necessary.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs		31-3-2021 ₹ Lakhs
10. LOANS				
Loan Receivables - Credit Impaired				
Loan to Wholly owned subsidiary, Pricol Espana S.L. Spain	–		11,000.74	
Less : Converted into Equity instrument in respect of investment held for sale	–		11,000.74	
		–		–

During the financial year 2019-20, the company had granted a Loan of Euro 139.50 Lakhs equivalent to ₹11,000.74 Lakhs to wholly owned subsidiary, Pricol Espana S.L. Spain. The board at its meeting held on 29th June, 2020 had approved the conversion of the said loan into equity with effect from 1st April, 2020.

Also, Refer Note.43 - Disposal of subsidiaries.

		31-3-2022 ₹ Lakhs		31-3-2021 ₹ Lakhs
11. OTHER FINANCIAL ASSETS				
Unsecured, Considered Good				
Security Deposits		**597.60**		630.71
Fixed Deposits with Banks (with maturity exceeding 12 months)		**71.58**		172.71
Unsecured Deposits, Considered Doubtful				
Security Deposits	**84.01**		26.10	
Less : Provision for doubtful deposits	**84.01**		26.10	
		–		–
		669.18		803.42
12. OTHER NON CURRENT ASSETS				
Capital Advances	**364.48**		63.75	
Less : Provision for doubtful advances	**3.30**		–	
		361.18		63.75
Advance Tax, Net off Provision		**1,098.32**		794.27
MAT Credit Entitlement		–		2,372.59
Deposits with Government Authorities	**430.29**		203.92	
Less : Provision for doubtful deposits	**86.43**		86.43	
		343.86		117.49
		1,803.36		3,348.10

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
13. INVENTORIES		
Raw Materials & Components	**14,586.71**	15,632.02
Goods in Transit - Raw Materials & Components	**2,129.94**	1,088.46
Work-in-progress	**834.54**	1,719.10
Finished Goods	**4,609.83**	4,792.37
Stores & Spares	**417.67**	446.88
Traded Goods	**418.95**	230.29
	22,997.64	23,909.12

Mode of valuation of inventories is stated in Note.1 (B) (xxii) of significant accounting policies.

Inventories have been given as securities for the borrowings availed by the Company. Refer Note.28.

Inventories as stated above is net off Provision for / (Reversal) of Non / Slow Moving Inventory of ₹ (1,446.72) Lakhs - Previous year - ₹ 425.29 Lakhs.

Carrying amount of inventories pledged as security for liabilities is ₹ 22,919.59 Lakhs (Previous year ₹ 23,839.76 Lakhs)

Cost of Inventory recognised as an expense

Particulars	2021-22 ₹ Lakhs	2020-21 ₹ Lakhs
Cost of Materials Consumed	**99,167.52**	91,040.53
Cost of Traded Goods Sold	**4,603.42**	5,441.62
Stores and Spares	**151.48**	153.32

14. INVESTMENTS **₹ Lakhs**

Sl. No.	Particulars	31-3-2022	31-3-2021
	Investments in Mutual Funds (at Fair Value through P&L)		
	Quoted - Non Trade		
1.	ICICI Prudential Liquid Fund - Growth	–	40.09
2.	HDFC Liquid Fund - Regular Plan - Growth	–	40.06
3.	Aditya Birla Sun Life Business Cycle Fund - Regular - Growth	**49.50**	–
4.	ICICI Prudential Business Cycle Fund - Growth	**42.12**	–
5.	AXIS Multicap Fund - Regular - Growth	**29.46**	–
6.	HDFC Multicap Fund - Regular - Growth	**40.51**	–
7.	SBI Multicap Fund - Regular Plan - Growth	**51.43**	–
	Total	**213.02**	80.15
	Aggregate amount of Quoted Investments	**213.02**	80.15
	Aggregate Market Value of Quoted Investments	**213.02**	80.15

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
15. TRADE RECEIVABLES		
Unsecured, Considered Good	**22,272.61**	18,529.41
Trade Receivables - Credit Impaired	**29.52**	29.52
Unbilled Revenue	**210.78**	–
Less : Allowance for Expected Credit Loss	**279.77**	310.95
	22,233.14	18,247.98

Trade Receivables have been given as securities for the borrowings availed by the Company. Refer Note.28.

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.53.

Movement in Expected Credit Loss		
Opening Balance	**310.95**	256.62
Provision for the year	**–**	54.33
Reversal during the year	**31.18**	–
Closing Balance	**279.77**	310.95

₹ Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As on 31-3-2022
(i) Undisputed Trade receivables – considered good	**22,192.34**	**31.72**	**–**	**–**	**–**	**22,224.06**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Undisputed Trade Receivables – Credit Impaired	**–**	**–**	**29.52**	**–**	**–**	**29.52**
(iv) Disputed Trade Receivables – considered good	**–**	**–**	**–**	**–**	**–**	**–**
(v) Disputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**1.32**	**47.23**	**48.55**
(vi) Disputed Trade Receivables – Credit Impaired	**–**	**–**	**–**	**–**	**–**	**–**
(vii) Unbilled Revenue	**210.78**	**–**	**–**	**–**	**–**	**210.78**
Total	**22,403.12**	**31.72**	**29.52**	**1.32**	**47.23**	**22,512.91**
Less : Allowance for Expected Credit Loss						**279.77**
Total (Net)						**22,233.14**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs

TRADE RECEIVABLES (Contd.,)

₹ Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As on 31-3-2021
(I) Undisputed Trade receivables – considered good	18,389.10	91.76	–	–	–	18,480.86
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – Credit Impaired	–	29.52	–	–	–	29.52
(iv) Disputed Trade Receivables – considered good	–	–	–	–	–	-–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	1.32	–	47.23	48.55
(vi) Disputed Trade Receivables – Credit Impaired	–	–	–	–	–	–
(vii) Unbilled Revenue	–	–	–	–	–	–
Total	18,389.10	121.28	1.32	–	47.23	18,558.93
Less : Allowance for Expected Credit Loss						310.95
Total(Net)						18,247.98

16. CASH AND CASH EQUIVALENTS

	31-3-2022		31-3-2021	
Balances with Banks				
In Cash Credit Account	–		1,360.92	
In Current Account	**54.66**		279.40	
Cash on hand	**5.79**		9.96	
		60.45		1,650.28

17. BANK BALANCES OTHER THAN ABOVE

	31-3-2022	31-3-2021
Earmarked Balances		
In Unpaid Dividend Account	**54.74**	63.75
In Margin Money Account	–	739.81
In Escrow Account	–	180.00
Others		
In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)	**194.11**	197.32
	248.85	1,180.88

Notes : -

i. Margin Money with banks is towards issue of Bank Guarantee and Letter of Credit.

ii. Balances in Escrow Account during the previous year 2020-21 represent One EMI for repayment of term loan availed from Cholamandalam Investment and Finance Company Limited.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs		31-3-2021 ₹ Lakhs
18. OTHER FINANCIAL ASSETS				
Unsecured, Considerd Good				
Accrued Income				
Export Incentives		**17.54**		22.92
Interest from Banks		**3.71**		14.25
Receivable from Wholly Owned/ Erstwhile Subsidiary (Refer Note.68)		**57.46**		64.04
		78.71		101.21
19. OTHER CURRENT ASSETS				
GST Input Credits		**433.75**		848.07
Customs Duty Receivable		**58.33**		20.19
Others				
Advances to Suppliers	**375.69**		168.15	
Less : Provision for Doubtful Advances	**5.26**		4.72	
		370.43		163.43
Advances for Expenses		**195.82**		261.87
Prepayments		**263.19**		141.19
Gratuity Fund (Refer Note.58)		–		47.16
		1,321.52		1,481.91

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
20. NON CURRENT INVESTMENTS HELD FOR SALE (Refer Note.43)		
Investments in Equity Instruments, fully paid-up		
In Subsidiaries (at lower of its carrying amount and fair value less cost to sell)		
In Equity Shares, unquoted		
Investment in Pricol Espana S.L. Spain	–	40,836.02
Less : Disposed off during the year	–	40,836.02
	–	–

Aggregate amount of Quoted and Unquoted investments

Particulars	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
Investments in Equity Instruments		
Aggregate amount of quoted investments	—	—
Aggregate market value of quoted investments	—	—
Aggregate amount of unquoted investments	—	—
Aggregate amount of impairment in value of investments	—	—

Note : The aggregate number of equity shares at the time of disposal of the subsidiaries was 5,18,55,716 Equity Shares of Euro 1/- each (including the loan converted during the year 2020-21).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
21. EQUITY SHARE CAPITAL		
Authorised		
58,20,00,000 Equity Shares of ₹ 1/- each (As at 31st March 2021 - 58,20,00,000 Equity Shares of ₹ 1/- each)	**5,820.00**	5,820.00
Issued,Subscribed and Paid-up		
12,18,81,498 Equity Shares of ₹ 1/- each (As at 31st March 2021 - 12,18,81,498 Equity Shares of ₹ 1/- each)	**1,218.81**	1,218.81

Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting year :

	31-3-2022		31-3-2021	
Equity Shares	**No.of Shares (in Lakhs)**	**₹ Lakhs**	No.of Shares (in Lakhs)	₹ Lakhs
At the beginning of the year	**1,218.81**	**1,218.81**	947.97	947.97
Add : Issued during the year	–	–	270.84	270.84
At the closing of the year	**1,218.81**	**1,218.81**	1,218.81	1,218.81

a) **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.

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

	31-3-2022		31-3-2021	
	No. of Shares	**% held**	No. of Shares	% held
- Pricol Holdings Limited	**1,10,01,762**	**9.03%**	1,10,01,762	9.03%
- Vijay Mohan	**96,15,636**	**7.89%**	96,15,636	7.89%
- Vikram Mohan	**76,25,506**	**6.26%**	76,25,506	6.26%
- Viren Mohan	**66,58,409**	**5.46%**	66,58,409	5.46%
- PHI Capital Solutions LLP	**69,84,428**	**5.73%**	69,84,428	5.73%

c) **Details of Shares held by Holding Company :**

There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2022.

d) 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.,)

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs

EQUITY SHARE CAPITAL (Contd.,)

e) **Shares issued during the previous year :**

During the previous year 2020-21, the Company had issued 2,70,84,777 fully paid-up Equity Shares of face value of ₹ 1/- each for cash at a price of ₹ 30/- per Equity Share (including a premium of ₹ 29/- per Equity Share) aggregating to ₹ 8,125.43 Lakhs on a rights basis to eligible equity shareholders in the ratio of two Equity Shares for every seven fully paid-up Equity Shares held on the record date, that is 25th November, 2020. These equity shares were allotted on 25th December 2020.

The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by ₹ 270.84 Lakhs and securities premium by ₹ 7,854.59 Lakhs.

The share issue expenses of ₹ 173.38 Lakhs has been adjusted against Securities Premium.

f) **Promoter and Promoter Group Shareholding :**

FOR THE YEAR 2021-22

Sl. No.	Name	No. of Shares as on 31-3-2022 (A)	% of Total Shares	No. of Shares as on 31-3-2021 (B)	% of Total Shares	% Change during the year (A-B) / (B)
1.	Vijay Mohan	96,15,636	7.89%	96,15,636	7.89%	–
2.	Vijay Mohan (BHUF)	8,49,728	0.70%	8,49,728	0.70%	–
3.	Vikram Mohan	76,25,506	6.26%	76,25,506	6.26%	–
4.	Vanitha Mohan	57,31,468	4.70%	57,31,468	4.70%	–
5.	Viren Mohan	66,58,409	5.46%	66,58,409	5.46%	–
6.	Manasa Mohan	1,92,857	0.16%	1,92,857	0.16%	–
7.	Madhura Mohan	2,33,453	0.19%	2,33,453	0.19%	–
8.	Pricol Holdings Limited	1,10,01,762	9.03%	1,10,01,762	9.03%	–
9.	Sagittarius Investments Private Limited	23,65,360	1.94%	23,65,360	1.94%	–
10.	Shrimay Enterprises Private Limited	2,44,800	0.20%	2,44,800	0.20%	–

FOR THE YEAR 2020-21

Sl. No.	Name	No. of Shares as on 31-3-2021 (A)	% of Total Shares	No. of Shares as on 31-3-2020 (B)	% of Total Shares	% Change during the year (A-B) / (B)
1.	Vijay Mohan	96,15,636	7.89%	91,40,278	9.64%	5.20%
2.	Vijay Mohan (BHUF)	8,49,728	0.70%	6,60,900	0.70%	28.57%
3.	Vikram Mohan	76,25,506	6.26%	35,21,175	3.71%	116.56%
4.	Vanitha Mohan	57,31,468	4.70%	37,26,488	3.93%	53.80%
5.	Viren Mohan	66,58,409	5.46%	66,58,409	7.02%	–
6.	Manasa Mohan	1,92,857	0.16%	1,50,000	0.16%	28.57%
7.	Madhura Mohan	2,33,453	0.19%	1,81,575	0.19%	28.57%
8.	Pricol Holdings Limited	1,10,01,762	9.03%	85,56,926	9.03%	28.57%
9.	Sagittarius Investments Private Limited	23,65,360	1.94%	3,40,935	0.36%	593.79%
10.	Bhavani Infin Services India Private Limited	–	–	14,98,790	1.58%	-100.00%
11.	Shrimay Enterprises Private Limited	2,44,800	0.20%	1,90,400	0.20%	28.57%

Note : The percentage change has been computed with respect to the number of shares held by promoter and promoter group at the beginning of the year.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs		31-3-2021 ₹ Lakhs
22. OTHER EQUITY				
Securities Premium				
Opening Balance	**88,642.77**		80,961.56	
Add : Premium on issue of equity shares (Net off issue expenses - Refer Note.21 (e))	**–**		7,681.21	
		88,642.77		88,642.77
Surplus / (Deficit) in the Statement of Profit & Loss				
Opening Balance	**(37,793.80)**		(39,254.01)	
Add : Profit / (Loss) for the year	**4,562.46**		1,460.21	
		(33,231.34)		(37,793.80)
Other Comprehensive Income				
Opening Balance	**284.00**		270.83	
Add : Addition during the year	**(58.27)**		13.17	
		225.73		284.00
		55,637.16		51,132.97

23. BORROWINGS

	Non-Current portion		Current Maturities	
	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs	**31-3-2022 ₹ Lakhs**	31-3-2021 ₹ Lakhs
Secured Loans at amortised cost :				
Rupee Term Loan From Banks	**9,310.98**	12,626.01	**3,229.51**	3,237.01
Rupee Term Loan From Others	**–**	6,077.06	**–**	1,318.83
Less : Unamortised portion of Finance Charges	**–**	151.64	**25.54**	123.82
	9,310.98	18,551.43	**3,203.97**	4,432.02

Description	Frequency / No. of Instalments Due	Maturity	As at 31-3-2022	As at 31-3-2021	Security	Interest Rate/ Effective Interest Rate (EIR)
The South Indian Bank Limited	–	Preclosed during the year	**–**	3,979.53	–	One year MCLR plus 0.80% EIR - 11.29%
Cholamandalam Investment and Finance Company Limited	–	Preclosed during the year	**–**	7,395.88	–	Floating Interest EIR - 13.80%
IndusInd Bank Limited	–	Since repaid in Apr-22	**1,283.49**	2,883.50	Note 1	One year MCLR plus 0.70% EIR - 11.46%
ICICI Bank Limited	Half Yearly / 8 varying instalments	Nov-24	**6,500.00**	9,000.00	Note 2	One year MCLR plus 3.45% EIR - 11.70%
ICICI Bank Limited - ECLGS	Monthly / 48 Equal Instalments	May-26	**2,596.00**	–	Note 3	One year MCLR plus 1.00% EIR - 8.25%
IndusInd Bank Limited - ECLGS	Monthly / 48 Equal Instalments	Jun-26	**2,161.00**	–	Note 4	EIR - 8.00%

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs

BORROWINGS (Contd.,)

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

Security Details :

Note 1 : Pari-passu first charge on specific immovable property situated at Plant I, Perianaickenpalayam, Coimbatore.

Note 2 : Exclusive Charge by way of Mortgage of immovable properties viz.,

a) Land measuring 6.68 acres in 132, Mettupalayam Road, Perianaickenpalayam, Coimbatore-641 020.

b) Plant II Land and Building located at Plot No. 34 & 35, Sector 4, IMT Manesar, Gurugram.

c) Plant III Land and Building at 4/558, Mettupalayam Road, Chinnamathampalayam, Billichi Village, Press Colony Post, Coimbatore - 641 019.

d) Exclusive charge on specific Plant and Machinery installed at Plant III, Chinnamathampalayam Coimbatore and Plant II, IMT Manesar, Gurugram.

Note3 & 4 : Second Charge on existing securities offered for both working capital and Term Loan with moratorium period of one year till Jun-22.

For Current Maturities of Long Term Debt Refer Note.28.

			31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
24.	**LEASE LIABILITIES**			
	Lease Liabilities - Non Current (Refer Note.57)		**1,883.35**	2,499.17
25.	**OTHER FINANCIAL LIABILITIES**			
	Rental Advance Received		**19.09**	31.28
	Derivative Liability (Net)		**400.92**	799.63
	Security Deposits from Customers		**70.69**	70.09
			490.70	901.00
26.	**PROVISIONS**			
	For Central Excise, Service and Customs Demands (Refer Note.45)		**235.35**	215.17
	For Potential Statutory Liabilities (Refer Note.45)		**809.64**	822.18
			1,044.99	1,037.35
27.	**DEFERRED TAX LIABILITIES (NET)**			
	Deferred Tax Liability			
	On Property, Plant & Equipments and Others		**6,249.38**	7,324.70
	On Other temporary differences		**8.92**	96.26
		(A)	**6,258.30**	7,420.96
	Deferred Tax Asset			
	On Disallowance under the Income Tax Act		**1,025.40**	1,645.58
	On Other temporary differences		**165.24**	39.72
		(B)	**1,190.64**	1,685.30
	Deferred Tax Liabilities (Net) (Refer Note.56(c))	**(A) - (B)**	**5,067.66**	5,735.66

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
28. BORROWINGS		
Secured Loans		
Working Capital facilities from Banks		
- In Rupee	**130.09**	—
Current Maturities of Long Term Debt (Refer Note.23)	**3,203.97**	4,432.02
	3,334.06	4,432.02

Working Capital Facilities from ICICI Bank Limited and IndusInd Bank Limited 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 9.40% to 9.65% p.a.

The Statement of current assets filed by the Company with banks are in agreement with the books of accounts and there are no material deviations.

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
29. LEASE LIABILITIES		
Lease Liabilities - Current (Refer Note.57)	**631.44**	551.86
30. TRADE PAYABLES		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer Note.61)	**1,031.91**	545.87
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	**26,113.28**	26,656.22
	27,145.19	27,202.09

The company's exposure to currency risk related to Trade Payables are disclosed in Note.53.

₹ Lakhs

Particulars	**Outstanding for following periods from due date of payment**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**As on 31-3-2022**
(i) MSME					
(a) Micro and Small	**1,031.17**	**0.49**	**0.24**	**0.01**	**1,031.91**
(b) Medium	**459.18**	**—**	**—**	**0.45**	**459.63**
(ii) Others	**25,492.56**	**24.91**	**18.57**	**26.92**	**25,562.96**
(iii) Disputed dues – Micro and Small	**—**	**—**	**—**	**—**	**—**
(iv) Disputed dues – Medium	**—**	**—**	**—**	**—**	**—**
(v) Disputed dues – Others	**—**	**1.55**	**5.34**	**83.80**	**90.69**
Total	**26,982.91**	**26.95**	**24.15**	**111.18**	**27,145.19**

₹ Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As on 31-3-2021
(i) MSME					
(a) Micro and Small	545.24	0.56	—	0.07	545.87
(b) Medium	296.65	—	—	0.45	297.10
(ii) Others	26,019.68	131.55	49.44	67.76	26,268.43
(iii) Disputed dues – Micro and Small	—	—	—	—	—
(iv) Disputed dues – Medium	—	—	—	—	—
(v) Disputed dues – Others	1.55	5.34	—	83.80	90.69
Total	26,863.12	137.45	49.44	152.08	27,202.09

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
31.	**OTHER FINANCIAL LIABILITIES**		
	Interest accrued and not due on borrowings	**7.62**	81.94
	Unpaid Dividend	**54.74**	63.75
	Employee Benefits Payable	**1,990.53**	2,102.62
	Derivative Liability (Net)	**72.89**	159.93
	Retention Money Payable	**99.71**	133.92
	Payable for Expenses	**2,120.21**	2,253.63
	Acceptances	**4,787.84**	—
		9,133.54	4,795.79
	Acceptances represent bills discounted with recourse in respect of Trade Receivables with Banks.		
32.	**OTHER CURRENT LIABILITIES**		
	Statutory Dues Payable	**1,181.74**	449.72
	Advance from Customers	**377.61**	753.56
		1,559.35	1,203.28
33.	**PROVISIONS**		
	For Gratuity (Refer Note.58)	**161.12**	—
	For Labour Settlement (Refer Note.45)	**261.72**	261.72
	For Warranty Related Claims (Refer Note.45)	**154.31**	297.85
		577.15	559.57

			2021-22 ₹ Lakhs		2020-21 ₹ Lakhs
34.	**REVENUE FROM OPERATIONS**				
	Sale of Products and Services				
	Domestic	**1,29,587.66**		1,23,197.82	
	Export	**11,796.21**		9,115.46	
	Traded Goods	**1,708.20**		1,290.09	
	Service Income	**53.19**		11.96	
			1,43,145.26		1,33,615.33
	Disaggregation of Revenue :-				
	1. Within India		**1,31,349.05**		1,24,499.87
	2. Outside India		**11,796.21**		9,115.46
			1,43,145.26		1,33,615.33
	Reconciliation of Revenue recognised in Statement of Profit and Loss Account with contracted price :				
	Revenue from contract with customers as per contract Price		**1,43,472.40**		1,34,130.76
	Less : Trade discounts, Volume Rebates, Refunds etc.,		**327.14**		515.43
	Revenue from contract with customers as per Statement of Profit and Loss		**1,43,145.26**		1,33,615.33

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

			2021-22 ₹ Lakhs		2020-21 ₹ Lakhs
35.	**OTHER OPERATING REVENUE**				
	Export Incentives		**301.66**		140.29
	Sale of Traded Goods - Others		**4,160.75**		5,276.86
			4,462.41		5,417.15
36.	**OTHER INCOME**				
	Interest Income				
	From Banks		**19.36**		56.78
	From Loans to Subsidiaries (Refer Note.10)		**—**		8.05
	From Others		**28.24**		15.84
	On Income Tax Refund		**—**		367.71
	Gain on Fair Valuation of investments at Fair Value through P&L		**2.88**		11.55
	(Includes realised gain on sale of investments ₹ Nil (Previous year - ₹ 61.34 Lakhs))				
	Lease Rental Receipts		**106.25**		173.12
	Disposal of subsidiary (Net off provisions made - Refer Note.43)		**—**		37.44
	Gain on Exchange Fluctuation (Net)		**38.18**		—
	Insurance Claim Received		**154.37**		—
	Miscellaneous Income		**49.03**		45.37
	Excess Provision no longer required written back		**330.92**		32.82
			729.23		748.68
37.	**COST OF MATERIALS CONSUMED**				
	Materials Consumed (Refer Note.48)		**98,100.42**		92,767.54
38.	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**				
	Opening Stock				
	Work-in-progress	**1,719.10**		927.73	
	Finished Goods	**4,792.37**		3,856.73	
	Traded Goods	**230.29**		205.11	
			6,741.76		4,989.57
	Less : Closing Stock				
	Work-in-progress	**834.54**		1,719.10	
	Finished Goods	**4,609.83**		4,792.37	
	Traded Goods	**418.95**		230.29	
			5,863.32		6,741.76
			878.44		(1,752.19)
39.	**EMPLOYEE BENEFITS EXPENSE**				
	Salaries and Wages	**16,160.95**		14,233.03	
	Contribution to Provident and other funds	**918.93**		709.86	
	Staff Welfare Expenses	**1,084.91**		872.22	
			18,164.79		15,815.11

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

			2021-22 ₹ Lakhs		2020-21 ₹ Lakhs
40.	**FINANCE COSTS**				
	Interest on Borrowings (Net)	**2,083.29**		3,616.97	
	Interest on Lease Obligations (Refer Note.57)	**293.43**		259.72	
	De-recognition of unamortised portion of finance charges	**137.39**		—	
	Unwinding of interest on financial instruments carried at amortised cost	**112.53**		147.77	
	Other Borrowing Costs	**25.00**		28.40	
			2,651.64		4,052.86

Interest expenses is net off interest income on derivatives ₹ 391.12 Lakhs (Previous year - ₹ 487.10 Lakhs).

Other Borrowing Costs represent processing fee in respect of working capital borrowings.

41.	**DEPRECIATION AND AMORTISATION EXPENSE**				
	Depreciation on PPE (Refer Note.2)	**4,790.66**		5,882.47	
	Right of Use Asset (Refer Note.3)	**684.58**		418.41	
	Depreciation on Investment Property (Refer Note.5)	**61.16**		53.87	
	Amortisation of Intangibles (Refer Note.6 & 7)	**2,354.31**		2,740.29	
			7,890.71		9,095.04

42.	**OTHER EXPENSES**		
	Power & Utilities (Net)(Refer Note.66)	**1,735.04**	1,759.02
	Stores & Spares Consumed	**151.48**	153.32
	Repairs and Maintenance :		
	- Machinery	**894.26**	687.07
	- Building	**131.01**	261.48
	- IT Assets	**417.83**	518.69
	- Others	**147.88**	157.08
	Postage & Telephone	**155.92**	184.71
	Rates, Taxes & Licence	**52.20**	75.35
	Insurance	**317.43**	310.37
	Travelling & Conveyance	**255.52**	121.99
	Freight & Forwarding	**2,122.41**	1,443.03
	Warranty Claims	**592.42**	603.40
	Selling Expenses	**249.33**	160.45
	Expected Credit Loss / Advances Written off (Net off Provisions)	**43.78**	53.68

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		2021-22 ₹ Lakhs		2020-21 ₹ Lakhs
OTHER EXPENSES (Contd.,)				
Loss on disposal of Subsidiary	—		40,836.02	
Less : Provision for Impairment Loss made in earlier years (Refer Note.43)	—	—	40,836.02	—
Remuneration to Non-Whole Time Directors		**19.20**		14.40
Auditors' Remuneration (Refer Note.49)		**69.88**		70.69
Professional Charges		**1,268.16**		1,003.94
Loss on Exchange Fluctuation (Net)		—		320.95
Loss on Sale of Property, Plant and Equipment (Net) / Assets Discarded	**381.00**		1,134.98	
Add / (Less) : Provision / (Reversal) for Impairment Loss (Refer Note.2 & 7)	**(282.90)**	**98.10**	282.90	1,417.88
Contribution to Political Party		—		25.00
Miscellaneous Expenses		**216.17**		288.53
CSR Expenses (Refer Note.60)		**45.04**		53.29
		8,983.06		9,684.32

43. DISPOSAL AND RECLASSIFICATION OF NON-CURRENT INVESTMENTS HELD FOR SALE

The Board of Directors at their meetings held on 19th March 2019 and 29th July 2020 approved the disposal of its Wholly Owned Subsidiaries - Pricol Wiping Systems India Limited (PWS India) and Pricol Espana S.L.Spain (Pricol Espana) along with its subsidiaries - Pricol do Brasil Componentes Automotivos LtdA, Brazil (PdB) and Pricol Wiping Systems Mexico S.A. de C.V, Mexico (PWS Mexico) and Pricol Wiping Systems Czech s.r.o (PWS Czech). The same was approved by the Shareholders in their meeting held on 29th August 2019.

During the financial year 2019-20, the Company had disposed off the subsidiaries of Pricol Espana - PdB and PWS Mexico for a sale Consideration of USD 2,000.

The investment in Pricol Espana along with its subsidiary PWS Czech was disposed off on 21st August 2020 for a sale consideration of Euro 50,000 net off all liabilities taken over. The investments in PWS India were retained by the company.

The investment in these subsidiaries were classified and disclosed as 'Non Current Investments held for sale' in accordance with recognition and measurement principles laid out in Ind AS 105.

The disposal of the investment in Pricol Espana has resulted in a net loss of ₹ 40,798.58 Lakhs. The impairment loss of ₹ 40,836.02 Lakhs, provided for in earlier years have been reversed and the actual loss has been accounted for during the previous year.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	2021-22 ₹ Lakhs	2020-21 ₹ Lakhs
44. EARNINGS PER SHARE		
Profit / (Loss) After Tax	**4,562.46**	1,460.21
Weighted Average No. of Shares Outstanding :		
Basic & Diluted (Nos. in Lakhs.)	**1,218.81**	1,089.73
Basic / Diluted Earnings per share (in ₹)	**3.74**	1.34
Face Value per Equity Share (in ₹)	**1.00**	1.00

45. PROVISIONS AS ON THE CLOSING DATE

₹ Lakhs

Particulars	Non-Current Provisions			Current Provisions			Total Provisions
	Excise, Service Tax & Customs Demands	Potential Statutory Liabilities	Total	Labour Settlement	Warranty related claims	Total	
Balance as on 1-4-2020	215.17	808.00	1,023.17	261.72	152.15	413.87	1,437.04
Add : Addition	—	47.00	47.00	—	603.40	603.40	650.40
Less : Utilised / Reversed	—	32.82	32.82	—	457.70	457.70	490.52
Balance as on 31-3-2021	215.17	822.18	1,037.35	261.72	297.85	559.57	1,596.92
Add : Addition	20.18	16.22	36.40	—	592.42	592.42	628.82
Less : Utilised / Reversed	—	28.76	28.76	—	735.96	735.96	764.72
Balance as on 31-3-2022	**235.35**	**809.64**	**1,044.99**	**261.72**	**154.31**	**416.03**	**1,461.02**

46. CONTINGENT LIABILITIES AND COMMITMENTS

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
i) CONTINGENT LIABILITIES		
a) On account of Pending Litigations		
Excise, Service Tax and Customs Matters	**1,130.87**	1,281.44
(excluding Interest if any)		
(Of which ₹ 87.76 Lakhs has been paid under protest)		
	1,130.87	1,281.44

b) Labour related Matters

As at 31st March, 2022, the company has various labour related cases pending before various legal forums, amounting to ₹3,361 Lakhs (Previous year - ₹2,733 Lakhs.)

c) Others		
Letter of Credit	**404.66**	1,557.55
Guarantees	**16.41**	238.66
Other Claims not acknowledged as debts	**295.64**	295.64
	716.71	2,091.85

The company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required or disclosed as contingent liability where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management estimates and no significant liability is expected to arise out of the same.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
CONTINGENT LIABILITIES AND COMMITMENTS (Contd.,)		
ii) COMMITMENTS		
Estimated Value of Contracts remaining to be executed on Capital account	**995.74**	150.78

	2021-22 ₹ Lakhs	2020-21 ₹ Lakhs
47. RESEARCH AND DEVELOPMENT EXPENDITURE :		
Capital	**323.56**	151.56
Revenue	**3,495.01**	2,253.11
	3,818.57	2,404.67

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 PPE.

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

49. PAYMENTS TO STATUTORY AUDITORS (EXCLUSIVE OF GST) : *		
For Audit	**41.25**	41.25
For Taxation Matters	**20.00**	17.75
For Certification & Others	**7.12**	10.00
Reimbursement of Expenses	**1.51**	1.69
Total	**69.88**	70.69

* Remuneration to auditors during the previous year 2020-21 includes ₹ 15.08 Lakhs towards Rights Issue related services included in share issue expenses and adjusted against premium on issue of shares.

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

51. 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

52. FAIR VALUE MEASUREMENTS

i. Financial instruments by category

The carrying value of financial instruments by categories as at 31st March 2022 are as follows:

₹ Lakhs

Particulars	Note.	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value
Financial assets						
Investments	9 & 14	**213.02**	—	**8,188.12**	**8,401.14**	**8,401.14**
Trade receivables	15	—	—	**22,233.14**	**22,233.14**	**22,233.14**
Cash and cash equivalents	16	—	—	**60.45**	**60.45**	**60.45**
Other bank balances	17	—	—	**248.85**	**248.85**	**248.85**
Other Financial assets	11 & 18	—	—	**747.89**	**747.89**	**747.89**
Financial Liabilities						
Borrowings	23 & 28	—	—	**12,645.04**	**12,645.04**	**12,645.04**
Trade payables	30	—	—	**27,145.19**	**27,145.19**	**27,145.19**
Lease Liabilities	24 & 29	—	—	**2,514.79**	**2,514.79**	**2,514.79**
Other financial liabilities	25 & 31	**473.81**	—	**9,150.43**	**9,624.24**	**9,624.24**

The carrying value of financial instruments by categories as at 31st March 2021 are as follows: ₹ Lakhs

Particulars	Note.	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value
Financial assets						
Investments	9 & 14	80.15	—	5,946.90	6,027.05	6,027.05
Trade receivables	15	—	—	18,247.98	18,247.98	18,247.98
Cash and cash equivalents	16	—	—	1,650.28	1,650.28	1,650.28
Other bank balances	17	—	—	1,180.88	1,180.88	1,180.88
Other Financial assets	11 & 18	—	—	904.63	904.63	904.63
Financial Liabilities						
Borrowings	23 & 28	—	—	22,983.45	22,983.45	22,983.45
Trade payables	30	—	—	27,202.09	27,202.09	27,202.09
Lease Liabilities	24 & 29	—	—	3,051.03	3,051.03	3,051.03
Other financial liabilities	25 & 31	959.56	—	4,737.23	5,696.79	5,696.79

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 31-3-2022	As at 31-3-2022			Carrying Amount as on 31-3-2021	As at 31-3-2021		
		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	**213.02**	**213.02**	—	—	80.15	80.15	—	—
Financial Assets not measured at Fair value*								
Trade receivables	**22,233.14**	—	—	—	18,247.98	—	—	—
Cash and cash equivalents	**60.45**	—	—	—	1,650.28	—	—	—
Other bank balances	**248.85**	—	—	—	1,180.88	—	—	—
Other Financial assets	**747.89**	—	—	—	904.63	—	—	—
Financial Liabilities not measured at fair value*								
Borrowings								
- Current	**3,334.06**	—	—	—	4,432.02	—	—	—
- Non-Current	**9,310.98**	—	—	—	18,551.43	—	—	—
Trade payables	**27,145.19**	—	—	—	27,202.09	—	—	—
Lease Liabilities	**2,514.79**	—	—	—	3,051.03	—	—	—
Other financial liabilities	**9,624.24**	—	**473.81**	—	5,696.79	—	959.56	—

* 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.1 (B) (xii) of significant accounting policies.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

53. 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 and financial assets.	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 Curreny 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 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:

As at 31st March 2022

₹ Lakhs

Credit rating	Particulars	Gross Carrying Amount	Provisions	Carrying Amount net off Provisions
Low credit risk	Cash and cash equivalents, other bank balances, Current investments, loans, trade receivables and other financial assets	**23,867.13**	**363.78**	**23,503.35**
Moderate credit risk	Nil	—	—	—
High credit risk	Nil	—	—	—

As at 31st March 2021

₹ Lakhs

Credit rating	Particulars	Gross Carrying Amount	Provisions	Carrying Amount net off Provisions
Low credit risk	Cash and cash equivalents, other bank balances, Current investments, loans, trade receivables and other financial assets	22,400.97	337.05	22,063.92
Moderate credit risk	Nil	—	—	—
High credit risk	Nil	—	—	—

Movement of Expected Credit Loss / Allowance for doubtful debts & advances in respect of financial assets

₹ Lakhs

Financial Assets	Note.	Balance as on 1-4-2020	Addition / (Deletion)	Balance as on 31-3-2021	Addition / (Deletion)	Balance as on 31-3-2022
Trade Receivables	15	256.62	54.33	310.95	(31.18)	**279.77**
Non Current Financial Assets - Others	11	26.10	—	26.10	57.91	**84.01**
Total		**282.72**	**54.33**	**337.05**	**26.73**	**363.78**

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Maturities of financial liabilities: **₹ Lakhs**

31-3-2022	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	130.09	3,203.97	9,310.98	—	12,645.04
Trade payables	—	27,145.19	—	—	27,145.19
Lease Liabilities	—	631.44	1,637.27	246.08	2,514.79
Other financial liabilities	—	9,223.32	400.92	—	9,624.24
Total	**130.09**	**40,203.92**	**11,349.17**	**246.08**	**51,929.26**

₹ Lakhs

31-3-2021	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	—	4,432.02	18,551.43	—	22,983.45
Trade payables	—	27,202.09	—	—	27,202.09
Lease Liabilities	—	551.86	2,100.93	398.24	3,051.03
Other financial liabilities	—	4,897.16	799.63	—	5,696.79
Total	—	37,083.13	21,451.99	398.24	58,933.36

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.

Below is the overall exposure of the borrowings:

Interest rate risk exposure **₹ Lakhs**

Particulars	31-3-2022	31-3-2021
Fixed rate borrowing	—	—
Variable rate borrowing	12,645.04	22,983.45
Total	**12,645.04**	22,983.45

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	2021-22	2020-21
Interest rates – increase / decrease by 100 basis points	131.05	257.68

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

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 Curreny Exposure and risk management policy as approved by the management and in accordance with the applicable regulations where the Company operates.

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 2022 **₹ Lakhs**

Particulars	**EURO**	**GBP**	**USD**	**CHF**	**JPY**	**OTHER CURRENCIES**
Financial Assets	**703.19**	**109.38**	**2,753.63**	**—**	**9.77**	**0.03**
Financial Liabilities	**554.21**	**—**	**6,512.33**	**52.96**	**1,011.93**	**1.71**

As at 31st March 2021 ₹ Lakhs

Particulars	EURO	GBP	USD	CHF	JPY	OTHER CURRENCIES
Financial Assets	776.90	134.28	2,131.31	—	7.31	0.03
Financial Liabilities	1,013.01	—	6,261.04	102.08	1,245.47	5.84

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. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

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

₹ Lakhs

Particulars	**2021-22**	2020-21
increase / decrease by 1%	**45.57**	55.78

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

54. 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		**31-3-2022 ₹ Lakhs**	31-3-2021 ₹ Lakhs
Borrowings (long-term and short-term, including current maturities of long term borrowings)		**12,645.04**	22,983.45
Less: Cash and cash equivalents		**60.45**	1,650.28
Less: Other Bank Balances (with maturity more than 3 months) - Excluding balances in unpaid dividend account		**265.69**	1,117.13
Less: Margin Money against Borrowings		**—**	172.71
Net Debt	**(A)**	**12,318.90**	20,043.33
Equity Share Capital		**1,218.81**	1,218.81
Other Equity		**55,637.16**	51,132.97
Total Equity	**(B)**	**56,855.97**	52,351.78
Net Debt to Equity Ratio	**(A) / (B) X 100**	**21.67%**	38.28%

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, 2022 and March 31, 2021.

55. a) Income Tax Assessments are completed upto Assessment year 2017-18.

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.

During the previous year 2020-21, the company had reviewed the pending tax litigations and opted for the settlement scheme under the "Vivad se Vishwas Scheme" (VsVs) for some of the years under which the taxes were under dispute. Necessary forms were filed and settlement orders / certificate were received in respect of these years. Consequent to the above, the excess provision (net) made in respect of those years were reversed and recognised as income during the year and disclosed under Taxation-earlier years in the statement of profit and loss.

In respect of the other years, in which the company has not opted for the VsVs, the management is of the view that the provision for taxation available in the books is adequate and no significant liability is expected to arise out of the litigation.

b) As professionally advised, the company has claimed the loss on disposal of investment in subsidiary (Pricol Espana S.L. Spain) amounting to ₹ 40,798.58 Lakhs as business loss in the return filed for the assessment year 2021-22. The company has appropriately accounted for current taxes in accordance with - Ind As 12, Appendix - C "Uncertain tax position".

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

56. NOTES ON TAXATION :

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

₹ Lakhs

Particulars	As at 31-3-2022	As at 31-3-2021
Profit / (Loss) before Tax	**6,875.76**	4,651.68
Applicable income tax rate	**34.944%**	34.944%
Expected Income tax expense	**2,402.67**	1,625.48
Tax Effect on adjustment to reconcile expected income tax expense to reported income tax expense :		
- Effect of concessions (Research and Development and other allowance)	**(17.05)**	(35.35)
- Effect of Impairment loss on non current investment and Effect of provisions / expenses not deductible in determining profits	**—**	2,561.83
- Others	**(72.32)**	(305.95)
Tax Expense for the year (including deferred tax)	**2,313.30**	3,846.01

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

₹ Lakhs

Deferred tax		
Remeasurement of defined benefit obligation - (Expense) / Income	**31.30**	(7.08)
Total income tax recognised in OCI	**31.30**	(7.08)

c. Statement of Changes in Deferred tax assets / Liabilities

As on 31-3-2022

₹ Lakhs

Particulars	As at 1-4-2021	Recognised in Profit and Loss	Recognised in OCI	As at 31-3-2022
Deferred Tax Liability				
On PPE and others	**7,324.70**	**(1,075.32)**	**—**	**6,249.38**
On Other temporary differences	**96.26**	**(87.34)**	**—**	**8.92**
	7,420.96	**(1,162.66)**	**—**	**6,258.30**
Deferred Tax Asset				
On disallowance under the Income Tax Act	**1,645.58**	**(651.48)**	**31.30**	**1,025.40**
On Unused tax losses	**—**	**—**		**—**
On Other temporary differences	**39.72**	**125.52**		**165.24**
	1,685.30	**(525.96)**	**31.30**	**1,190.64**
Total	**5,735.66**	**(636.70)**	**(31.30)**	**5,067.66**

As on 31-3-2021

₹ Lakhs

Particulars	As at 1-4-2020	Recognised in Profit and Loss	Recognised in OCI	As at 31-3-2021
Deferred Tax Liability				
On PPE and others	7,320.62	4.08	—	7,324.70
On Other temporary differences	47.73	48.53	—	96.26
	7,368.35	52.61	—	7,420.96
Deferred Tax Asset				
On disallowance under the Income Tax Act	893.91	758.75	(7.08)	1,645.58
On Unused tax losses	1,209.10	(1,209.10)	—	—
On Other temporary differences	75.49	(35.77)	—	39.72
	2,178.50	(486.12)	(7.08)	1,685.30
Total	5,189.85	538.73	7.08	5,735.66

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

NOTES ON TAXATION (Contd.,)

₹ Lakhs

Particulars	As at 31-3-2022	As at 31-3-2021
Tax Losses		
Tax Losses carried forward (including Capital Losses)	**48,468.25**	48,474.64
Tax Losses for which no deferred tax asset were recognised (including Capital Losses)	**48,468.25**	48,474.64

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 2021-22 and are subject to change based on Income Tax assessments and appeals. (Refer Note.55)

57. LEASES

DISCLOSURE AS REQUIRED UNDER IND AS 116

Movement of Lease Liability

₹ Lakhs

Particulars	As at 31-3-2022	As at 31-3-2021
Opening Balance	**3,051.03**	2,533.48
Additions during the year	**16.86**	786.45
Repayments during the year	**553.10**	268.90
Closing Balance	**2,514.79**	3,051.03
Current	**631.44**	551.86
Non Current	**1,883.35**	2,499.17

Maturity Analysis of Lease Liabilities on Undiscounted basis		
Within one year	**865.89**	844.65
1 - 5 years	**2,005.95**	2,667.01
More than five years	**286.00**	472.79

The broad range of effective Interest rate for the Lease Liabilities is 10% to 10.50%

The following are the amounts recognised in the Statement of Profit and Loss

₹ Lakhs

Particulars	2021-22	2020-21
Depreciation expense of Right of Use Assets	**684.58**	418.41
Interest Expense on Lease Liabilities	**293.43**	259.72
Expense relating to Short Term Lease Liabilities	**30.28**	40.54
Expense relating to Lease of Low Value Assets	**—**	21.32
Income from Right of Use	**27.80**	4.90

Maturity Analysis in respect of lease contract which are not recorded as lease liability

₹ Lakhs

Maturity Analysis		
Within one year	**4.72**	3.93
1 - 5 years	**—**	—
More than five years	**—**	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

58. EMPLOYEE BENEFITS

Defined contribution plan

The Company's contribution to provident fund 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	2021-22	2020-21
Employer's Contribution to Provident Fund	**594.55**	505.34
Employer's Contribution to Superannuation Fund	**21.25**	20.06

Particulars	2021-22	2020-21
Defined contribution plan contribution towards Key Managerial Personnel	**19.28**	11.81

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)	
	2021-22	2020-21
i) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the year	**2,976.86**	2,966.44
Current Service Cost	**189.68**	208.57
Interest Cost	**191.49**	190.65
Remeasurements		
Effect of changes in demographic assumptions	**—**	—
Effect of changes in financial assumptions	**(121.34)**	(4.60)
Effect of experience adjustments	**206.24**	(25.93)
Benefits Paid	**(370.98)**	(358.27)
Defined Benefit Obligation at year end	**3,071.95**	2,976.86
- Non-Current	**2,402.90**	2,847.94
- Current	**669.05**	128.92

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,) ₹ Lakhs

Particulars	Gratuity (Funded)	
	2021-22	2020-21
ii) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at beginning of year	**3,024.02**	2,967.96
Interest Income	**196.97**	204.93
Remeasurements:		
Return on plan assets (excluding interest income)	**(4.67)**	(10.27)
Transfer of obligation due to Transfer of Employees to Group Entities	**—**	170.97
Employer Contribution	**65.49**	48.70
Benefits Paid	**(370.98)**	(358.27)
Fair value of Plan Assets at year end	**2,910.83**	3,024.02
iii) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	**2,910.83**	3,024.02
Present value of Obligation	**3,071.95**	2,976.86
Amount recognised in Balance Sheet -Surplus / (Deficit)	**(161.12)**	47.16
- Non-Current	**—**	—
- Current	**(161.12)**	47.16
iv) Expenses recognised during the year		
In Income Statement		
Current Service Cost	**189.68**	208.57
Interest Cost	**191.49**	190.65
Return on Plan Assets	**(196.97)**	(204.93)
Net (Income) / Expense for the period recognised in Statement of Profit and Loss	**184.20**	194.29
In Other Comprehensive Income		
Remeasurement of net defined benefit liability		
Effect of changes in demographic assumptions	**—**	—
Effect of changes in financial assumptions	**(121.34)**	(4.59)
Effect of experience adjustments	**206.24**	(25.93)
(Return) on plan assets (excluding interest income)	**4.67**	10.27
Changes in asset ceiling (excluding interest income)	**—**	—
Net (Income)/ Expense for the period recognised in OCI	**89.57**	(20.25)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

₹ Lakhs

Particulars	Gratuity (Funded) 2021-22 (Ultimate)	Gratuity (Funded) 2020-21 (Ultimate)
v) Actuarial assumptions		
Discount Rate (per annum)	**7.49%**	6.86%
Rate of escalation in Salary (per annum)	**Uniform 8.00%**	Uniform 8.00%
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 (2012-14) Ultimate
Disability	**5% of mortality rate**	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.

vi) 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, 2023	**198.78**
b) Estimated benefit payments from the fund for the year ending March 31:	
Year 1	**669.05**
Year 2	**205.66**
Year 3	**240.67**
Year 4	**208.03**
Year 5	**267.59**
Beyond 5 years	**1,480.95**

vii) 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 occuring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

₹ Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
Discount rate +100 basis points	**(165.95)**	(218.12)
Discount rate -100 basis points	**186.92**	247.83
Salary Increase Rate +1%	**182.64**	227.84
Salary Increase Rate -1%	**(165.13)**	(204.99)
Attrition Rate +1%	**(17.13)**	(27.76)
Attrition Rate -1%	**18.94**	31.72

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

viii) These plans typically expose the Company 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)	
	2021-22	2020-21
Expense towards defined benefit plan for Key Management Personnel	**51.39**	44.58

59. SEGMENT REPORTING

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

60. CSR EXPENDITURE

₹ Lakhs

	Particulars	2021-22	2020-21
i)	Gross amount required to be spent by the company during the year	**16.50**	50.61
ii)	Amount spent during the year	**45.04**	53.29
iii)	Details of Related party Transactions	**5.22**	15.00
iv)	Provisions on account of contractual obligation	**—**	—
v)	Amount of shortfall at the end of the year out of the amount required to be spent by the company during the year	**—**	—
vi)	Total of previous years' shortfall amounts	**—**	—

₹ Lakhs

Nature of CSR Activities undertaken by the Company		Healthcare	Women Empowerment Education Healthcare	
For the year 2021-22				
	Particulars	**Incurred**	**Yet to be incurred**	**Total**
a)	Construction / acquisition of any asset	—	—	—
b)	On other purpose other than (a) above	**45.04**	—	**45.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

61. DISCLOSURE RELATING TO SUPPLIERS REGISTERED UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

₹ Lakhs

Particulars	As at 31-3-2022	As at 31-3-2021
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	**1,031.91**	545.87
- Interest due on above	**16.36**	—
Total	**1,048.27**	545.87
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.	**16.36**	—
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**16.36**	—
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.

62. The company's operation were adversely impacted by the outbreak of Covid-19 pandemic during the first quarter of current year. The Company has taken into account all the possible impact of Covid-19 in preparation of standalone financial statements. The situation is continuously evolving, the impact assessed may be different from the estimates made as at the date of approval of these financial statements and management will continue to monitor any material changes arising due to the impact of this pandemic on financial and operational performance of the company and take necessary measures to address the situation.

63. On 26th May 2021, the Board approved the amalgamation of Pricol Wiping Systems India Limited (“PWSIL”), a Wholly Owned Subsidiary company with its Holding Company, Pricol Limited with effect from 1st April 2021 (“Appointed Date”) by way of a Scheme of Amalgamation, subject to all regulatory approvals. Upon the Scheme becoming effective, all assets and Liabilities, including reserves of the Transferor Companies shall be recorded in the books of the Transferee Company at their existing carrying values under ‘Pooling of Interest Method’ as described in Appendix “C” of Indian Accounting Standards 103 (“Ind AS 103”), Business Combinations.

64. The New Code on Social Security 2020 (the Code) has been enacted which would impact the contribution by the company towards PF and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact, if any, of the change will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.

65. EVENTS OCCURING AFTER THE BALANCE SHEET DATE

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorisation of these standalone financial statements.

66. Power & Utilities is net of Wind Power of ₹ 65.53 Lakhs (Previous year - ₹ 65.40 Lakhs) representing units supplied to the grid against which equivalent consumption was made in-house.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

67. TITLE DEEDS OF IMMOVABLE PROPERTIES ARE IN THE NAME OF THE COMPANY EXCEPT FOR THE FOLLOWING:

₹ Lakhs

Description of Property	As at 31.3.2022 Gross Carrying Value	Held in the Name of	Whether promoter, director or their relative or employee	Period Range	Reason for not being held in name of Company (including Dispute)
Property, Plant & Equipment					
Land	8,322.27	Premier Instruments & Controls Limited	No	From 1972 - 2004	Refer Note below
Building	8,639.00				
Investment Property					
Land	650.00				
Building	1,061.00				

Note: The title deeds are in the name of the Premier Instruments & Controls Limited. The name of the company was subsequently changed to Pricol Limited.

68. 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 Wiping Systems India Limited

Pricol Espana Sociedad Limitada, Spain - Upto 21st August 2020

Step Down Subsidiaries :

PT Sripri Wiring Systems, Indonesia - Subsidiary of PT Pricol Surya Indonesia

Pricol Wiping Systems Czech s.r.o, Czech Republic- Subsidiary of Pricol Espana Sociedad Limitada - Upto 21st August 2020

2. Related parties and nature of relationship with whom transaction have taken place :

(a) Key Management Personnel

(i) Executive Directors:

Mrs.Vanitha Mohan - (Chairman) , Mr.Vikram Mohan - (Managing Director)
Mr. P.M. Ganesh - (Chief Executive Officer & Executive Director) from 8th November 2021
Mr. V. Balaji Chinnappan - (Chief Operating Officer) upto 8th November 2021

(ii) Non-Executive Directors - Independent Director:

Mr.R Vidhya Shankar, Mrs. Sriya Chari, Dr. S.K. Sundararaman, Mr. P. Shanmugasundaram, Mr. K. Ilango, Mr. Navin Paul, Mr.Suresh Jagannathan - upto 10th February 2021

(b) Entities in which the Key Managerial Personnel of the company and their relatives are able to exercise control / significant influence:

(i) Partnership firms : Bhavani Global Enterprises, Libra Industries

(ii) Private Limited Companies :

Pricol Gourmet Private Limited, PPL Enterprises Private Limited, Pricol Engineering Industries Private Limited, Pricol Travel Private Limited, Pricol Logistics Private Limited, Pricol Automotive Industries Private Limited - Upto 29th March 2022, Infusion Hospitality Private Limited, Shrimay Enterprises Private Limited, Sagittarius Investments Private Limited

(iii) Public Limited Companies :

Pricol Holdings Limited, Pricol Properties Limited, Pricol Corporate Services Limited, Target Manpower Services Limited, Pricol Retreats Limited, Prinfra Limited

(iv) Trusts : N D Foundation, Siruthuli

(c) Relatives of Key Management Personnel :

Mr. Vijay Mohan, Mr. Viren Mohan, Mrs. Lakshmi Mohan, Ms. Madhura Mohan, Ms. Manasa Mohan

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

ii) Related party transactions:

₹ Lakhs

Nature of Transaction	Subsidiaries		Key Management Personnel and their Relatives		Others	
	2021-22	2020-21	**2021-22**	2020-21	**2021-22**	2020-21
Transactions during the year						
Purchase / Labour Charges	**29,285.41**	36,891.04	—	—	**2,313.00**	1,945.34
Purchase of Fixed Assets	—	—	—	—	**62.93**	—
Sale of Fixed Assets	—	—	—	—	**5.60**	5.04
Sales / Job Work Charges	**817.63**	473.85	—	—	**139.92**	82.13
Receiving of Services	—	—	**20.00**	20.00	**5,220.08**	4,179.77
Remuneration to directors	—	—	**716.74**	402.71	—	—
Reimbursement of Expenses Paid	**11.14**	6.21	—	—	**8.87**	53.09
Rendering of Services	**0.60**	2.10	—	—	**108.83**	205.77
Reimbursement of Expenses Received	—	—	—	—	**89.29**	71.60
Donation / CSR Expenses	—	—	—	—	**5.22**	15.00
Interest Received	—	8.05	—	—		—
Right Shares allotted (including securities premium)	—	—	—	2,006.56	—	964.11
Loss on disposal of investment in subsidiary	—	40,798.58	—	—	—	—
Loans and Advances :						
Rental Deposits Received	—	—	—		**16.00**	10.08
Rental Deposits Paid	—	—	—	—	—	30.75
Loans and advances Converted into Equity	—	11,175.74	—	—	—	—
Investments:						
a. Made during the year	**2,241.22**	12,453.42	—	—	—	—
b. Disposed during the year	—	40,836.02	—	—	—	—
Provisions:						
a. Provision for / (Reversal of) Loans and advances & Interest thereon	—	(11,762.51)	—	—	—	—
b. Provision for / (Reversal of) Impairment of Investments	—	(29,657.60)	—	—	—	—
Guarantees:						
a. Made during the year	—	—	—	—	—	—
b. Adjustment on Exchange Fluctuation	**171.23**	(150.49)	—	—	—	—
c. Released during the year	**2,850.00**	7,806.66	—	—	—	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

iii) Amount outstanding as at the balance sheet date :

₹ Lakhs

Nature of Transaction	Subsidiaries		Key Management Personnel and their Relatives		Others	
	31-3-2022	31-3-2021	**31-3-2022**	31-3-2021	**31-3-2022**	31-3-2021
Trade Receivables and Other Receivables	**410.27**	432.90	**—**	—	**161.33**	104.20
Trade Payables and Other Payables	**6,795.31**	5,492.02	**247.34**	175.43	**1,142.13**	1,083.50
Investments	**9,038.12**	6,796.90	**—**	—	**—**	—
Loans	**—**	—	**—**	—	**—**	—
Provision for Impairment of Investments	**850.00**	850.00	**—**	—	**—**	—
Guarantees	**6,351.61**	9,030.38	**—**	—	**—**	—

iv) The remuneration of KMP does not include the provision made for gratuity as they are determined on an actuarial basis for the company as a whole.

69. DISCLOSURE OF INVESTMENTS, LOANS AND GUARANTEES AS REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT, 2013

a) INVESTMENTS

₹ Lakhs

Name of the Subsidiary	As at 31-3-2022	As at 31-3-2021
PT Pricol Surya Indonesia	**6,762.74**	4,521.52
Pricol Wiping Systems India Limited	**2,125.00**	2,125.00
Pricol Asia Pte Limited, Singapore	**150.38**	150.38

b) LOANS GRANTED

₹ Lakhs

Name of the Subsidiary	As at 31-3-2022	As at 31-3-2021	Purpose
Pricol Espana S.L. Spain (Erstwhile Subsidiary)	**—**	—	—
PT Pricol Surya Indonesia	**—**	—	—
Pricol Wiping Systems India Limited	**—**	—	—
Pricol Asia Pte Limited, Singapore	**—**	—	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

DISCLOSURE OF INVESTMENTS, LOANS AND GUARANTEES AS REQUIRED UNDER SECTION 186(4) OF COMPANIES ACT, 2013 (Contd.,)

c) GUARANTEES OR SECURITIES PROVIDED

Name of the Company	Currency	As at 31-3-2022		As at 31-3-2021		Purpose
		Foreign Currency in Lakhs	₹ Lakhs	Foreign Currency in Lakhs	₹ Lakhs	
PT Pricol Surya Indonesia	USD	—	—	30.00	2,100.00	Term Loan / Working Capital
Pricol Wiping Systems India Limited	INR	—	300.00	—	1,050.00	Term Loan / Working Capital
Pricol Asia Pte Limited, Singapore	USD	80.00	6,051.61	80.00	5,880.38	Guarantee to overseas suppliers for payment by Pricol Asia Pte Limited, to the supplier

70. DISCLOSURE AS REQUIRED UNDER REGULATION 34(3) OF SEBI LODR

As at 31st March 2022 **₹ Lakhs**

Name of the Company	Status	Outstanding Amount Loan/Advance	Maximum Loan / Advance outstanding during the year	Investment by the Loanee in Shares of Parent / Subsidiary
PT Pricol Surya Indonesia	Subsidiary	—	—	—
Pricol Asia Pte Limited, Singapore	Subsidiary	—	—	—
Pricol Wiping Systems India Limited	Subsidiary	—	—	—

As at 31st March 2021 ₹ Lakhs

Name of the Company	Status	Outstanding Amount Loan/Advance	Maximum Loan / Advance outstanding during the year	Investment by the Loanee in Shares of Parent / Subsidiary
Pricol Espana S.L. Spain @	Erstwhile Subsidiary	—	11,585.41	—
PT Pricol Surya Indonesia	Subsidiary	—	—	—
Pricol Asia Pte Limited, Singapore	Subsidiary	—	—	—
Pricol Wiping Systems India Limited *	Subsidiary	—	175.00	—

@ Converted into Equity investment with effect from 1st April 2020. The loan / investment were impaired and the entire investment in subsidiary disposed off. (Refer to Note.43)

* Converted into Equity investment during the year 2020-21.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

71. RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	2021-22	2020-21	% Change	Reason for Variance where the % of change is 25% or more
Current Ratio	Current Assets	Current Liabilities	**1.11**	1.20	**(7.60)**	Not Applicable
Debt Equity Ratio	Total Debt	Shareholders' Equity	**0.22**	0.44	**(49.34)**	Due to reduction in term loans by ₹ 15,475.42 Lakhs
Debt Service Coverage Ratio	Earnings for debt service = Net Profit after taxes + Depreciation and Amortisation expense + Interest	Debt Service = Interest + Lease Payments + Principal repayment of term loans (Excluding Prepayments)	**2.87**	2.19	**30.89**	Reduction in Interest Cost
Return on Equity Ratio	Net Profit After Taxes	Average Shareholders' Equity	**0.08**	0.03	**172.60**	Improvement in Net Profit
Inventory Turnover Ratio	Net Sales	Average Inventory	**6.10**	6.52	**(6.42)**	Not Applicable
Trade Receivables Turnover Ratio	Net Sales	Average Trade Receivables	**7.07**	7.60	**(6.91)**	Not Applicable
Trade Payables Turnover Ratio	Cost of Materials Consumed+Purchases of Stock-in-Trade + Changes in Inventory	Average Trade Payables	**3.82**	3.62	**5.63**	Not Applicable
Net Capital Turnover Ratio	Net Sales	Working Capital = Current Assets - Current Liabilities (Excluding current maturity of long term borrowings)	**17.95**	10.83	**65.72**	Increase in Sales & improvement in working Capital Management
Net Profit Margin %	Net Profit after taxes	Net Sales	**3.19**	1.09	**191.65**	Increase in Sales & improved Net Profit
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Networth +Total Debt + Deferred Tax Liabilities	**0.13**	0.11	**19.00**	Not Applicable
Return on Investment	Interest (Finance Income)	Investment	—	—	—	Not Applicable

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

DISCLOSURE RELATING TO SCHEDULE III AMENDMENT OF COMPANIES ACT 2013

72. DIVIDEND

The company has not proposed / paid any dividend during the year.

73. ADDITIONAL DISCLOSURE RELATING TO SCHEDULE III AMENDMENT OF COMPANIES ACT 2013

(i) Details of Benami property:

No proceedings have been initiated or are pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Utilisation of borrowed funds and share premium:

A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(iii) Compliance with number of layers of companies:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) Details of crypto currency or virtual currency:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Valuation of Property, Plant & Equipment, intangible asset and investment property:

The Company has not revalued its property, plant and equipment (including Right of Use Assets) or intangible assets or both during the current or previous year.

(vii) Compliance with approved scheme(s) of arrangements:

Refer Note.51, in relation to the Scheme of Amalgamation with Erstwhile Pricol Limited. 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.

(viii) Loans to Related Parties and others:

The Company had not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that:

a) are repayable on demand or

b) without specifying any terms or period of repayment.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

ADDITIONAL DISCLOSURE RELATING TO SCHEDULE III AMENDMENT OF COMPANIES ACT 2013 (Contd.,)

(ix) Struck off Companies:

Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name of the Company	CIN No.	Nature of transactions	Balance Outstanding	Relationship
Pricol Automotive Industries Private Limited	U35990TZ2020PTC035107	Rental Income	Nil	Entity in which KMP has control / significant influence

(x) Wilful Defaulter:

The Company had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(xi) The Company does not have any charges or satisfaction which is yet to be register with Registrar of Companies (ROC) beyond the statutory period.

74. Previous year's figures are reclassified / recasted wherever necessary to conform to the current year's classification including those as required consequent to amendments in Schedule III.

75. All figures are in Lakhs unless otherwise stated.

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
CS Sathyanarayanan
Partner
Membership No.028328
Coimbatore
23rd May 2022

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

P.M. Ganesh
Chief Executive Officer
& Executive Director
(DIN : 08571325)

P. Krishnamoorthy
Chief Financial Officer
(ACA No. : 28799)

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 Consolidated Financial Statements of **Pricol Limited**("the Holding Company")and its subsidiaries including its step-down subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit including other comprehensive income, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and 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 obtained by us along with the consideration of audit report of other auditors referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements 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 report.

Key Audit Matter	How our Audit addressed the Key Audit Matter
Trade receivables and expected credit loss: The trade receivables as at March 31, 2022 is ₹ 23,827.41 Lakhs and provision for expected credit loss as on the Balance Sheet date is ₹ 398.97 Lakhs. (Refer Note.14) The Group measures expected credit loss on trade receivables based on significant management judgement and estimates. We have considered assessment of expected credit loss for receivables as a key audit matter because of the significant management judgement involved in its estimation.	**Our audit procedures included the following:** • Assessed the appropriateness of the accounting policy for expected credit loss as per the relevant accounting standards. • Obtained an understanding of and assessed the design, implementation and operating effectiveness of key controls relating to collection monitoring process, credit control process and estimation of expected credit losses. • Tested the controls relating to classification of the receivable balances included in the receivables ageing report.

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

Key Audit Matter	How our Audit addressed the Key Audit Matter
	• Reviewed the ageing, tested the validity of the receivables, discussed with the management on the disputes, if any, with the customers, understood and evaluated the reason for delay in realization of the receivables and possibility of realization of the aged receivable. • Assessed the methodology used by management to estimate the expected credit loss provision and its compliance with the relevant accounting standard. • Assessed the reasonableness of estimate of expected credit loss. • Assessed the adequacy of disclosures relating to trade receivables and related credit risk.
Provisions for litigations and disclosure of contingent liabilities: The Group is involved in litigations, both for and against the Company, comprising of tax matters, legal compliances and other disputes as on the Balance Sheet date. The Group assesses the need to make a provision or disclose a contingency on a case-to-case basis considering the underlying facts of each matter, in consultation with its legal advisors and lawyers. This involves a high level of management judgement and assumptions which impact the risk assessment and consequential provisioning and disclosure of contingencies in the financial statements. This area is significant to our audit, since the completeness and accuracy of accounting and disclosures for contingencies is dependent on such management judgement and assumptions.	**Our audit procedures included the following:** • We evaluated and tested the Company's processes and controls for monitoring of litigations, disputes, compliances and assessment thereof for determining the likely outcome. • We reviewed the summary of the litigations prepared by the management and discussed the material cases to determine the Company's assessment of the likelihood and magnitude of any liability that may arise. • We evaluated the legal opinion obtained by the Company and assessed the management's judgements and assumptions on such matters. • We tested the adequacy of disclosures in the financial statements. • We also obtained necessary representations from the management in regard to the provisioning and disclosures in respect of the litigations.

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

The Holding Company's Management and Board of Directors are responsible for 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. 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. If, based on the work we have performed, we conclude that there is a

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

material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Director's responsibility for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated 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.

The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

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

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 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 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 of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements 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 Matters

We did not audit the financial statements of 3 subsidiaries including 1 step-down subsidiary incorporated outside India, whose financial statements reflects the total assets of ₹ 15,180.19 Lakhs as at March 31, 2022, total revenues of ₹ 31,393.70 Lakhs, total profit (including other comprehensive income) after tax of ₹ 849.28 Lakhs, and net cash inflows of ₹ 131.64 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, is based solely on the audit reports of such other auditors.

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

These subsidiaries are located outside India whose financial statements and other financial information 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 and Board of Directors have converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the 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 separate financial statements.

Report on Other Legal and Regulatory Requirements

(1) As required by section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept 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 (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the group and the operating effectiveness of such controls, we give our separate report in the "**Annexure**".

(2) 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 and based on the consideration of the reports of other auditors on the separate financial statements of the subsidiaries as stated in 'Other Matters' paragraph:

(i) The Consolidated Financial Statements disclose the impact of pending litigations as at March 31, 2022, on the consolidated financial position of the Group - Refer Note.46 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 Note. 23 & 29 to the Consolidated Financial Statements in respect of such items as it relates to the Group.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India;

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

iv) a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note. 61(ii)A to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company and its Indian subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the parent or any of its subsidiaries ("Ultimate Beneficiaries") or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note. 61(ii)B of Consolidated Financials Statements , no funds (which are material either individually or in the aggregate) have been received by the Company and its Indian subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- Directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us whose financial statements have been audited under the Act, nothing has come to our attention that caused us to believe that the representations under sub-clause (iv) (a) and (b) contain any material mis-statement.

v) The Group has not proposed / paid any dividend during the year.

(3) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

(i) 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. The remuneration paid to any director is not in excess of the Limit laid down under Section 197 of the Companies Act.

(4) With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) order, 2020 ("CARO"/ "the order") issued by the Central Government in terms of Section 143(11) of the Act, based on the CARO reports issued by us for the Company and its Indian subsidiary included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Registration No.000066S
CS Sathyanarayanan
Partner
Membership No.028328
UDIN: 22028328AJNIGD8072

Coimbatore
23rd May 2022

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

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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")

(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, 2022)

In conjunction with our audit of the Consolidated Financial Statements of **Pricol Limited** ("the Holding Company") as of and for the year ended March 31, 2022, 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 respective 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 Act.

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 respective 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 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

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

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT Contd.,

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, 2022, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Registration No.000066S
CS Sathyanarayanan
Partner
Membership No.028328
UDIN: 22028328AJNIGD8072

Coimbatore
23rd May 2022

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2022

		Note.	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
I.	**ASSETS**			
1)	**Non-Current Assets**			
	(a) Property, Plant and Equipment	2	37,435.44	37,466.79
	(b) Right of Use	3	3,916.92	4,591.39
	(c) Capital Work-in-progress	4	844.04	1,975.66
	(d) Investment Property	5	1,538.79	1,503.46
	(e) Goodwill	6	7,947.20	8,940.60
	(f) Other Intangible assets	7	10,343.83	11,682.96
	(g) Intangible Assets under Development	8	—	—
	(h) Other Financial Assets	9	673.12	804.43
	(i) Deferred Tax Assets (Net)	10	63.26	129.83
	(j) Other Non-Current Assets	11	2,184.95	3,501.84
	Total Non-Current Assets		64,947.55	70,596.96
2)	**Current Assets**			
	(a) Inventories	12	23,647.27	24,315.82
	(b) Financial Assets			
	i) Investments	13	213.02	80.15
	ii) Trade Receivables	14	23,428.44	18,787.82
	iii) Cash and Cash equivalents	15	2,258.59	3,820.52
	iv) Bank Balances other than (iii) above	16	2,810.88	3,653.98
	v) Other Financial Assets	17	81.49	94.71
	(c) Other Current Assets	18	1,988.29	2,274.89
	Total Current Assets		54,427.98	53,027.89
	TOTAL ASSETS		1,19,375.53	1,23,624.85

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2022

	Note.	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2022 (Contd.,)			
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	19	1,218.81	1,218.81
(b) Other Equity	20	56,963.43	51,263.14
Total Equity		58,182.24	52,481.95
LIABILITIES			
1) Non-Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	21	9,310.98	19,968.01
ii) Lease Liabilities	22	1,899.81	2,503.13
iii) Other Financial Liabilities	23	490.70	901.00
(b) Provisions	24	1,235.43	1,220.83
(c) Deferred Tax Liabilities (Net)	25	5,067.66	5,735.66
Total Non-Current Liabilities		18,004.58	30,328.63
2) Current Liabilities			
(a) Financial Liabilities			
i) Borrowings	26	3,495.36	4,827.56
ii) Lease Liabilities	27	635.68	557.39
iii) Trade Payables	28		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		1,092.02	574.91
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		25,949.91	27,605.24
iv) Other Financial Liabilities	29	9,513.15	5,079.69
(b) Other Current Liabilities	30	1,785.05	1,436.72
(c) Provisions	31	581.97	559.57
(d) Current Tax Liabilities (Net)	32	135.57	173.19
Total Current Liabilities		43,188.71	40,814.27
TOTAL EQUITY AND LIABILITIES		1,19,375.53	1,23,624.85

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
CS Sathyanarayanan
Partner
Membership No.028328
Coimbatore
23rd May 2022

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

P.M. Ganesh
Chief Executive Officer
& Executive Director
(DIN : 08571325)

P. Krishnamoorthy
Chief Financial Officer
(ACA No. : 28799)

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

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2022

	Note.	2021-22 ₹ Lakhs	2020-21 ₹ Lakhs
CONTINUING OPERATIONS :			
INCOME			
Revenue from Operations	33	1,50,006.88	1,35,894.19
Other Operating Revenue	34	4,462.41	5,417.15
Other Income	35	882.06	783.96
Total Income		1,55,351.35	1,42,095.30
EXPENSES			
Cost of Materials Consumed	36	1,01,337.88	92,775.99
Purchases of Stock-in-Trade		4,792.08	5,466.80
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	37	833.11	(1,762.25)
Employee Benefits Expense	38	19,180.65	16,651.71
Finance Costs	39	2,728.23	4,307.05
Depreciation and Amortisation Expense	40	8,183.90	9,419.03
Other Expenses	41	10,267.56	10,387.45
Total Expenses		1,47,323.41	1,37,245.78
Profit / (Loss) before Exceptional Items and Tax		8,027.94	4,849.52
Less : Exceptional Item		—	—
Profit / (Loss) Before Tax from continuing operations		8,027.94	4,849.52
Less : Tax Expense			
Current Tax		3,090.33	3,463.32
Deferred Tax	53(c)	(569.23)	446.95
Earlier years (Net)		1.47	(643.66)
Profit / (Loss) for the year	(A)	5,505.37	1,582.91
DISCONTINUED OPERATIONS :	42		
Profit / (Loss) for the year from discontinued operations before tax		—	2,566.85
Less : Tax expense of discontinued operations		—	—
Profit / (Loss) for the year from discontinued operations	(B)	—	2,566.85
Profit / (Loss) for the year	(C) = (A) + (B)	5,505.37	4,149.76

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2022

	Note.	2021-22 ₹ Lakhs	2020-21 ₹ Lakhs
Consolidated Statement of Profit & Loss for the year Ended 31st March 2022 (Contd.,)			
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurement of post employment benefit obligations		**(73.64)**	18.23
Income tax relating to these items	**53(c)**	**27.87**	(7.61)
Items that will be reclassified to profit or loss :			
Exchange differences on translation of foreign operations		**240.69**	48.82
Other Comprehensive Income for the year after tax	**(D)**	**194.92**	59.44
Total Comprehensive Income for the year	**(C) + (D)**	**5,700.29**	4,209.20
Earnings per Equity Share for profit / (loss) from Continuing operations (Face Value of ₹ 1/-) in Rupees			
Basic & Diluted	**43**	**4.52**	1.45
Earnings per Equity Share for profit / (loss) from Discontinued operations (Face Value of ₹ 1/-) in Rupees			
Basic & Diluted	**43**	**—**	2.36
Earnings per Equity Share for profit / (loss) from Continuing and Discontinued operations (Face Value of ₹ 1/-) in Rupees			
Basic & Diluted	**43**	**4.52**	3.81

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
CS Sathyanarayanan
Partner
Membership No.028328
Coimbatore
23rd May 2022

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

P.M. Ganesh
Chief Executive Officer
& Executive Director
(DIN : 08571325)

P. Krishnamoorthy
Chief Financial Officer
(ACA No. : 28799)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2022

a) Equity Share Capital

₹ Lakhs

	Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
As at 31st March 2022	**1,218.81**	**—**	**1,218.81**
As at 31st March 2021	947.97	270.84	1,218.81

b) Other Equity

₹ Lakhs

	Securities Premium	Capital Reserve	Retained Earnings	Other Comprehensive Income		Total
				Foreign Exchange Translation Reserve	Remeasurement of post employment benefit obligations	
Balance as on 1st April 2021	88,642.77	827.33	(38,635.55)	90.03	338.56	51,263.14
- Profit / (Loss) for the year 2021-22	—	—	5,505.37	—	—	5,505.37
- Other Comprehensive Income, Net off Income Tax	—	—	—	240.69	(45.77)	194.92
Balance as on 31st March 2022	**88,642.77**	**827.33**	**(33,130.18)**	**330.72**	**292.79**	**56,963.43**
Balance as on 1st April 2020	80,961.56	827.33	(42,785.31)	(539.93)	327.94	38,791.59
- Profit / (Loss) for the year 2020-21	—	—	4,149.76	—	—	4,149.76
- Premium on issue of equity shares (Net off issue expenses)	7,681.21	—	—	—	—	7,681.21
- Fluctuation Differences - Gain / (Loss) for the year upto the period of disposal of subsidiary (including stepdown subsidiary)	—	—	—	(475.50)	—	(475.50)
- Reclassification of Exchange differences Gain / (Loss) on disposal of subsidiary (including stepdown subsidiary)	—	—	—	1,056.64	—	1,056.64
- Other Comprehensive Income, Net off Income Tax	—	—	—	48.82	10.62	59.44
Balance as on 31st March 2021	88,642.77	827.33	(38,635.55)	90.03	338.56	51,263.14

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

As per our report of even date attached
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CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

₹ Lakhs

			Year Ended 31st March 2022		Year Ended 31st March 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**				
	Net Profit / (Loss) Before Tax from				
	- Continuing operations		**8,027.94**		4,849.52
	- Discontinued operations		**—**		2,566.85
	Adjustments for :				
	Depreciation & Amortisation Expense	**8,183.90**		9,419.03	
	Expected Credit Loss / Advances written off (Net off Provisions)	**49.23**		216.20	
	Excess Provision no longer required written back	**(420.09)**		33.14	
	(Profit) / Loss on sale of Property, Plant and Equipment (Net)/Assets Discarded (Net of Impairment / (Reversals))	**195.17**		1,417.88	
	Net Gain on derecognition of net assets on disposal of subsidiaries	**—**		(3,664.81)	
	Interest received	**(110.70)**		(483.84)	
	Effect of Change in Foreign Currency Translation Reserve	**175.64**		515.46	
	Exchange Fluctuation (Gain) / Loss on Re-statement	**(505.93)**		365.50	
	Gain on Fair Valuation / Disposal of Investments at Fair Value through P&L	**(2.88)**		(11.55)	
	Finance Costs	**2,728.23**		4,307.05	
			10,292.57		12,114.06
	Operating Profit before working capital changes		**18,320.51**		19,530.43
	Adjustments for :-				
	(Increase) / Decrease in Trade Receivables and other Receivables	**(3,286.59)**		(3,165.67)	
	(Increase) / Decrease in Inventories	**668.55**		(6,373.81)	
	Increase / (Decrease) in Trade Payables and other Payables	**3,836.92**		2,942.66	
			1,218.88		(6,596.82)
	Cash generated from Operations		**19,539.39**		12,933.61
	Direct taxes		**(1,274.79)**		(111.37)
	Net cash from operating activities		**18,264.60**		12,822.24

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

₹ Lakhs

	Year Ended 31st March 2022		Year Ended 31st March 2021	
Consolidated Cash Flow Statement for the year Ended 31st March 2022 (Contd.,)				
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant and Equipment	**(4,485.14)**		(3,199.81)	
Sale of Property, Plant and Equipment	**344.26**		46.16	
Adjustment for Capital Advances	**(314.96)**		108.90	
Proceeds from Disposal of Subsidiary	**—**		37.44	
Purchase of Current Investments	**(129.99)**		(230.00)	
Proceeds on Sale of Current Investments	**—**		632.34	
Interest received	**118.53**		507.09	
Net Cash (used in) / from investing activities		**(4,467.30)**		(2,097.88)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from / (Repayment of) Current Borrowings (Net)	**(18.32)**		(7,243.46)	
Proceeds from / (Repayment of) Non Current Borrowings (Net)	**(12,220.83)**		(3,846.26)	
Proceeds from Rights issue (Net off issue expenses)	**—**		7,952.05	
Repayment of Lease Liabilities	**(563.52)**		(280.94)	
Finance Costs paid	**(2,556.56)**		(3,590.33)	
Net Cash from / (used in) financing activities		**(15,359.23)**		(7,008.94)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**(1,561.93)**		3,715.42
Cash and cash equivalents as at 1.4.2021 &1.4.2020 (Opening Balance)				
- Continuing operations		**3,820.52**		946.53
Less : On Disposal of Subsidiary / Step down subsidiaries		**—**		841.43
Cash and cash equivalents as at 31.3.2022 and 31.3.2021 (Closing Balance) (Refer Note.15)		**2,258.59**		3,820.52

CONSOLIDATED CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022

₹ Lakhs

	Year Ended 31st March 2022	Year Ended 31st March 2021

Consolidated Cash Flow Statement for the year Ended 31st March 2022 (Contd.,)

Changes in Liability arising from financing activities, disclosing changes arising from Cash and Non Cash Flow :

As on 31-3-2022

₹ Lakhs

Particulars	**Non Current Borrowings (including current maturities)**	**Current Borrowings**	**Lease Liability**
Opening Balance as at 1st April, 2021	**24,485.86**	**309.71**	**3,060.52**
Cash Flows (Net) - Proceeds / (Repayment)	**(12,220.83)**	**(18.32)**	**(563.52)**
Additions during the year - Impact on account of Ind AS 116	—	—	**38.49**
Amortisation of Loan Origination Cost	**112.53**	—	—
De-recognition of unamortised portion of finance charges	**137.39**	—	—
Closing Balance as at 31st March 2022	**12,514.95**	**291.39**	**2,535.49**
As on 31-3-2021			
Opening Balance as at 1st April, 2020	29,832.44	13,310.91	2,533.48
Cash Flows (Net) - Proceeds / (Repayment)	(3,846.26)	(7,243.46)	(280.94)
Additions / Adjustments during the year	(2,365.48)	(5,757.74)	—
Additions during the year - Impact on account of Ind AS 116	—	—	807.98
Interest converted into Loan	717.39	—	—
Amortisation of Loan Origination cost	147.77	—	—
Closing Balance as at 31st March 2021	24,485.86	309.71	3,060.52

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
CS Sathyanarayanan
Partner
Membership No.028328
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Chief Financial Officer
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T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

1. A. 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. The Equity shares of the Holding company are listed on the National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE). Refer Note (iv) below for details of subsidiaries. The Company along with its subsidiaries and Step down subsidiary is referred to as the Group.

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 consolidated financial statements for the year ended 31 March 2022 were authorised and approved for issue by the Board of Directors on 23rd May 2022.

1. B. Significant Accounting Policies

i. Basis of Preparation:

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of consolidated 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 convention and on accrual basis, except for following material items mentioned in the Balance Sheet:

- Financial assets are measured either at fair value or at amortised cost depending on their classification;
- Derivative instruments are measured at their fair values;
- Employee defined benefit assets / liabilities are recognised as the net total of fair value of plan assets, adjusted for actuarial gains / losses and the present value of defined benefit obligations;
- Long term borrowings are measured at amortised cost using the effective interest rate (EIR) method;
- Assets held for sale are measured at fair value less cost to sell;
- Right-of-use of Assets are recognised at the present value of lease payments that are not paid as on that date. This amount is adjusted for any lease payments made at or before the commencement of the lease and initial direct cost incurred, if any.

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 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 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;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

- 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.

ii. Use of Estimates:

The preparation of consolidated 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 judgments and the use of assumptions in these financial statements have been disclosed separately under the heading "Significant accounting judgements, estimates and assumptions".

iii. 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.

Current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current assets and liabilities.

iv. Principles of Consolidation :

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries including step-down subsidiaries. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

- 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 wherever necessary to ensure consistency with the policies adopted by the group.

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	Singapore	100%
Pricol Wiping Systems India Limited, India	India	100%
PT Sripri Wiring Systems Step-down Subsidiary (Subsidiary of PT Pricol Surya Indonesia)	Indonesia	100%
Pricol Espana Sociedad Limitada, Spain (upto 21st August 2020)	Spain	100%
Pricol Wiping Systems Czech s.r.o, Czech Republic Step-down Subsidiary (Subsidiary of Pricol Espana Sociedad Limitada, Spain) - upto 21st August 2020	Czech	100%

v. 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 decimals.

(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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 Non-Controlling Interest (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.

vi. Revenue Recognition:

a. 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.

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 (included in other financial liabilities) 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.

b. Export benefits

Export incentive entitlement are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no uncertainty regarding the ultimate collection of the exports proceeds.

c. Unbilled Revenue

Contract Assets are recognised when there is excess of revenue earned over the contract billing. Contract assets are classified as unbilled receivables when there is a unconditional right to receive payment as per the contractual terms.

d. Dividend

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

e. 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.

f. 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.

vii. 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, for rental to others, 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 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) are provided under straight line method so as to expense the depreciable amount ie., cost less estimated value, over its estimated useful lives as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for the certain asset class such as leasehold improvements which are amortised as depreciation over the lower of useful life or lease 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	20 - 30 years
Improvement to Leasehold Buildings	Useful life or lease period whichever is lower
Plant & Machinery	7.5 - 8 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	4 - 5 years
Dies, Tools and Moulds	3 years
Computer Equipments	
- Servers and Networks	6 years
- End User Devices	3 years
Spares	1 - 3 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 Consolidated Statement of profit and loss when the asset is de-recognised.

viii. Investment property:

Investment property is a land or building held 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 Consolidated Statement of profit and loss as incurred. Investment properties are depreciated using the straight-line method over their estimated useful lives.

The Group has used the following useful lives to provide depreciation on its Investment Property:

Class of Assets	Useful Lives
Buildings	30 years

ix. 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:

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 acquired on Amalgamation	15 Years (Based on a technical opinion)

x. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 Consolidated 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, 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.

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.

Reclassification

When the Group has classified an asset (or disposal group) as held for sale, but the criteria for the same are no longer met, the Group shall cease to classify the asset (or disposal group) as held for sale. The Group measures the non-current asset (or disposal group) at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria. Financial statements for the periods since classification as held for sale shall be amended if the disposal group or non-current asset that ceases to be classified as held for sale.

xi. 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.

xii. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

xiii. 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;
- 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.

xiv. 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 in 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).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 instrument 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 instrument at FVTPL

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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-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 realise the assets and settle the liabilities simultaneously.

xv. 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 CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

xvi. 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.

xvii. 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 an 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 an 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 upto 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.

xviii. 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.

xix. Contingent liabilities:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

xx. 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.

xxi. 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.

xxii. 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 other comprehensive income / 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 CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 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.

xxiii. 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.

xxiv. Leases:

a. **The Group as a lessee:**

The Group's lease asset classes primarily consist of leases for Land, Buildings, Computer Equipments and Vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

b. The Group as a Lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Wherever the terms of the lease transfers substantially all the risks and ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease.

xxv. 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. Judgment 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.

xxvi. 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 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Significant accounting judgments, 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 period. As at March 31, 2022 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 of 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:

Group 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

Impairment is made on the expected credit loss model, which is 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 assumptions 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.

h) Leases:

Significant judgments are required in the assumptions and made in order to determine the ROU asset and lease liability. The assumptions and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease term, determination of applicable incremental borrowing rate, among others.

Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Business Combinations

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS 16 – Property, Plant and Equipments

The amendment clarifies that excess of net sale proceeds of items tested over the cost of testing, if any, shall not be recognised in the statement of profit and loss but deducted from the directly attributable cost of an items of Property, Plant and Equipments.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that related directly to fulfilling contracts.

Ind AS 109 – Financial Instruments

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Group does not expect the above amendments to have any significant impact in the financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ Lakhs

Particulars	Land	Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Gross Carrying Value									
As at 1st April, 2020	9,368.79	17,623.29	588.90	38,901.98	822.97	273.00	339.26	2,911.67	70,829.86
Additions during 2020-21	–	336.68	–	2,907.93	4.00	17.15	–	37.26	3,303.02
Deletions during 2020-21	–	19.33	–	1,613.12	41.54	10.97	15.77	73.26	1,773.99
Impaired during 2020-21	–	–	–	242.51	–	–	–	1,114.23	1,356.74
Re-classification to 'Assets held for sale as part of disposal group'	–	–	(214.44)	(4,276.45)	–	–	–	–	(4,490.89)
Re-classified as Investment Property (Refer Note.5)	188.00	543.83	–	–	–	–	–	–	731.83
Translation Adjustment	58.47	93.51	–	153.56	–	–	23.95	(0.54)	328.95
As at 31st March, 2021	9,239.26	17,490.32	374.46	35,831.39	785.43	279.18	347.44	1,760.90	66,108.38
Additions during 2021-22	1,360.04	82.67	–	3,452.91	7.90	310.29	3.29	280.41	5,497.51
Deletions during 2021-22	–	11.39	–	1,372.87	9.31	73.46	31.61	11.26	1,509.90
Impaired during 2021-22	–	–	–	51.93	0.06	–	0.18	0.07	52.24
Adjustment on Reversal of Impairment during 2021-22	–	–	–	242.51	–	–	–	307.79	550.30
Re-classified as Investment Property	–	–	–	–	–	–	–	–	–
Translation Adjustment	30.56	48.88	–	86.15	–	–	12.52	0.65	178.76
As at 31st March, 2022	**10,629.86**	**17,610.48**	**374.46**	**38,188.16**	**783.96**	**516.01**	**331.46**	**2,338.42**	**70,772.81**

Accumulated Depreciation / Impairment

₹ Lakhs

Particulars	Land	Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 1st April, 2020	–	4,140.94	159.83	19,673.65	305.09	166.38	301.55	2,122.97	26,870.41
Depreciation for the year 2020-21	–	888.96	36.57	4,841.06	79.02	28.88	10.43	295.21	6,180.13
Withdrawn during the year 2020-21	–	3.12	–	1,142.35	23.12	6.17	14.38	43.44	1,232.58
Withdrawn on Impairment during 2020-21	–	–	–	122.19	–	–	–	955.02	1,077.21
Re-classification to 'Assets held for sale as part of disposal group'	–	–	(19.12)	(2,168.25)	–	–	–	–	(2,187.37)
Re-classified as Investment Property (Refer Note.5)	–	126.24	–	–	–	–	–	–	126.24
Translation Adjustment	–	59.51	–	131.63	–	–	23.85	(0.54)	214.45
As at 31st March, 2021	–	4,960.05	177.28	21,213.55	360.99	189.09	321.45	1,419.18	28,641.59
Depreciation for the year 2021-22	**–**	**826.46**	**36.57**	**3,946.27**	**69.16**	**29.08**	**8.19**	**138.38**	**5,054.11**
Withdrawn during the year 2021-22	–	7.52	–	783.32	2.91	45.47	22.26	9.41	870.89
Adjustment on Reversal of Impairment during the year 2021-22	–	–	–	122.18	–	–	–	276.05	398.23
Re-classified as Investment Property	–	–	–	–	–	–	–	–	–
Translation Adjustment	–	33.38	–	68.10	–	–	12.20	0.65	114.33
As at 31st March, 2022	–	**5,812.37**	**213.85**	**24,566.78**	**427.24**	**172.70**	**319.58**	**1,824.85**	**33,337.37**

Net Carrying Value

₹ Lakhs

Particulars	Land	Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 31st March, 2021	9,239.26	12,530.27	197.18	14,617.84	424.44	90.09	25.99	341.72	37,466.79
As at 31st March, 2022	**10,629.86**	**11,798.11**	**160.61**	**13,621.38**	**356.72**	**343.31**	**11.88**	**513.57**	**37,435.44**

Certain Property, Plant and Equipment have been given as security against borrowings availed by the Group (Refer Note. 21& 26).
The impairment loss of ₹ 279.53 Lakhs was provided in earlier year have been reversed and the actual loss has been accounted for during the current year. (Refer Note.41).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

3. RIGHT OF USE

₹ Lakhs

Particulars	Land	Buildings	Computer Equipments	Vehicles	Total
Gross Carrying Value					
As at 1st April, 2020	1,875.52	2,808.70	—	—	4,684.22
Additions during 2020-21	—	136.97	656.42	14.59	807.98
Deletions during 2020-21	—	—	—	—	—
As at 31st March, 2021	1,875.52	2,945.67	656.42	14.59	5,492.20
Additions during 2021-22	—	21.64	16.86	—	38.50
Deletions during 2021-22	—	—	—	—	—
Translation Adjustment	—	0.65	—	0.66	1.31
As at 31st March, 2022	**1,875.52**	**2,967.96**	**673.28**	**15.25**	**5,532.01**

Accumulated Depreciation

₹ Lakhs

As at 1st April, 2020	69.18	388.28	—	—	457.46
Depreciation for the year 2020-21	29.28	397.31	11.13	5.23	442.95
Withdrawn during the year 2020-21	—	—	—	—	—
Translation Adjustment	—	0.17	—	0.23	0.40
As at 31st March, 2021	98.46	785.76	11.13	5.46	900.81
Depreciation for the year 2021-22	**30.23**	**461.01**	**216.75**	**5.60**	**713.59**
Withdrawn during the year 2021-22	—	—	—	—	—
Translation Adjustment	—	0.32	—	0.37	0.69
As at 31st March, 2022	**128.69**	**1,247.09**	**227.88**	**11.43**	**1,615.09**

Net Carrying Value

₹ Lakhs

As at 31st March, 2021	1,777.06	2,159.91	645.29	9.13	4,591.39
As at 31st March, 2022	**1,746.83**	**1,720.87**	**445.40**	**3.82**	**3,916.92**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

4. CAPITAL WORK-IN-PROGRESS

As on 31st March 2022

₹ Lakhs

Particulars	As at 31st March 2022	As at 31st March 2021
As at 1st April, 2021 & 1st April, 2020	**1,975.66**	2,189.79
Add : Addition during the year	**4,365.89**	3,242.72
Less : Deletion during the year	**5,497.51**	3,303.02
Less : On disposal of subsidiary	—	153.83
As at 31st March, 2022 & 31st March, 2021	**844.04**	1,975.66

Capital Work-in-progress ageing as on 31-3-2022 ₹ Lakhs

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	**844.04**	–	–	–	**844.04**
Projects temporarily suspended	–	–	–	–	–

Capital Work-in-progress ageing as on 31-3-2021 ₹ Lakhs

Particulars	Amount in Capital Work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,012.64	638.06	294.92	30.04	1,975.66
Projects temporarily suspended	–	–	–	–	–

Following table represents Capital Work-in-progress projects which have exceeded their original budgeted cost and / or Planned time of completion :

As on 31-3-2022 ₹ Lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	–	–	–	–	–
Projects temporarily suspended	–	–	–	–	–

As on 31-3-2021 ₹ Lakhs

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	991.52	–	–	–	991.52
Projects temporarily suspended	–	–	–	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

5. INVESTMENT PROPERTY

₹ Lakhs

Particulars	Land	Building	Total
Gross Carrying Value			
As at 1st April, 2020	462.00	700.00	1,162.00
Additions during 2020-21	–	–	–
Reclassified from PPE	188.00	543.83	731.83
Deletions during 2020-21	–	–	–
As at 31st March, 2021	650.00	1,243.83	1,893.83
Additions during 2021-22	–	96.49	96.49
Reclassified from PPE	–	–	–
Deletions during 2021-22	–	–	–
As at 31st March, 2022	**650.00**	**1,340.32**	**1,990.32**

Accumulated Depreciation

₹ Lakhs

As at 1st April, 2020	–	210.26	210.26
Depreciation for the year 2020-21	–	53.87	53.87
Reclassified from PPE	–	126.24	126.24
Withdrawn during the year 2020-21	–	–	–
As at 31st March, 2021	–	390.37	390.37
Depreciation for the year 2021-22	**–**	**61.16**	**61.16**
Reclassified from PPE	–	–	–
Withdrawn during the year 2021-22	–	–	–
As at 31st March, 2022	**–**	**451.53**	**451.53**

Net Carrying Value

₹ Lakhs

As at 31st March, 2021	650.00	853.46	1,503.46
As at 31st March, 2022	**650.00**	**888.79**	**1,538.79**

For depreciation method and useful lives - Refer Note.1 (B) (viii) of significant accounting policies.

The Company has identified Land and Building at Karamadai and Poochiyur 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	2021-22	2020-21
Rental Income	**62.87**	94.04
Direct operating expenses arising from invesment property that generated rental income during the year		
Less : Depreciation expense	**61.16**	53.87
Less : Repairs and Maintenance - Buildings	**55.48**	123.91
Profit / (Loss) from Investment Property	**(53.77)**	(83.74)

ii) Fair Value of Land and Building held as Investment Property - ₹ 2,700.63 Lakhs (Previous year - ₹ 2,700.63 Lakhs)

Fair Valuation of Investment property is as per the Registered Valuer.

The Fair Valuation was obtained in November'2019 & August'2020. The Management believes that the Fair Valuation would not be different from those obtained earlier.

iii) Contractual obligations to construct investment property or for Repairs & Maintenance or enhancement - ₹ Nil (Previous year - ₹ Nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

6. GOODWILL

₹ Lakhs

Particulars	Goodwill #	Goodwill on Consolidation	Total
Gross Carrying Value			
As at 1st April, 2020	15,479.67	4,678.37	20,158.04
Additions during 2020-21	–	–	–
Deletions during 2020-21	–	4,118.79	4,118.79
As at 31st March, 2021	15,479.67	559.58	16,039.25
Additions during 2021-22	–	–	–
Deletions during 2021-22	–	–	–
As at 31st March, 2022	**15,479.67**	**559.58**	**16,039.25**

Accumulated Amortisation / Impairment

₹ Lakhs

As at 1st April, 2020	5,545.67	4,678.37	10,224.04
Amortisation for the year 2020-21	993.40	–	993.40
Withdrawn during the year 2020-21	–	4,118.79	4,118.79
As at 31st March, 2021	6,539.07	559.58	7,098.65
Amortisation for the year 2021-22	**993.40**	–	**993.40**
Withdrawn during the year 2021-22	–	–	–
As at 31st March, 2022	**7,532.47**	**559.58**	**8,092.05**

Net Carrying Value

₹ Lakhs

As at 31st March, 2021	8,940.60	–	8,940.60
As at 31st March, 2022	**7,947.20**	**–**	**7,947.20**

Refer Note.44 in relation to Scheme of Amalgamation and accounting treatment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

7. OTHER INTANGIBLE ASSETS

₹ Lakhs

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total
Gross Carrying Value					
As at 1st April, 2020	2,072.68	1,597.87	4,914.01	14,116.00	22,700.56
Additions during 2020-21	35.75	–	–	–	35.75
Deletions during 2020-21	902.02	1,087.05	–	–	1,989.07
Impaired during 2020-21	7.90	–	–	–	7.90
Reclassification to 'Assets held for sale as part of disposal group'	(318.33)	–	–	–	(318.33)
As at 31st March, 2021	880.18	510.82	4,914.01	14,116.00	20,421.01
Additions during 2021-22	22.76	–	–	–	22.76
Deletions during 2021-22	10.12	–	–	–	10.12
Impaired during 2021-22	–	–	–	–	–
Adjustment on Reversal of Impairment during 2021-22	7.90	–	–	–	7.90
As at 31st March, 2022	**900.72**	**510.82**	**4,914.01**	**14,116.00**	**20,441.55**

Accumulated Amortisation / Impairment ₹ Lakhs

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total
As at 1st April, 2020	1,478.55	824.65	1,638.00	4,705.35	8,646.55
Amortisation for the year 2020-21	203.42	276.59	327.60	941.07	1,748.68
Withdrawn during the year 2020-21	758.92	590.42	–	–	1,349.34
Withdrawn on Impairment during the year 2020-21	4.53	–	–	–	4.53
Reclassification to 'Assets held for sale as part of disposal group	(303.31)	–	–	–	(303.31)
As at 31st March, 2021	615.21	510.82	1,965.60	5,646.42	8,738.05
Amortisation for the year 2021-22	**92.97**	**–**	**327.60**	**941.07**	**1,361.64**
Withdrawn during the year 2021-22	6.50	–	–	–	6.50
Withdrawn on Impairment during the year 2021-22	–	–	–	–	–
Adjustment on Reversal of Impairment during 2021-22	4.53	–	–	–	4.53
As at 31st March, 2022	**706.21**	**510.82**	**2,293.20**	**6,587.49**	**10,097.72**

Net Carrying Value ₹ Lakhs

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total
As at 31st March, 2021	264.97	–	2,948.41	8,469.58	11,682.96
As at 31st March, 2022	**194.51**	**–**	**2,620.81**	**7,528.51**	**10,343.83**

Note: The impairment loss of ₹ 3.37 Lakhs was provided in earlier year have been reversed and the actual loss has been accounted for during the current year. (Refer Note.41).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

			31-3-2022 ₹ Lakhs		31-3-2021 ₹ Lakhs
8.	**INTANGIBLE ASSETS UNDER DEVELOPMENT**				
	COMPUTER SOFTWARE				
	As at 1st April 2021 & 1st April 2020		–		54.37
	Add: Additions during the year		**22.76**		0.72
	Less : On disposal of subsidiary		–		19.34
	Less : Deletion / Adjustment during the year		**22.76**		35.75
	As at 31st March 2022 & 31st March 2021		–		–
9.	**OTHER FINANCIAL ASSETS**				
	Unsecured, Considered Good				
	Security Deposits		**601.54**		631.72
	Fixed Deposits with Banks (with maturity exceeding 12 months)		**71.58**		172.71
	Unsecured Deposits, Considered Doubtful				
	Security Deposits	**84.01**		26.10	
	Less : Provision for doubtful deposits	**84.01**		26.10	
			–		–
			673.12		804.43
10.	**DEFERRED TAX ASSETS (NET)**				
	In respect of subsidiary in different tax jurisdiction (Refer Note.53 (c))		**63.26**		129.83
11.	**OTHER NON CURRENT ASSETS**				
	Capital Advances	**402.73**		78.01	
	Less : Provision for doubtful advances	**9.76**		–	
			392.97		78.01
	Advance Tax, Net off Provision		**1,448.12**		934.49
	MAT Credit Entitlement		–		2,372.59
	Deposits with Government Authorities	**430.29**		203.92	
	Less : Provision for doubtful deposits	**86.43**		87.17	
			343.86		116.75
			2,184.95		3,501.84

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
12.	**INVENTORIES**		
	Raw Materials & Components	**14,904.43**	15,862.88
	Goods in Transit - Raw Materials & Components	**2,239.32**	1,096.63
	Work-in-progress	**857.86**	1,756.93
	Finished Goods	**4,794.53**	4,917.23
	Stores & Spares	**432.18**	451.86
	Traded Goods	**418.95**	230.29
		23,647.27	24,315.82

Mode of valuation of inventories is stated in Note No. 1 (B) (xxiii) of significant accounting policies.

Inventories have been given as securities for the borrowings availed by the respective companies. Refer Note.26.

Inventories as stated above is net off Provision for / (Reversal) of Non / Slow Moving Inventory of ₹ (1,439.80) Lakhs - Previous year - ₹ 439.05 Lakhs.

Cost of Inventory recognised as an expense **₹ Lakhs**

Particulars	2021-22	2020-21
Cost of Materials Consumed	**1,02,359.65**	91,038.92
Cost of Traded Goods Sold	**4,603.42**	5,441.62
Stores and Spares	**157.79**	173.56

13. INVESTMENTS **₹ Lakhs**

Sl.No.	Particulars	31-3-2022	31-3-2021
	Investments in Mutual Funds (at Fair Value through P&L)		
	Quoted - Non Trade		
1.	ICICI Prudential Liquid Fund - Growth	–	40.09
2.	HDFC Liquid Fund - Regular Plan - Growth	–	40.06
3.	Aditya Birla Sun Life Business Cycle Fund - Regular - Growth	**49.50**	–
4.	ICICI Prudential Business Cycle Fund - Growth	**42.12**	–
5.	AXIS Multi Cap Fund - Regular - Growth	**29.46**	–
6.	HDFC Multi Cap Fund - Regular - Growth	**40.51**	–
7.	SBI Multicap Fund - Regular Plan - Growth	**51.43**	–
	Total	**213.02**	80.15
	Aggregate amount of Quoted Investments	**213.02**	80.15
	Aggregate Market Value of Quoted Investments	**213.02**	80.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
14.	**TRADE RECEIVABLES**		
	Unsecured Considered Good	**23,587.11**	19,231.98
	Trade Receivables - Credit Impaired	**29.52**	29.52
	Unbilled Revenue	**210.78**	–
	Less : Allowance for Expected Credit Loss	**398.97**	473.68
		23,428.44	18,787.82

Trade Receivables have been given as securities for the borrowings availed by the Group. Refer Note.26.

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.49.

Movement in Expected Credit Loss		
Opening Balance	**473.68**	268.41
Provision for the year	**–**	205.27
Reversal during the year	**74.71**	–
Closing Balance	**398.97**	473.68

Ageing as on 31-3-2022

₹ Lakhs

Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	**23,494.42**	**36.33**	**5.47**	**2.34**	**–**	**23,538.56**
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(iii) Undisputed Trade Receivables – Credit Impaired	**–**	**–**	**29.52**	**–**	**–**	**29.52**
(iv) Disputed Trade Receivables– considered good	**–**	**–**	**–**	**–**	**–**	**–**
(v) Disputed Trade Receivables – which have significant increase in credit risk	**–**	**–**	**–**	**1.32**	**47.23**	**48.55**
(vi) Disputed Trade Receivables – Credit Impaired	**–**	**–**	**–**	**–**	**–**	**–**
(vii) Unbilled Revenue	**210.78**	**–**	**–**	**–**	**–**	**210.78**
Total	**23,705.20**	**36.33**	**34.99**	**3.66**	**47.23**	**23,827.41**
Less : Allowance for Expected Credit Loss						**398.97**
Total (Net)						**23,428.44**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs

Trade Receivables (Contd.,)

Ageing as on 31-3-2021 ₹ Lakhs

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	19,075.82	93.82	5.70	8.09	–	19,183.43
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
(iii) Undisputed Trade Receivables – Credit Impaired	–	29.52	–	–	–	29.52
(iv) Disputed Trade Receivables– considered good	–	–	–	–	–	–
(v) Disputed Trade Receivables – which have significant increase in credit risk	–	–	1.32	–	47.23	48.55
(vi) Disputed Trade Receivables – Credit Impaired	–	–	–	–	–	–
(vii) Unbilled Revenue	–	–	–	–	–	–
Total	19,075.82	123.34	7.02	8.09	47.23	19,261.50
Less : Allowance for Expected Credit Loss						473.68
Total (Net)						18,787.82

15. CASH AND CASH EQUIVALENTS

	31-3-2022	31-3-2022	31-3-2021	31-3-2021
Balances with Banks				
In Cash Credit Account	–		1,360.92	
In Current Account	**2,252.27**		2,448.85	
Cash on hand	**6.32**		10.75	
		2,258.59		3,820.52

16. BANK BALANCES OTHER THAN ABOVE

	31-3-2022	31-3-2021
Earmarked Balances		
In Unpaid Dividend Account	**54.74**	63.75
In Margin Money Account	–	739.81
In Escrow Account	–	180.00
Others		
In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)	**2,756.14**	2,670.42
	2,810.88	3,653.98

Notes : -

i. Margin Money with banks is towards issue of Bank Guarantee and Letter of Credit.

ii. Balances in Escrow Account during the previous year 2020-21 represent One EMI for repayment of term loan availed from Cholamandalam Investment and Finance Company Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

			31-3-2022 ₹ Lakhs		31-3-2021 ₹ Lakhs
17.	**OTHER FINANCIAL ASSETS**				
	Unsecured, Considered Good				
	Accrued Income				
	Export Incentives		**17.54**		22.92
	Interest from Banks		**6.49**		14.33
	Receivable Erstwhile Subsidiary		**57.46**		57.46
			81.49		94.71
18.	**OTHER CURRENT ASSETS**				
	GST Input Credits		**964.06**		1,447.11
	Customs Duty Receivable		**58.33**		20.19
	Others				
	Advances to Suppliers	**510.40**		318.25	
	Less : Provision for doubtful advances	**16.29**		16.03	
			494.11		302.22
	Advances for Expenses		**196.09**		263.98
	Prepayments		**275.70**		196.48
	Gratuity Fund (Refer Note.50)		–		44.91
			1,988.29		2,274.89

		31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
19.	**EQUITY SHARE CAPITAL**		
	Authorised		
	58,20,00,000 Equity Shares of ₹ 1/- each	**5,820.00**	5,820.00
	(As at 31st March 2021 - 58,20,00,000 Equity Shares of ₹ 1/- each)		
	Issued, Subscribed and Paid-up		
	12,18,81,498 Equity Shares of ₹ 1/- each	**1,218.81**	1,218.81
	(As at 31st March 2021 - 12,18,81,498 Equity Shares of ₹ 1/- each)		

Reconciliation of the Shares Outstanding at the beginning and at the end of the reporting year :

	31-3-2022		31-3-2021	
Equity Shares	**No.of Shares (in Lakhs)**	**₹ Lakhs**	No.of Shares (in Lakhs)	₹ Lakhs
At the beginning of the year	**1,218.81**	**1,218.81**	947.97	947.97
Add : Issued during the year	–	–	270.84	270.84
At the closing of the year	**1,218.81**	**1,218.81**	1,218.81	1,218.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EQUITY SHARE CAPITAL (Contd.,)

a) 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.

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

	31-3-2022		31-3-2021	
	No. of Shares	**% held**	No. of Shares	% held
- Pricol Holdings Limited	**1,10,01,762**	**9.03%**	1,10,01,762	9.03%
- Vijay Mohan	**96,15,636**	**7.89%**	96,15,636	7.89%
- Vikram Mohan	**76,25,506**	**6.26%**	76,25,506	6.26%
- Viren Mohan	**66,58,409**	**5.46%**	66,58,409	5.46%
- PHI Capital Solutions LLP	**69,84,428**	**5.73%**	69,84,428	5.73%

c) Details of Shares held by Holding Company :

There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2022.

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

e) Shares issued during the previous year :

During the previous year 2020-21, the Company had issued 2,70,84,777 fully paid-up Equity Shares of face value of ₹ 1/- each for cash at a price of ₹ 30/- per Equity Share (including a premium of ₹ 29/- per Equity Share) aggregating to ₹ 8,125.43 Lakhs on a rights basis to eligible equity shareholders in the ratio of two Equity Shares for every seven fully paid-up Equity Shares held on the record date, that is 25th November, 2020. These equity shares were allotted on 25th December 2020.

The fresh allotment of equity shares through Rights Issue as stated above has resulted in an increase of equity share capital by ₹ 270.84 Lakhs and securities premium by ₹ 7,854.59 Lakhs.

The share issue expenses of ₹ 173.38 Lakhs has been adjusted against Securities Premium.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EQUITY SHARE CAPITAL (Contd.,)

f) Promoter and Promoter Group Shareholding :

FOR THE YEAR 2021-22

Sl. No.	Name	No. of Shares as on 31-3-2022 (A)	% of Total Shares	No. of Shares as on 31-3-2021 (B)	% of Total Shares	% Change during the year (A-B) / (B)
1.	Vijay Mohan	**96,15,636**	**7.89%**	**96,15,636**	**7.89%**	–
2.	Vijay Mohan (BHUF)	**8,49,728**	**0.70%**	**8,49,728**	**0.70%**	–
3.	Vikram Mohan	**76,25,506**	**6.26%**	**76,25,506**	**6.26%**	–
4.	Vanitha Mohan	**57,31,468**	**4.70%**	**57,31,468**	**4.70%**	–
5.	Viren Mohan	**66,58,409**	**5.46%**	**66,58,409**	**5.46%**	–
6.	Manasa Mohan	**1,92,857**	**0.16%**	**1,92,857**	**0.16%**	–
7.	Madhura Mohan	**2,33,453**	**0.19%**	**2,33,453**	**0.19%**	–
8.	Pricol Holdings Limited	**1,10,01,762**	**9.03%**	**1,10,01,762**	**9.03%**	–
9.	Sagittarius Investments Private Limited	**23,65,360**	**1.94%**	**23,65,360**	**1.94%**	–
10.	Shrimay Enterprises Private Limited	**2,44,800**	**0.20%**	**2,44,800**	**0.20%**	–

FOR THE YEAR 2020-21

Sl. No.	Name	No. of Shares as on 31-3-2021 (A)	% of Total Shares	No. of Shares as on 31-3-2020 (B)	% of Total Shares	% Change during the year (A-B) / (B)
1.	Vijay Mohan	96,15,636	7.89%	91,40,278	9.64%	5.20%
2.	Vijay Mohan (BHUF)	8,49,728	0.70%	6,60,900	0.70%	28.57%
3.	Vikram Mohan	76,25,506	6.26%	35,21,175	3.71%	116.56%
4.	Vanitha Mohan	57,31,468	4.70%	37,26,488	3.93%	53.80%
5.	Viren Mohan	66,58,409	5.46%	66,58,409	7.02%	–
6.	Manasa Mohan	1,92,857	0.16%	1,50,000	0.16%	28.57%
7.	Madhura Mohan	2,33,453	0.19%	1,81,575	0.19%	28.57%
8.	Pricol Holdings Limited	1,10,01,762	9.03%	85,56,926	9.03%	28.57%
9.	Sagittarius Investments Private Limited	23,65,360	1.94%	3,40,935	0.36%	593.79%
10.	Bhavani Infin Services India Private Limited	–	–	14,98,790	1.58%	-100.00%
11.	Shrimay Enterprises Private Limited	2,44,800	0.20%	1,90,400	0.20%	28.57%

Note : The percentage change has been computed with respect to the number of shares held by promoter and promoter group at the beginning of the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs		31-3-2021 ₹ Lakhs
20. OTHER EQUITY				
Securities Premium				
Opening Balance	**88,642.77**		80,961.56	
Add : Premium on issue of equity shares (Net off issue expenses - Refer Note.19 (e))	–		7,681.21	
		88,642.77		88,642.77
Capital Reserve		**827.33**		827.33
Surplus / (Deficit) in the Statement of Profit & Loss				
Opening Balance	**(38,635.55)**		(42,785.31)	
Add : Profit / (Loss) for the year	**5,505.37**		4,149.76	
		(33,130.18)		(38,635.55)
Other Comprehensive Income				
i) Foreign Exchange Translation Reserve Gain / (Loss)				
Opening Balance	**90.03**		(539.93)	
Add : Addition / Adjustments during the year (Net)	**240.69**		629.96	
		330.72		90.03
ii) Remeasurement of post employment benefit obligations				
Opening Balance	**338.56**		327.94	
Add : Addition / Adjustments during the year	**(45.77)**		10.62	
		292.79		338.56
		56,963.43		51,263.14

21. BORROWINGS

	Non-Current portion		Current Maturities	
	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs	**31-3-2022 ₹ Lakhs**	31-3-2021 ₹ Lakhs
Secured Loans at amortised cost :				
Rupee Term Loan From Banks	**9,310.98**	12,626.01	**3,229.51**	3,322.84
Rupee Term Loan From Others	–	6,077.06	–	1,318.83
Foreign Currency Term Loan from Banks	–	1,416.58	–	–
Less : Unamortised portion of Finance Charges	–	151.64	**25.54**	123.82
	9,310.98	19,968.01	**3,203.97**	4,517.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

BORROWINGS (Contd.,)

Description	Frequency / No.of Instalments Due	Maturity	As at 31-3-2022	As at 31-3-2021	Security	Interest Rate/ Effective Interest Rate (EIR)
The South Indian Bank Limited	—	Preclosed during the year	**—**	3,979.53	—	One year MCLR plus 0.80% EIR - 11.29%
Cholamandalam Investment & Finance Company Limited	—	Preclosed during the year	**—**	7,395.88	—	Floating Interest EIR- 13.80%
IndusInd Bank Limited	—	Since repaid in Apr-22	**1,283.49**	2,883.50	Note 1	One year MCLR plus 0.70% EIR - 11.46%
ICICI Bank Limited	Half Yearly / 8 varying instalments	Nov-24	**6,500.00**	9,000.00	Note 2	One year MCLR plus 3.45% EIR - 11.70%
ICICI Bank Limited - ECLGS	Monthly / 48 Equal Instalments	May-26	**2,596.00**	—	Note 3	One year MCLR plus 1.00% EIR - 8.25%
IndusInd Bank Limited - ECLGS	Monthly / 48 Equal Instalments	Jun-26	**2,161.00**	—	Note 4	EIR - 8.00%
ICICI Bank Limited	—	Paid during the year	**—**	85.83	—	—
PT Bank SBI Indonesia	—	Preclosed during the year	**—**	1,416.58	—	—

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

Security Details :

Note 1 : Pari-passu first charge on specific immovable property situated at Plant I, Perianaickenpalayam, Coimbatore.

Note 2 : Exclusive Charge by way of Mortgage of immovable properties viz.,

a) Land measuring 6.68 acres in 132, Mettupalayam Road, Perianaickenpalayam, Coimbatore-641 020.

b) Plant II Land and Building located at Plot No. 34 & 35, Sector 4, IMT Manesar, Gurugram.

c) Plant III Land and Building at 4/558, Mettupalayam Road, Chinnamathampalayam, Billichi Village, Press Colony Post, Coimbatore - 641 019.

d) Exclusive charge on specific Plant and Machinery installed at Plant III, Chinnamathampalayam Coimbatore and Plant II, IMT Manesar, Gurugram.

Note3 & 4 : Second Charge on existing securities offered for both working capital and Term Loan with moratorium period of one year till Jun-22.

For Current Maturities of Long Term Debt Refer Note.26.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

			31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
22.	**LEASE LIABILITIES**			
	Lease Liabilities - Non Current (Refer Note.55)		**1,899.81**	2,503.13
23.	**OTHER FINANCIAL LIABILITIES**			
	Rental Advance Received		**19.09**	31.28
	Derivative Liability (Net)		**400.92**	799.63
	Security Deposits from Customers		**70.69**	70.09
			490.70	901.00
24.	**PROVISIONS**			
	For Gratuity (Refer Note.50)		**190.44**	183.48
	For Central Excise, Service Tax and Customs Demands (Refer Note.51)		**235.35**	215.17
	For Potential Statutory Liabilities (Refer Note.51)		**809.64**	822.18
			1,235.43	1,220.83
25.	**DEFERRED TAX LIABILITIES (NET)**			
	Deferred Tax Liability			
	On Property, Plant and Equipments & Others		**6,249.38**	7,324.70
	On Other temporary differences		**8.92**	96.26
		(A)	**6,258.30**	7,420.96
	Deferred Tax Asset			
	On Disallowance under the Income Tax Act		**1,025.40**	1,645.58
	On Other temporary differences		**165.24**	39.72
		(B)	**1,190.64**	1,685.30
	Deferred Tax Liabilities - Net (Refer Note.53 (c))	**(A) - (B)**	**5,067.66**	5,735.66
26.	**BORROWINGS**			
	Secured Loans			
	Working Capital Facilities from Banks			
	- In Rupee		**291.39**	88.94
	- In Foreign Currency		**—**	220.77
	Current Maturities of Long Term Debt (Refer Note.21)		**3,203.97**	4,517.85
			3,495.36	4,827.56

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 9.40% to 9.65% p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
27.	**LEASE LIABILITIES**		
	Lease Liabilities - Current (Refer Note.55)	**635.68**	557.39
28.	**TRADE PAYABLES**		
	- Total Outstanding Dues of Micro Enterprises and Small Enterprises	**1,092.02**	574.91
	- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	**25,949.91**	27,605.24
		27,041.93	28,180.15

The company's exposure to currency risk related to Trade Payables are disclosed in Note.49.

₹ Lakhs

Particulars	**Outstanding for following periods from due date of payment**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**As on 31-3-2022**
(i) MSME					
(a) Micro and Small	**1,091.28**	**0.49**	**0.24**	**0.01**	**1,092.02**
(b) Medium	**459.18**	**—**	**—**	**0.45**	**459.63**
(ii) Others	**24,982.88**	**34.54**	**108.26**	**273.91**	**25,399.59**
(iii) Disputed dues – Micro and Small	**—**	**—**	**—**	**—**	**—**
(iv) Disputed dues – Medium	**—**	**—**	**—**	**—**	**—**
(v) Disputed dues - Others	**—**	**1.55**	**5.34**	**83.80**	**90.69**
Total	**26,533.34**	**36.58**	**113.84**	**358.17**	**27,041.93**

₹ Lakhs

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As on 31-3-2021
(i) MSME					
(a) Micro and Small	574.20	0.61	0.03	0.07	574.91
(b) Medium	296.64	—	—	0.45	297.09
(ii) Others	26,547.20	251.71	184.83	233.72	27,217.46
(iii) Disputed dues – Micro and Small	—	—	—	—	—
(iv) Disputed dues – Medium	—	—	—	—	—
(v) Disputed dues - Others	1.55	5.34	—	83.80	90.69
Total	27,419.59	257.66	184.86	318.04	28,180.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
29.	**OTHER FINANCIAL LIABILITIES**		
	Interest accrued and not due on borrowings	**7.62**	85.87
	Unpaid Dividend	**54.74**	63.75
	Employee Benefits Payable	**2,011.32**	2,124.85
	Derivative Liability (Net)	**72.89**	159.93
	Retention Money Payable	**99.71**	133.92
	Payable for Expenses	**2,479.03**	2,511.37
	Acceptances	**4,787.84**	—
		9,513.15	5,079.69
	Acceptances represent bills discounted with recourse in respect of Trade Receivables with Banks.		
30.	**OTHER CURRENT LIABILITIES**		
	Statutory Dues Payable	**1,187.29**	457.27
	Advance from Customers	**597.76**	979.45
		1,785.05	1,436.72
31.	**PROVISIONS**		
	For Gratuity (Refer Note.50)	**165.94**	—
	For Labour Settlement (Refer Note.51)	**261.72**	261.72
	For Warranty Related Claims (Refer Note.51)	**154.31**	297.85
		581.97	559.57
32.	**CURRENT TAX LIABILITIES (NET)**		
	For Taxation	**135.57**	173.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		2021-22 ₹ Lakhs		2020-21 ₹ Lakhs
33. REVENUE FROM OPERATIONS				
Sale of Products and Services				
Domestic	**1,33,974.70**		1,25,291.40	
Export	**14,270.79**		9,300.74	
Traded Goods	**1,708.20**		1,290.09	
Service Income	**53.19**		11.96	
		1,50,006.88		1,35,894.19
Disaggregation of Revenue :-				
1. Within India		**1,35,736.09**		1,26,593.45
2. Outside India		**14,270.79**		9,300.74
		1,50,006.88		1,35,894.19
Reconciliation of Revenue recognised in Statement of Profit and Loss Account with contracted price :				
Revenue from contract with customers as per contract Price		**1,50,334.02**		1,36,409.62
Less : Trade discounts, Volume Rebates, Refunds etc.,		**327.14**		515.43
Revenue from contract with customers as per Statement of Profit and Loss		**1,50,006.88**		1,35,894.19
34. OTHER OPERATING REVENUE				
Export Incentives		**301.66**		140.29
Sale of Traded Goods - Others		**4,160.75**		5,276.86
		4,462.41		5,417.15
35. OTHER INCOME				
Interest Income				
From Banks		**82.46**		114.55
From Others		**28.24**		15.84
On Income Tax Refund		**—**		367.71
Gain on Fair Valuation of Investments at Fair Value through P&L (Includes realised gain on sale of investments ₹ Nil (Previous year - ₹ 61.34 Lakhs))		**2.88**		11.55
Lease Rental Receipts		**105.65**		172.53
Gain on Exchange Fluctuation (Net)		**35.40**		—
Insurance Claim Received		**154.37**		—
Miscellaneous Income		**52.97**		68.64
Excess Provision no longer required written back		**420.09**		33.14
		882.06		783.96
36. COST OF MATERIALS CONSUMED				
Materials Consumed		**1,01,337.88**		92,775.99

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

			2021-22 ₹ Lakhs		2020-21 ₹ Lakhs
37.	**CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS**				
	Opening Stock				
	Work-in-progress	**1,756.93**		2,068.44	
	Finished Goods	**4,917.23**		5,026.59	
	Traded Goods	**230.29**		205.11	
			6,904.45		7,300.14
	Add : Adjustments / Reclassification of Inventory from disposal group				
	Work-in-progress	—		(1,109.91)	
	Finished Goods	—		(1,048.03)	
	Traded Goods	—		—	
			—		(2,157.94)
	Less : Closing Stock				
	Work-in-progress	**857.86**		1,756.93	
	Finished Goods	**4,794.53**		4,917.23	
	Traded Goods	**418.95**		230.29	
			6,071.34		6,904.45
			833.11		(1,762.25)
38.	**EMPLOYEE BENEFITS EXPENSE**				
	Salaries and Wages	**17,017.25**		15,039.89	
	Contribution to Provident and other funds	**943.51**		728.97	
	Staff Welfare Expenses	**1,219.89**		882.85	
			19,180.65		16,651.71
39.	**FINANCE COSTS**				
	Interest on Borrowings (Net)	**2,159.78**		3,871.16	
	Other Borrowing Costs	**25.00**		28.40	
	Interest on Lease Obligations (Refer Note.55)	**293.53**		259.72	
	De-recognition of unamortised portion of finance charges	**137.39**		—	
	Unwinding of interest on financial instruments carried at amortised cost	**112.53**		147.77	
			2,728.23		4,307.05

Interest expenses is net off interest income on derivatives ₹ 391.12 Lakhs (Previous year - ₹ 487.10 Lakhs).

Other Borrowing Costs represent processing fee in respect of working capital borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		2021-22 ₹ Lakhs		2020-21 ₹ Lakhs
40. DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation on PPE (Refer to Note.2)	**5,054.11**		6,180.13	
Right of Use Asset (Refer to Note.3)	**713.59**		442.95	
Depreciation on Investment Property (Refer Note.5)	**61.16**		53.87	
Amortisation of Intangibles (Refer to Note.6 & 7)	**2,355.04**		2,742.08	
		8,183.90		9,419.03
41. OTHER EXPENSES				
Power & Utilities(Net of Wind Power of ₹ 65.53 Lakhs - Previous year - ₹ 65.40 Lakhs)		**1,797.61**		1,806.20
Stores & Spares Consumed		**157.79**		173.56
Repairs and Maintenance :				
- Machinery		**922.24**		727.11
- Building		**174.12**		262.91
- IT Assets		**417.83**		518.69
- Others		**160.24**		160.34
Postage & Telephone		**163.28**		191.38
Rates, Taxes & Licence		**155.19**		107.82
Insurance		**330.90**		323.81
Travelling & Conveyance		**289.38**		134.76
Freight & Forwarding		**2,308.69**		1,479.76
Warranty Claims		**583.92**		603.40
Selling Expenses		**249.33**		160.57
Expected Credit Loss / Advances Written off (Net off Provisions)		**49.23**		216.20
Remuneration to Non-Whole Time Directors		**19.20**		14.40
Auditors' Remuneration (Refer Note.45(a))		**77.55**		78.42
Professional Charges		**1,788.79**		1,414.89
Loss on Exchange Fluctuation (Net)		**78.81**		140.30
Loss on Sale of Property, Plant and Equipment (Net)/ Assets Discarded	**478.07**		1,134.98	
Add / (Less) : Provision/ (Reversal) for Impairment Loss (Refer Note.2 & 7)	**(282.90)**		282.90	
		195.17		1,417.88
Contribution to Political Party		**—**		25.00
Miscellaneous Expenses		**303.25**		376.76
CSR Expenses		**45.04**		53.29
		10,267.56		10,387.45

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

42. DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARIES

1) Description

The Board of Directors at their meetings held on 19th March 2019 and 29th July 2020 approved the disposal of its Wholly Owned Subsidiaries - Pricol Wiping Systems India Limited (PWS India) and Pricol Espana S.L.Spain (Pricol Espana) along with its subsidiary, Pricol Wiping Systems Czech s.r.o, Czech Republic. The same was approved by the Shareholders in their meeting held on 29th August 2019. The disposal as stated above, except the disposal of PWS India, was completed in two tranches, as detailed below :-

Tranche	Name of the Subsidiary / Step down subsidiary	Date of Disposal	Consideration
Tranche - I	Pricol do Brasil Componentes Automotivos LtdA, Brazil & Pricol Wiping Systems Mexico S.A. de C.V, Mexico	11-02-2020	USD 2,000
Tranche - II	Pricol Espana S.L. Spain & Pricol Wiping Systems Czech s.r.o, Czech Republic	21-08-2020	Euro 50,000

Consequent to the disposal as stated above, the assets and liabilities pertaining to these subsidiaries were re-classified as "Assets / Liabilities held for sale" in accordance with recognition and measurement principles laid out in Ind AS 105 (Non Current Assets held for sale and discontinued operations) and disclosed accordingly. The financial performance of these subsidiaries have been excluded from the results of continuing operations and have been presented as a single line item as "Profit/ (Loss) from Discontinued operations".

2) The description of broad category of assets, liabilities, revenue and expenses are given below :

	2021-22 ₹ Lakhs	2020-21 ₹ Lakhs
a) Financial Performance		
Revenue	—	9,339.75
Expenses		
Cost of Materials Consumed	—	5,729.90
Purchases of Stock-in-Trade	—	—
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	—	624.86
Employee Benefits Expense	—	1,824.04
Finance Costs	—	114.49
Depreciation and Amortisation Expense	—	410.91
Other Expenses	—	676.87
	—	9,381.07
Profit / (Loss) before tax	—	(41.32)
Net Gain on Disposal of Subsidiaries*	—	2,608.17
Tax Expense	—	—
Profit / (Loss) after tax from discontinued operation	—	2,566.85

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2021-22 ₹ Lakhs	2020-21 ₹ Lakhs

DISCONTINUED OPERATIONS AND DISPOSAL OF SUBSIDIARIES (Contd.,)

* **Net Gain on disposal of subsidiaries :**		
Consideration received	—	37.44
Excess carrying amount of liabilities over assets on de-consolidation	—	3,627.37
Add : Reclassification of exchange differences (Gains) from OCI on disposal of subsidiaries	—	(1,056.64)
Net Gain on disposal after income tax	—	2,608.17

b) The carrying amount of assets and liabilities as at the date of disposal were as follows:- Refer Note No.1 (B) (iv) on significant accounting policy for de-consolidation procedures on loss of control.

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
Property, Plant and Equipment	—	2,448.48
Trade Receivables	—	3,340.71
Inventory	—	5,670.15
Other Assets	—	1,015.66
Total Assets	—	12,475.00
Borrowings	—	8,123.23
Trade Payables	—	7,629.11
Other Payables	—	350.03
Total Liabilities	—	16,102.37
Net Assets / (Liabilities)	—	(3,627.37)

43. EARNINGS PER SHARE

	2021-22 ₹ Lakhs	2020-21 ₹ Lakhs
Profit / (Loss) After Tax from Continuing Operations	**5,505.37**	1,582.91
Profit / (Loss) After Tax from Discontinued Operations	—	2,566.85
Profit / (Loss) After Tax for the year	**5,505.37**	4,149.76
Weighted Average No. of Shares Outstanding :		
- Basic & Diluted (Nos. in Lakhs)	**1,218.81**	1,089.73
Face Value per Equity Share (in ₹)	**1.00**	1.00
Basic & Diluted Earnings per share from Continuing Operations (in ₹)	**4.52**	1.45
Basic & Diluted Earnings per share from Discontinued Operations (in ₹)	—	2.36
Basic & Diluted Earnings per share from Continuing and Discontinued Operations (in ₹)	**4.52**	3.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

44. 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.

45. PAYMENTS TO STATUTORY AUDITORS	**2021-22 ₹ Lakhs**	2020-21 ₹ Lakhs
a) PARENT AND SUBSIDIARY IN INDIA (EXCLUSIVE OF GST)*		
For Audit	**46.25**	46.25
For Taxation Matters	**22.50**	20.25
For Certification and Others	**7.12**	10.04
Reimbursement of Expenses	**1.68**	1.88
Total	**77.55**	78.42

*Remuneration to auditors during the previous year 2020-21 includes ₹ 15.08 Lakhs towards Rights Issue related services included in share issue expenses and adjusted against premium on issue of shares.

b) FOREIGN SUBSIDIARIES (included in professional charges)	**19.37**	22.28

46. CONTINGENT LIABILITIES AND COMMITMENTS	**31-3-2022 ₹ Lakhs**	31-3-2020 ₹ Lakhs
I. CONTINGENT LIABILITIES		
In respect of Holding Company		
a) On account of Pending Litigations		
Excise, Service Tax and Customs Matters	**1,130.87**	1,281.44
(excluding Interest if any)		
(Of which ₹ 87.76 Lakhs has been paid under protest)	**1,130.87**	1,281.44

b) Labour related Matters

As at 31st March, 2022, the company has various labour related cases pending before various legal forums, amounting to ₹ 3,361 Lakhs (Previous year - ₹ 2,733 Lakhs.)

c) Others		
Letter of Credit	**404.66**	1,557.55
Guarantees	**16.41**	238.66
Other Claims not acknowledged as debt	**295.64**	295.64
	716.71	2,091.85

The company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required or disclosed as contingent liability where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management estimates and no significant liability is expected to arise out of the same.

II. COMMITMENTS

Estimated Value of contracts remaining to be executed on Capital account		
- in respect of Holding Company and its subsidiary - Pricol Wiping Systems India Limited	**1,019.60**	180.05

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

47. SEGMENT REPORTING

The Group primarily operates in the automotive segment. The automotive segment includes manfacture 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:

1. **Revenue from Operations:** Based on location of Customers
2. **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

a) **Revenue from Operations including other operating revenue**

₹ Lakhs

	2021-22	2020-21
Continuing operations		
Within India	**1,39,455.25**	1,31,662.21
Outside India	**15,014.04**	9,649.13
	1,54,469.29	1,41,311.34
Discontinued operations		
Within India	**—**	—
Outside India	**—**	9,339.75
	—	9,339.75

b) **Non-Current Assets**

	31-3-2022 ₹ Lakhs	31-3-2021 ₹ Lakhs
Continuing operations		
Within India	**62,526.52**	68,136.14
Outside India	**1,684.65**	1,526.56
	64,211.17	69,662.70
Discontinued operations		
Within India	**—**	—
Outside India	**—**	—
	—	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

48. FAIR VALUE MEASUREMENTS

i. Financial Instruments by category

The Carrying Value of financial instruments by categories as at 31 March 2022 are as follows:

₹ Lakhs

Particulars	Note.	FVTPL	FVTOCI	Cost / Amortised Cost	Total Carrying value	Total Fair value
Financial assets						
Investments	13	**213.02**	—	—	**213.02**	**213.02**
Trade receivables	14	—	—	**23,428.44**	**23,428.44**	**23,428.44**
Cash and cash equivalents	15	—	—	**2,258.59**	**2,258.59**	**2,258.59**
Other bank balances	16	—	—	**2,810.88**	**2,810.88**	**2,810.88**
Other Financial assets	9 & 17	—	—	**754.61**	**754.61**	**754.61**
Financial Liabilities						
Borrowings	21& 26	—	—	**12,806.34**	**12,806.34**	**12,806.34**
Trade payables	28	—	—	**27,041.93**	**27,041.93**	**27,041.93**
Lease Liabilities	22 & 27	—	—	**2,535.49**	**2,535.49**	**2,535.49**
Other financial liabilities	23 & 29	**473.81**	—	**9,530.04**	**10,003.85**	**10,003.85**

The carrying value of financial instruments by categories as at 31 March 2021 are as follows:

₹ Lakhs

Particulars	Note.	FVTPL	FVTOCI	Cost / Amortised Cost	Total Carrying value	Total Fair value
Financial assets						
Investments	13	80.15	—	—	80.15	80.15
Trade receivables	14	—	—	18,787.82	18,787.82	18,787.82
Cash and cash equivalents	15	—	—	3,820.52	3,820.52	3,820.52
Other bank balances	16	—	—	3,653.98	3,653.98	3,653.98
Other Financial assets	9 & 17	—	—	899.14	899.14	899.14
Financial Liabilities						
Borrowings	21& 26	—	—	24,795.57	24,795.57	24,795.57
Trade payables	28	—	—	28,180.15	28,180.15	28,180.15
Lease Liabilities	22 & 27	—	—	3,060.52	3,060.52	3,060.52
Other financial liabilities	23 & 29	959.56	—	5,021.13	5,980.69	5,980.69

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 **₹ Lakhs**

Particulars	Carrying Amount as on 31-3-2022	As at 31-3-2022			Carrying Amount as on 31-3-2021	As at 31-3-2021		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets measured at Fair value through Profit and Loss								
Investments in Mutual Funds	**213.02**	**213.02**	—	—	80.15	80.15	—	—
Financial Assets not measured at Fair value*								
Trade receivables	**23,428.44**	—	—	—	18,787.82	—	—	—
Cash and cash equivalents	**2,258.59**	—	—	—	3,820.52	—	—	—
Other bank balances	**2,810.88**	—	—	—	3,653.98	—	—	—
Other Financial assets	**754.61**	—	—	—	899.14	—	—	—
Financial Liabilities not measured at fair value*								
Borrowings								
- Current	**3,495.36**	—	—	—	4,827.56	—	—	—
- Non-Current	**9,310.98**	—	—	—	19,968.01	—	—	—
Trade payables	**27,041.93**	—	—	—	28,180.15	—	—	—
Lease Liabilities	**2,535.49**	—	—	—	3,060.52	—	—	—
Other financial liabilities	**10,003.85**	—	**473.81**	—	5,980.69	—	959.56	—

* 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. 1 (B) (xiii) of significant accounting policies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

49. 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.	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 Curreny Exposure and risk management policy

a. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses 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 counter parties 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

* 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 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 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	31-3-2022	31-3-2021
Low credit risk	Cash and cash equivalents, other bank balances, current investments, trade receivables and other financial assets	**29,465.54**	27,241.61
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**

31-3-2022	**On Demand**	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Borrowings	**291.39**	**3,203.97**	**9,310.98**	**—**	**12,806.34**
Trade payables	**—**	**27,041.93**	**—**	**—**	**27,041.93**
Lease Liabilities	**—**	**635.68**	**1,653.73**	**246.08**	**2,535.49**
Other financial liabilities	**—**	**9,602.93**	**400.92**	**—**	**10,003.85**
Total	**291.39**	**40,484.51**	**11,365.63**	**246.08**	**52,387.61**

₹ Lakhs

31-3-2021	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	309.71	4,517.85	19,968.01	—	24,795.57
Trade payables	—	28,180.15	—	—	28,180.15
Lease Liabilities	—	557.39	2,104.89	398.24	3,060.52
Other financial liabilities	—	5,181.06	799.63	—	5,980.69
Total	309.71	38,436.45	22,872.53	398.24	62,016.93

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

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.

Below is the overall exposure of the borrowings:

Interest rate risk exposure **₹ Lakhs**

Particulars	31-3-2022	31-3-2021
Fixed rate borrowing	—	—
Variable rate borrowing	**12,806.34**	24,795.57
Total	**12,806.34**	24,795.57

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	2021-22	2020-21
Interest rates – Increase / Decrease by 100 basis points	**132.84**	261.36

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 Curreny 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 RISK MANAGEMENT (Contd.,)

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

As at 31st March 2022

₹ Lakhs

Particulars	**Euro**	**GBP**	**USD**	**CHF**	**JPY**	**SGD**	**OTHER CURRENCIES**
Financial Assets	**1,171.55**	**134.28**	**3,630.81**	**53.02**	**539.26**	**119.73**	**0.68**
Financial Liabilities	**1,120.61**	**—**	**6,599.52**	**135.33**	**1,291.84**	**20.93**	**1.37**

As at 31st March 2021

₹ Lakhs

Particulars	Euro	GBP	USD	CHF	JPY	SGD	OTHER CURRENCIES
Financial Assets	972.70	134.28	2,577.76	102.34	563.35	—	1.71
Financial Liabilities	1,134.65	—	7,935.88	158.67	1,446.34	—	1.37

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. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

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

₹ Lakhs

Particulars	**2021-22**	2020-21
Increase / Decrease by 1%	**35.20**	63.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

50. EMPLOYEE BENEFITS

In respect of Holding Company and its Indian Subsidiary - Pricol Wiping Systems India Limited :

Defined contribution plan

The Company's contribution to provident fund 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	2021-22	2020-21
Employer's Contribution to Provident Fund	**606.88**	514.83
Employer's Contribution to Superannuation Fund	**21.25**	20.06

Particulars	2021-22	2020-21
Defined contribution plan contribution towards Key Managerial Personnel	**19.28**	11.81

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)	
	2021-22	2020-21
(i) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the year	**3,023.13**	2,991.53
Current Service Cost	**193.64**	213.94
Interest Cost	**194.56**	192.36
Remeasurements		
Effect of changes in demographic assumptions	**—**	—
Effect of changes in financial assumptions	**(123.74)**	4.62
Effect of experience adjustments	**208.09**	(20.76)
Benefits Paid	**(373.50)**	(358.56)
Defined Benefit Obligation at year end	**3,122.18**	3,023.13
- Non-Current	**2,448.05**	2,892.44
- Current	**674.13**	130.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

₹ Lakhs

	Particulars	Gratuity (Funded)	
		2021-22	2020-21
(ii)	**Reconciliation of opening and closing balances of fair value of Plan Assets**		
	Fair value of Plan Assets at beginning of year	**3,068.04**	2,996.69
	Interest Income	**199.93**	207.42
	Remeasurements:		
	Return on plan assets (excluding interest income)	**(4.88)**	(0.35)
	Transfer of obligation due to Transfer of Employees from Group Entities	**—**	170.97
	Employer Contribution	**66.65**	51.87
	Benefits Paid	**(373.50)**	(358.56)
	Fair value of Plan Assets at year end	**2,956.24**	3,068.04
(iii)	**Reconciliation of fair value of Assets and Obligations**		
	Fair value of Plan Assets	**2,956.24**	3,068.04
	Present value of Obligation	**3,122.18**	3,023.13
	Amount recognised in Balance Sheet (Surplus/(Deficit))	**(165.94)**	44.91
	- Non-Current	**—**	—
	- Current	**(165.94)**	44.91
(iv)	**Expenses recognised during the year**		
	In Income Statement		
	Current Service Cost	**193.64**	213.94
	Interest Cost	**194.56**	192.36
	Return on Plan Assets	**(199.93)**	(207.42)
	Net (Income) / Expense For the period Recognised in Statement of Profit and Loss	**188.27**	198.88
	In Other Comprehensive Income		
	Remeasurement of net defined benefit liability		
	Effect of changes in demographic assumptions	**—**	—
	Effect of changes in financial assumptions	**(123.74)**	4.63
	Effect of experience adjustments	**208.10**	(20.75)
	(Return) on plan assets (excluding interest income)	**4.87**	0.34
	Changes in asset ceiling (excluding interest income)	**—**	—
	Net (Income) / Expense for the year recognised in OCI	**89.23**	(15.78)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

(v) Actuarial assumptions

Particulars	Gratuity (Funded)	
	2021-22	2020-21
Discount Rate (per annum)	**7.50%**	6.82% - 6.86%
Rate of escalation in Salary (per annum)	**Uniform 8%**	Uniform 8%
Attrition Rate	**Uniform 4%**	Uniform 4%
Retirement Age	**58**	58
Pre-retirement mortality	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives Mortality (2012-14) Ultimate
Disability	**5% of Mortality Rate**	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.

(vi) 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, 2023	**203.74**
b)	Estimated benefit payments from the fund for the year ending March 31:	
	Year 1	**674.13**
	Year 2	**210.79**
	Year 3	**252.17**
	Year 4	**211.56**
	Year 5	**270.95**
	Beyond 5 years	**1,502.58**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

(vii) 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:

₹ Lakhs

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate +100 basis points	**(169.49)**	(218.53)
Discount rate -100 basis points	**191.12**	248.31
Salary Increase Rate +1%	**186.72**	228.29
Salary Increase Rate -1%	**(168.64)**	(205.38)
Attrition Rate +1%	**(17.48)**	(27.82)
Attrition Rate -1%	**19.35**	31.79

(viii) 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)	
	2021-22	2020-21
Expense towards defined benefit plan for Key Management Personnel	**51.39**	44.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

In respect of Subsidiary :

PT Pricol Surya, Indonesia

₹ Lakhs

Particulars	2021-22	2020-21
Funded Status :		
Present Value of Net Obligation	**190.44**	183.48
Movement in the liability recognised in the statement of profit and Loss :		
Obligation at beginning period	**183.48**	143.24
Expense recognised during the year	**31.84**	32.20
Actual benefit payment	**(18.01)**	(3.08)
Amount recognised in Other Comprehensive Income ('OCI')	**(15.59)**	(2.45)
On account of translation differences	**8.72**	13.57
	190.44	183.48
Details of Post Employment benefit expenses recognised in the Statement of comprehensive income :		
Current Service Cost	**19.49**	22.01
Interest Cost	**13.06**	12.11
Past Service Cost and (Gain) or Loss on Settlements	**—**	(1.92)
	32.55	32.20
Actuarial Assumptions :		
Discount Rate	**7.50%**	7.50%
Annual Salary increase Rate	**8.00%**	8.00%
Retirement age (year)	**56**	56
Disability Rate	**10.00%**	10.00%

Sensitivity Analysis

₹ Lakhs

Particulars	31-3-2022	31-3-2021
Discount rate +100 basis points	**137.99**	131.98
Discount rate -100 basis points	**165.56**	158.35
Salary Increase Rate +1%	**165.41**	158.20
Salary Increase Rate -1%	**137.90**	131.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

51. PROVISIONS AS ON THE CLOSING DATE :

₹ Lakhs

Particulars	Non-Current Provisions			Current Provisions			Total Provisions
	Excise, Service Tax & Customs Demands	Potential Statutory Liabilities	Total	Labour Settlement	Warranty related claims	Total	
Balance as on 1-4-2020	215.17	808.00	1,023.17	261.72	406.35	668.07	1,691.24
Add : Addition	—	47.00	47.00	—	603.40	603.40	650.40
Less : Utilised / Reversed	—	32.82	32.82	—	711.90	711.90	744.72
Balance as on 31-3-2021	215.17	822.18	1,037.35	261.72	297.85	559.57	1,596.92
Add : Addition	20.18	16.22	36.40	—	583.92	583.92	620.32
Less : Utilised / Reversed	—	28.76	28.76	—	727.46	727.46	756.22
Balance as on 31-3-2022	**235.35**	**809.64**	**1,044.99**	**261.72**	**154.31**	**416.03**	**1,461.02**

52. (a) Income Tax Assessments are completed upto Assessment year 2017-18.

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.

During the previous year 2020-21, the company had reviewed the pending tax litigations and opted for the settlement scheme under the "Vivad se Vishwas Scheme" (VsVs) for some of the years under which the taxes were under dispute. Necessary forms were filed and settlement orders / certificate were received in respect of these years. Consequent to the above, the excess provision (net) made in respect of those years were reversed and recognised as income during the year and disclosed under Taxation-earlier years in the statement of profit and loss.

In respect of the other years, in which the company has not opted for the VsVs, the management is of the view that the provision for taxation available in the books is adequate and no significant liability is expected to arise out of the litigation.

(b) As professionally advised, the company has claimed the loss on disposal of investment in subsidiary (Pricol Espana S.L. Spain) amounting to ₹ 40,798.58 Lakhs as business loss in the return filed for the assessment year 2021-22. The company has appropriately accounted for current taxes in accordance with - Ind As 12, Appendix - C "Uncertain tax position".

53. NOTES ON TAXATION:

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

₹ Lakhs

Particulars	As at 31-3-2022	As at 31-3-2021
Profit / (Loss) before Tax	**8,027.94**	7,416.37
Applicable income tax rate	**34.944%**	34.944%
Expected Income tax expense	**2,805.28**	2,591.58
Tax Effect on adjustment to reconcile expected income tax expense to reported income tax expense :		
- Effect of concessions (Research and Development and other allowance)	**(17.05)**	(35.35)
- Effect of provisions / expenses not deductible in determining profits	**—**	2,561.83
- Effect of Gain / (Loss) on discontinuance	**—**	(896.96)
- Current year losses for which no deferred tax asset was recognised	**—**	97.62
- Others	**(267.13)**	(408.45)
Tax Expense for the year (Including Deferred Tax)	**2,521.10**	3,910.27

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

NOTES ON TAXATION (Contd.,)

b. Income tax recognised in other comprehensive income

₹ Lakhs

Particulars	31-3-2022	31-3-2021
Deferred tax		
Remeasurement of defined benefit obligation - (Expense) / Income	**27.87**	(7.61)
Total income tax recognised in OCI	**27.87**	(7.61)

c. Statement of Changes in Deferred tax assets / Liabilities (Refer Note10 and 25)
As on 31-3-2022

₹ Lakhs

Particulars	As at 1-4-2021	Recognised in Profit and Loss	Recognised in OCI	As at 31-3-2022
Deferred Tax Liability				
On PPE and others	**7,448.74**	**(1,162.97)**	—	**6,285.77**
Others	—	**4.33**	—	—
	7,448.74	**(1,158.64)**	—	**6,285.77**
Deferred Tax Asset				
On Disallowance under the Income Tax Act	**1,803.19**	**(714.93)**	**27.87**	**1,116.13**
On Unused tax losses	—	—	—	—
On other temporary differences	**39.72**	**125.52**	—	**165.24**
Others	**1,842.91**	**(589.41)**	**27.87**	**1,281.37**
Total	**5,605.83**	**(569.23)**	**(27.87)**	**5,004.40**

As on 31-3-2021

₹ Lakhs

Particulars	As at 1-4-2020	Recognised in Profit and Loss	Recognised in OCI	As at 31-3-2021
Deferred Tax Liability				
On PPE and others	7,395.06	53.68	—	7,448.74
Others	—	7.16	—	—
	7,395.06	60.84	—	7,448.74
Deferred Tax Asset				
On Disallowance under the Income Tax Act	952.04	858.76	(7.61)	1,803.19
On Unused tax losses	1,209.10	(1,209.10)	—	—
On other temporary differences	75.49	(35.77)	—	39.72
	2,236.63	(386.11)	(7.61)	1,842.91
Total	5,158.43	446.95	7.61	5,605.83

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

NOTES ON TAXATION (Contd.,)

₹ Lakhs

Particulars	As at 31-3-2022	As at 31-3-2021
Tax Losses		
Tax Losses carried forward (including Capital Losses)	**49,561.77**	49,738.45
Tax Losses for which no deferred tax asset were recognised (including Capital Losses)	**49,561.77**	49,738.45

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 2021-22 and are subject to change based on Income Tax assessments and appeals. (Refer Note.52)

54. 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.

₹ Lakhs

Particulars		31-3-2022	31-3-2021
Borrowings (long-term and short-term, including current maturities of long term borrowings)		**12,806.34**	24,795.57
Less: Cash and cash equivalents		**2,258.59**	3,820.52
Less: Other Bank Balances (with maturity more than 3 months) - Excluding Balances in Unpaid Dividend account		**2,827.72**	3,590.23
Less: Margin Money against Borrowings		**—**	172.71
Net Debt	**(A)**	**7,720.03**	17,212.11
Equity Share Capital		**1,218.81**	1,218.81
Other Equity		**56,963.43**	51,263.14
Total Equity	**(B)**	**58,182.24**	52,481.95
Net Debt to Equity Ratio	**(A) / (B) X 100**	**13.27%**	32.80%

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, 2022 and March 31, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

55. LEASES

DISCLOSURE AS REQUIRED UNDER IND AS 116 :

Movement of Lease Liability

₹ Lakhs

Particulars	As at 31-3-2022	As at 31-3-2021
Opening Balance	**3,060.52**	2,533.48
Additions during the year	**38.49**	807.98
Repayments during the year	**563.52**	280.94
Closing Balance	**2,535.49**	3,060.52
Current	**635.68**	557.39
Non-Current	**1,899.81**	2,503.13

Maturity Analysis of Lease Liabilities on Undiscounted basis		
Within one year	**870.13**	850.19
1 - 5 years	**2,022.41**	2,670.97
More than five years	**286.00**	472.79

The broad range of effective Interest rate for the Lease Liabilities is 10% to 10.50%

The following are the amounts recognised in the Statement of Profit and Loss :

₹ Lakhs

Particulars	2021-22	2020-21
Depreciation expense of Right of Use Assets	**713.59**	442.95
Interest Expense on Lease Liabilities	**293.53**	259.72
Expense relating to Short Term Lease Liabilities	**31.56**	46.99
Expense relating to Lease of Low Value Assets	**—**	21.32
Income from Right of Use	**27.80**	4.90

56. 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 Con-solidation	Principal activities
			As at 31-3-2022	As at 31-3-2021			
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	**—**	—	Sudsidiary (upto 21-Aug-2020)	Line by Line	
4	Pricol Wiping Systems India Limited	India	**100%**	100%	Subsidiary	Line by Line	
5	PT Sripri Wiring Systems	Indonesia	**100%**	100%	Subsidiary of PT Pricol Surya Indonesia	Line by Line	
6	Pricol Wiping Systems Czech s.r.o. #	Czech Republic	**—**	—	Subsidiary of Pricol Espana S.L. (upto 21-Aug-2020)	Line by Line	

Refer Note.42.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

57. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES

For the Financial year 2021-22

S. 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	97.72	56,855.97	82.87	4,562.46	(29.89)	(58.27)	79.02	4,504.19
	Subsidiaries - Indian								
1	Pricol Wiping Systems India Limited	3.03	1,764.01	3.13	172.25	0.18	0.34	3.03	172.59
	Subsidiaries - Foreign								
1	PT Pricol Surya Indonesia	8.04	4,679.38	6.75	371.65	6.23	12.16	6.73	383.81
2	Pricol Asia Pte. Limited	6.90	4,011.73	9.54	525.11	—	—	9.21	525.11
	Stepdown Subsidiaries-Foreign								
1	PT Sripri Wiring Systems	(1.43)	(830.54)	(1.08)	(59.64)	—	—	(1.05)	(59.64)
	Total before intercompany Elimination / Adjustments	114.26	66,480.55	101.21	5,571.83	(23.48)	(45.77)	96.94	5,526.06
	Intercompany Elimination / Adjustments	(14.26)	(8,298.31)	(1.21)	(66.46)	123.48	240.69	3.06	174.23
	TOTAL	100.00	58,182.24	100.00	5,505.37	100.00	194.92	100.00	5,700.29

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 2020-21

S. 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	99.75	52,351.78	35.19	1,460.21	22.15	13.17	35.00	1,473.38
	Subsidiaries - Indian								
1	Pricol Wiping Systems India Limited	3.03	1,591.42	(6.88)	(285.38)	(7.52)	(4.47)	(6.89)	(289.85)
	Subsidiaries - Foreign								
1	PT Pricol Surya Indonesia	3.61	1,896.87	(12.96)	(537.92)	3.24	1.92	(12.73)	(536.00)
2	Pricol Asia Pte. Limited	6.43	3,374.04	19.31	801.20	—	—	19.03	801.20
3	Pricol Espana S.L.	—	—	(0.99)	(41.08)	—	—	(0.98)	(41.08)
	Stepdown Subsidiaries-Foreign								
1	PT Sripri Wiring Systems	(1.39)	(736.07)	1.73	72.07	—	—	1.73	72.07
2	Pricol Wiping Systems Czech s.r.o.	—	—	(3.97)	(164.94)	—	—	(3.92)	(164.94)
	Total before intercompany Elimination / Adjustments	111.43	58,478.04	31.43	1,304.16	17.87	10.62	31.24	1,314.78
	Intercompany Elimination / Adjustments	(11.43)	(5,996.09)	68.57	2,845.60	82.13	48.82	68.76	2,894.42
	TOTAL	100.00	52,481.95	100.00	4,149.76	100.00	59.44	100.00	4,209.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

58. On 26th May 2021, the Board approved the amalgamation of Pricol Wiping Systems India Limited ("PWSIL"), a Wholly Owned Subsidiary company with its Holding Company, Pricol Limited with effect from 1st April 2021 ("Appointed Date") by way of a Scheme of Amalgamation, subject to all regulatory approvals. Upon the Scheme becoming effective, all assets and Liabilities, including reserves of the Transferor Companies shall be recorded in the books of the Transferee Company at their existing carrying values under 'Pooling of Interest Method' as described in Appendix "C" of Indian Accounting Standards 103 ("Ind AS 103"), Business Combinations.

59. EVENTS OCCURINGS AFTER THE BALANCE SHEET DATE :

No adjusting or significant non-adjusting events have occurred between 31 March 2022 and the date of authorisation of these consolidated financial statements.

60. RELATED PARTY DISCLOSURE AS PER INDIAN ACCOUNTING STANDARD 24

i) Related parties and nature of relationship with whom transaction have taken place :

(a) Key management personnel

(i) Executive Directors : Mrs. Vanitha Mohan - (Chairman)
Mr. Vikram Mohan - (Managing Director)
Mr. P.M.Ganesh - (Chief Executive Officer & Executive Director) From 8th November 2021
Mr. V. Balaji Chinnappan - (Chief Operating Officer) Upto 8th November 2021

(ii) Non-Executive Directors
- Independent Director : Mr. R Vidhya Shankar
Mrs. Sriya Chari
Dr. S.K. Sundararaman
Mr. P. Shanmugasundaram
Mr. K. Ilango
Mr. Navin Paul
Mr. Suresh Jagannathan - upto 10th February 2021

(b) Entities in which the Key Managerial Personnel of the company and their relatives are able to exercise control / significant influence :

(i) Partnership firms : Bhavani Global Enterprises, Libra Industries

(ii) Private Limited Companies : Pricol Gourmet Private Limited,
PPL Enterprises Private Limited,
Pricol Engineering Industries Private Limited
Pricol Travel Private Limited,
Pricol Logistics Private Limited,
Pricol Automotive Industries Private Limited - Upto 29th March 2022
Infusion Hospitality Private Limited,
Shrimay Enterprises Private Limited,
Sagittarius Investments Private Limited
VM International Pte. Limited

(iii) Public Limited Companies : Pricol Holdings Limited, Pricol Properties Limited
Pricol Corporate Services Limited,
Target Manpower Services Limited,
Pricol Retreats Limited, Prinfra Limited

(iv) Trusts : N D Foundation, Siruthuli

(c) Relatives of Key Management Personnel : Mr. Vijay Mohan, Mr. Viren Mohan, Mrs. Lakshmi Mohan, Ms. Madhura Mohan, Ms. Manasa Mohan

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

ii) Related party transactions:

₹ Lakhs

Nature of Transaction	Key Management Personnel and their Relatives		Others	
	2021-22	2020-21	**2021-22**	2020-21
Purchase / Labour Charges	**—**	—	**2,339.28**	2,001.26
Purchase of Fixed Assets	**—**	—	**62.93**	14.79
Sale of Fixed Assets	**—**	—	**5.60**	5.04
Sales / Job Work Charges	**—**	—	**149.24**	112.79
Receiving of Services	**20.00**	20.00	**5,680.61**	4,543.54
Remuneration to Directors	**716.74**	402.71	**—**	—
Reimbursement of Expenses Paid	**—**	—	**8.87**	53.09
Rendering of Services	**—**	—	**108.83**	205.77
Reimbursement of Expenses Received	**—**	—	**89.29**	71.60
Donation / CSR Expenses	**—**	—	**5.22**	15.00
Right Shares allotted (including securities premium)	**—**	2,006.56	**—**	964.11
Loans and Advances :				
Rental Deposits Received	**—**	—	**16.00**	10.08
Rental Deposits Paid	**—**	—	**—**	30.75

iii) Amount outstanding as at the balance sheet date :

₹ Lakhs

Nature of Transaction	Key Management Personnel and their Relatives		Others	
	31-3-2022	31-3-2021	**31-3-2022**	31-3-2021
Trade Receivables and Other Receivables	**—**	—	**166.02**	113.01
Trade Payables and Other Payables	**247.34**	175.43	**1,169.86**	1,120.11

iv) The remuneration of KMP does not include the provision made for gratuity as they are determined on an actuarial basis for the company as a whole.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

61. ADDITIONAL DISCLOSURE RELATING TO SCHEDULE III AMENDMENT OF COMPANIES ACT 2013

(i) Details of Benami property:

No proceedings have been initiated or are pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(ii) Utilisation of borrowed funds and share premium:

A) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(iii) Compliance with number of layers of companies:

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(iv) Undisclosed income:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(v) Details of crypto currency or virtual currency:

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) Valuation of Property, Plant &Equipment, intangible asset and investment property:

The Group has not revalued its property, plant and equipment (including Right of Use Assets) or intangible assets or both during the current or previous year.

(vii) Wilful Defaulter:

The Group had not been declared a wilful defaulter by any bank or financial institution or other lender (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(viii) Compliance with approved scheme(s) of arrangements:

Refer Note.44, in relation to the Scheme of Amalgamation with Erstwhile Pricol Limited. 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. .

(ix) Loans to Related Parties and others:

The Group had not granted any loans or advances in the nature of loans to promoters, directors, KMP's and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that:

a) are repayable on demand or

b) without specifying any terms or period of repayment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

(x) Struck off Companies:

Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Name of the Company	CIN No.	Nature of transactions	Balance Outstanding	Relationship
Pricol Automotive Industries Private Limited	U35990TZ2020PTC035107	Rental Income	Nil	Entity in which KMP has control / significant influence

62. Previous year's figures are reclassified / recasted wherever necessary to conform to the current year's classification including those as required consequent to amendments in Schedule III.

63. The other matters are as stated in standalone financial statements.

64. All figures are in Lakhs unless otherwise stated.

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
CS Sathyanarayanan
Partner
Membership No.028328
Coimbatore
23rd May 2022

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

P.M. Ganesh
Chief Executive Officer
& Executive Director
(DIN : 08571325)

P. Krishnamoorthy
Chief Financial Officer
(ACA No. : 28799)

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

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EVOLVING

pricol

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