

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To The Members of Pricol Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pricol Limited (hereinafter referred to as "the Holding Company") and its subsidiaries including its Step down Subsidiaries (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and consolidated Statement of Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") of the state of affairs (financial position) of the Group as at March 31, 2020, and loss (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial*

Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

Emphasis of Matter

We draw attention to:

- a) Note No. 2.42 of the Consolidated Financial Statement regarding the re-presentation of the working results of certain subsidiaries from "Discontinued Operations" to "Continuing Operations" and the reclassification of assets and liabilities which were hitherto classified as "Disposal Group".
- b) Note No. 2.58 of the Consolidated Financial Statement wherein the component auditors of certain subsidiaries have drawn attention in their auditor's report on the material uncertainty that casts significant doubt on the ability of these subsidiaries to continue as a going concern.

Our opinion is not modified in respect of this matter.

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 audit report.

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

S.No.	Key Audit Matters	How our audit addressed the Key Audit Matter
1	<p>Adoption of IndAS 116 - Leases: Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The Group has adopted Ind AS 116 with effect from 1st April 2019 using the modified retrospective approach wherein the ROU was created with a corresponding lease liability. Accordingly, the comparatives have not been retrospectively adjusted.</p> <p>Lease arrangements in the Group which were previously classified as operating leases under Ind AS 17 'Leases' and held off balance sheet will need to be recognized within assets and liabilities under IndAS 116.</p> <p>Significant judgements are required in the assumptions and estimates 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.</p> <p>Additionally, there is a risk the lease data which is underlying the Ind AS 116 computation is incomplete and inaccurate.</p> <p>As at 31st March 2020, the carrying amount of ROU asset was ₹ 4,226.76 Lakhs and lease liability was ₹ 2,533.48 Lakhs – Refer Note 2.2 on Right of Use Asset, Note 2.22 and Note 2.28 on Other Financial Liabilities to the Consolidated IndAS financial statements.</p>	<p>Our audit procedures with respect to adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> • We assessed the selection of accounting policies and practical expedients applied by the Group. We evaluated the design and implementation of key controls in respect of the lease accounting standard (IndAS 116); • Assessed the Group's evaluation on the identification of leases based on the contractual agreements and our understanding of the business; • Assessed the key terms and conditions of each lease with the underlying lease contracts; • Evaluated the reasonableness of the discount rates applied in determining the lease liabilities; • Upon transition as at 1 April 2019: <ul style="list-style-type: none"> • Evaluated the method of transition and related adjustments; • Tested completeness of the lease data used in computing ROU asset and the lease liabilities. • Assessed and tested the presentation and disclosures relating to IndAS 116.
2	<p>Provisions for pending legal cases: As at March 31, 2020 the Group has a provision of ₹ 697.48 Lakhs as against various outstanding litigations of ₹ 3,974.89 Lakhs.</p> <p>These provisions are estimated using a significant degree of management judgement.</p>	<p>Assessing the adequacy of provisions by discussing with the management and reviewing correspondence with the respective authorities; Relying on judicial pronouncements;</p> <p>Obtaining views from the Group's external legal advisors regarding the likely outcome, magnitude and exposure to the relevant litigations and claims.</p>

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

The Holding Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual report, for example, Directors' Report and Management Analysis including Annexures thereon but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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.

Management and Board of Directors Responsibilities and Those Charged with Governance 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 state of affairs, profit or loss (including other comprehensive income), changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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 of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors included in the Group are responsible for assessing the ability of each company 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 company or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of each Company.

Auditors' Responsibility for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment 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,

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

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

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (1 & 2) of the Other Matters paragraph below, is

sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

Other Matters

1. We did not audit the financial statements of 5 subsidiaries including step-down subsidiaries incorporated outside India, whose financial statements reflect the total assets of ₹ 30,891.51 Lakhs as at March 31, 2020, total revenues of ₹ 57,972.98 Lakhs, total loss (including other comprehensive income) after tax of ₹ 34,739.61 Lakhs, and net cash outflows of ₹ 3,273.58 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 report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports of such other auditors.
2. The financial statements of 2 step-down subsidiaries (disposed off during the year) incorporated outside India, included in the Statement, whose financial statements

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reflect the total revenues of ₹ 11,083.27 Lakhs, total loss (including other comprehensive income) after tax of ₹ 7,928.40 Lakhs, and net cash outflows of ₹ 521.95 Lakhs for the period upto the date of loss of control over these step-down subsidiaries, have been audited / reviewed by other auditors under generally accepted auditing standards applicable in their respective countries, whose reports have been furnished to us by the Management. Our opinion in so far as it relates to the amounts and disclosures included in respect of these step-down subsidiaries is based solely on the audit report / review report of such other auditors, and the procedures performed by us as stated in Auditor's Responsibilities for the Audit of the Statement section above.

These Subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management and Board of Directors have converted the financial statements of these 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 the conversion adjustments made by the Management and Board of Directors. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors, the conversion adjustments prepared by the management of the Holding Company and the procedures performed by us as stated in Auditor's Responsibilities for the Audit of the Statement section above.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and

belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;
- c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group, and the operating effectiveness of such controls, we give our separate Report in the "Annexure".
- g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary company incorporated in India, to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 2.46 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 2.51 to the consolidated financial statements in respect of such items as it relates to the Group;
- (iii) Dues of ₹ 7.08 Lakhs and ₹14.01 Lakhs to Investor Education and Protection Fund (IEPF) pertaining to FY 2010-11 and FY 2011-12 respectively of Holding Company, have remained unpaid as on

31st March 2020 on account of certain technical glitches with MCA portal. The due dates for transferring the said amounts to IEPF were October 17, 2018 and October 06, 2019. The same has since been remitted on July 08, 2020 and July 20, 2020 respectively.

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

V S Srinivasan
Partner

Coimbatore
29th July 2020

Membership No. : 13729
UDIN: 20013729AAAACU2865

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Pricol Limited** on the consolidated financial statements for the year ended March 31, 2020]

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")

In conjunction with our audit of the consolidated Ind AS financial statements of Pricol Limited ("the Company") as of and for the year ended March 31, 2020, We have audited the internal financial controls over financial reporting of the Group, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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

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

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 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

V S Srinivasan
Partner

Coimbatore
29th July 2020

Membership No. : 13729
UDIN: 20013729AAAACU2865

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

	Note No.	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
I. ASSETS			
1) Non-Current Assets			
a) Property, Plant and Equipment	2.1	43,959.45	42,486.36
b) Right of Use	2.2	4,226.76	—
c) Capital Work-in-progress	2.3	2,189.79	1,360.17
d) Investment Property	2.4	951.74	993.94
e) Goodwill	2.5	9,934.00	10,927.40
f) Other Intangible assets	2.6	14,054.01	15,446.51
g) Intangible Assets under Development	2.7	54.37	—
h) Other Financial Assets	2.8	606.53	625.64
i) Other Non-Current Assets	2.9	6,218.57	7,243.84
Total Non-Current Assets		82,195.22	79,083.86
2) Current Assets			
a) Inventories	2.10	23,612.16	18,248.96
b) Financial Assets			
i) Investments	2.11	470.94	268.82
ii) Trade Receivables	2.12	19,601.85	19,478.73
iii) Cash and Cash equivalents	2.13	946.53	3,895.97
iv) Bank Balances other than (iii) above	2.14	3,474.08	1,956.64
v) Others	2.15	48.16	52.18
c) Other Current Assets	2.16	2,641.70	2,070.49
Total Current Assets		50,795.42	45,971.79
Non-Current Assets held for Sale	2.17	—	3,442.91
Assets pertaining to Disposal Group	2.18	—	31,724.75
		—	35,167.66
		50,795.42	81,139.45
TOTAL ASSETS		1,32,990.64	1,60,223.31
II EQUITY AND LIABILITIES			
1) Equity			
a) Equity Share Capital	2.19	947.97	947.97
b) Other Equity	2.20	38,791.59	48,993.08
Total Equity		39,739.56	49,941.05
2) Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	2.21	23,830.36	9,697.80
ii) Others	2.22	2,791.70	115.52
b) Provisions	2.23	1,166.41	1,316.76
c) Deferred Tax Liabilities (Net)	2.24	5,158.43	5,435.69
d) Other Non-Current Liabilities	2.25	12.02	23.71
Total Non-Current Liabilities		32,958.92	16,589.48

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

	Note No.	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
Consolidated Balance Sheet as at 31st March 2020 (Contd.,)			
3) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	2.26	13,310.91	16,451.43
ii) Trade Payables	2.27		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		122.80	186.45
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		31,991.74	21,678.50
iii) Others	2.28	12,772.38	6,383.19
b) Other Current Liabilities	2.29	1,349.53	721.37
c) Provisions	2.30	668.07	442.66
d) Current Tax Liabilities (Net)	2.31	76.73	77.68
Total Current Liabilities		60,292.16	45,941.28
Liabilities associated with Disposal Group	2.32	—	47,751.50
		60,292.16	93,692.78
TOTAL EQUITY AND LIABILITIES		1,32,990.64	1,60,223.31

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

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
29th July 2020

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

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

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

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31st MARCH 2020**

	Note No.	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs (Re-presented)
CONTINUING OPERATIONS			
INCOME			
Revenue from Operations	2.33	1,53,853.20	1,73,364.84
Other Operating Revenue	2.34	6,128.12	8,009.12
Other Income	2.35	1,486.46	1,252.69
Total Income		1,61,467.78	1,82,626.65
EXPENSES			
Cost of Materials Consumed	2.36	1,03,119.93	1,18,218.82
Purchases of Stock-in-Trade		6,754.95	7,999.98
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	2.37	860.79	694.35
Employee Benefits Expense	2.38	22,672.76	25,087.15
Finance Costs	2.39	4,421.05	3,534.39
Depreciation and Amortisation Expense	2.40	10,585.57	9,396.76
Other Expenses	2.41	18,083.26	26,966.48
Total Expenses		1,66,498.31	1,91,897.93
Profit / (Loss) before Exceptional Items and Tax		(5,030.53)	(9,271.28)
Less : Exceptional Item		—	—
Profit / (Loss) before Tax from continuing operations		(5,030.53)	(9,271.28)
Less : Tax Expense			
Current Tax		54.30	232.31
Deferred Tax		(383.65)	(20.53)
MAT Credit		—	(95.80)
For earlier years		(26.81)	(12.79)
Profit / (Loss) for the year from continuing operations	(A)	(4,674.37)	(9,374.47)
DISCONTINUED OPERATIONS :	2.42		
Profit / (Loss) for the year from discontinued operations before tax		(5,201.06)	(8,011.53)
Less : Tax Expense of discontinued operations		—	—
Profit / (Loss) for the year from discontinued operations	(B)	(5,201.06)	(8,011.53)
Profit / (Loss) for the year	(C) = (A) + (B)	(9,875.43)	(17,386.00)

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31st MARCH 2020**

	Note No.	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs (Re-presented)
Consolidated Statement of Profit & Loss for the year ended 31st March 2020 (Contd.)			
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurement of post employment benefit obligations		322.67	89.72
Income tax relating to these items		(104.42)	(26.85)
Items that will be reclassified to profit or loss :			
Exchange differences on translation of foreign operations		279.37	(87.26)
Exchange differences on translation of discontinued operations		—	1,496.65
Other Comprehensive Income for the year after tax	(D)	497.62	1,472.26
Total Comprehensive Income for the year	(C) + (D)	(9,377.81)	(15,913.74)
Earnings per Equity Share for continuing operations (Face Value of ₹ 1/-) in Rupees			
Basic & Diluted	2.43	(4.93)	(9.89)
Earnings per Equity Share for discontinued operations (Face Value of ₹ 1/-) in Rupees			
Basic & Diluted	2.43	(5.49)	(8.45)
Earnings per Equity Share for continuing and discontinued operations (Face Value of ₹ 1/-) in Rupees			
Basic & Diluted	2.43	(10.42)	(18.34)
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
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
29th July 2020

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020

	Reserves and Surplus				Other Comprehensive Income			Total
	Securities Premium	Capital Reserve	Retained Earnings	Foreign Exchange Translation Reserve	Remeasurement of post employment benefit obligations			
a) Equity Share Capital								
Balance as on 1st April 2018								₹ Lakhs
Movement during the year 2018-19								947.97
Balance as on 31st March 2019								947.97
Movement during the year 2019-20								
Balance as on 31st March 2020								947.97
b) Other Equity								
Balance as on 1st April 2018	80,961.56	2,605.89	(16,602.30)	(1,405.01)	52.32			65,612.46
- Profit / (Loss) for the year 2018-19	—	—	(17,386.00)	—	—			(17,386.00)
- Addition / Adjustments during the year	—	442.68	—	—	(5.50)			437.18
- Other Comprehensive Income, Net of Income Tax	—	—	—	1,409.39	62.87			1,472.26
- Payment of Dividend including Dividend Distribution Tax	—	—	(1,142.82)	—	—			(1,142.82)
Balance as on 31st March 2019	80,961.56	3,048.57	(35,131.12)	4.38	109.69			48,993.08
- Profit / (Loss) for the year 2019-20	—	—	(9,875.43)	—	—			(9,875.43)
- Fluctuation Differences - Gain / (Loss) for the year upto the period of disposal of stepdown subsidiaries	—	—	—	(474.58)	—			(474.58)
- Reclassification of Exchange differences (Gains) on account of disposal of Stepdown subsidiaries	—	—	—	(349.10)	—			(349.10)
- Adjustment on account of disposal of stepdown subsidiary	—	(2,221.24)	2,221.24	—	—			—
- Other Comprehensive Income, Net of Income Tax	—	—	—	279.37	218.25			497.62
Balance as on 31st March 2020	80,961.56	827.33	(42,785.31)	(539.93)	327.94			38,791.59

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

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
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Company Secretary
(FCS No. : 7897)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

₹ Lakhs

	Year Ended 31st March 2020	Year Ended 31st March 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax from		
- Continuing operations	(5,030.53)	(9,271.28)
- Discontinued operations	(5,201.06)	(8,011.53)
Adjustments for :		
Depreciation & Amortisation Expense	11,531.23	9,994.74
Bad debts / Advances written off	41.21	185.69
Expected Credit Loss written back	(81.06)	(105.94)
Excess Provision no longer required written back	(473.81)	(234.17)
(Profit) / Loss on sale / disposal of Property, Plant and Equipment (Net)	1,714.95	(83.02)
Provision / (Reversal) of Impairment Loss	(1,777.94)	200.00
Provision for doubtful debts and advances / (write back)	(11.71)	(71.83)
(Profit) / Loss on sale of Stepdown subsidiaries	(1,551.90)	—
Interest received	(154.90)	(124.55)
Effect of Change in Foreign Currency Translation Reserve	(478.94)	1,878.63
Exchange Fluctuation (Gain) / Loss on Re-statement	556.96	18.40
Gain on Fair Valuation of Investments at Fair Value through P&L	(27.11)	(12.88)
Impairment of Goodwill on Consolidation	—	5,730.25
Finance Costs	5,432.75	5,444.03
	14,719.73	22,819.35
Operating Profit before working capital changes	4,488.14	5,536.54
Adjustments for :-		
(Increase) / Decrease in Trade Receivables and other Receivables	3,432.04	3,949.10
(Increase) / Decrease in Inventories	(89.04)	3,133.63
Increase / (Decrease) in Trade Payables and other Payables	7,388.84	(8,637.19)
	10,731.84	(1,554.46)
Cash generated from Operations	15,219.98	3,982.08
Direct taxes	(101.00)	384.28
Net cash from operating activities	15,118.98	4,366.36

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

₹ Lakhs

	Year Ended 31st March 2020	Year Ended 31st March 2019
Consolidated Cash Flow Statement for the year ended 31st March 2020 (Contd.,)		
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property, Plant and Equipment	(7,562.31)	(10,875.97)
Sale of Property, Plant and Equipment	3,575.25	(368.07)
Adjustment for Capital Advances	1,286.43	42.58
Sale of stepdown Subsidiaries	1.47	—
Adjustments pertaining to acquisition of subsidiary	—	442.68
Purchase of Investments	(175.00)	(75.00)
Interest received	141.26	124.55
Net Cash (used in) / from investing activities	<u>(2,732.90)</u>	<u>(10,709.23)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from / (Repayment of) Current Borrowings (Net)	(8,550.94)	406.88
Proceeds from / (Repayment of) Non Current Borrowings (Net)	(2,990.38)	11,814.79
Dividend & Tax on Dividend Paid	(3.79)	(1,126.07)
Repayment of Lease Liabilities	(198.77)	—
Finance Costs paid	(5,143.31)	(5,437.57)
Net Cash (used in) / from financing activities	<u>(16,887.19)</u>	<u>5,658.03</u>
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS : (A+B+C)		
	(4,501.11)	(684.84)
Cash and Cash equivalents as at 1.4.2019 and 1.4.2018 (Opening Balance)		
- Continuing operations	3,895.97	6,430.08
- Discontinued operations	1,849.27	—
Less : Adjustment pertaining to Cash and Cash Equivalents of discontinued operations	—	1,849.27
Less : On Disposal of stepdown subsidiaries	297.60	—
Cash and cash equivalents as at 31.3.2020 and 31.3.2019 (Closing Balance) (Refer to Note No. 2.13)	<u>946.53</u>	<u>3,895.97</u>

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

As per our report of even date attached

For and on behalf of the Board

For VKS Aiyer & Co.

Chartered Accountants

ICAI Firm Regn. No. : 000066S

V S Srinivasan

Partner

Membership No. : 13729

Coimbatore

29th July 2020

Vanitha Mohan

Chairman

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Chief Financial Officer

(ACMA No. : A9375)

Vikram Mohan

Managing Director

(DIN : 00089968)

T. G. Thamizhanban

Company Secretary

(FCS No. : 7897)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020

1. SIGNIFICANT ACCOUNTING POLICIES

i. Corporate Information:

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

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

These consolidated financial statements ('financial statements') of the Group have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented. The financial statements for the year ended 31 March 2020 were authorised and approved for issue by the Board of Directors on 29th July 2020.

iii. Basis of Preparation:

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

The Financial Statements have been prepared & presented on the historical cost 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 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 in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on the basis stated above and measurements that have some similarities to fair value but are not fair value, such as net realizable 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

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

iv. Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the Group to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these Financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumptions".

v. Current versus non-current classification:

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

An asset is classified as current, when:

- It is expected to be realised or intended to be sold or consumed in normal operating cycle

- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current, when:

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

The entity classifies all other liabilities as non-current.

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.

vi. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, related Non-Controlling Interest, if any, and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the

transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The consolidated financial statement comprises the financial statements of the following subsidiaries:

Name of the subsidiary	Country of Incorporation	Extent of holding (%)
PT Pricol Surya Indonesia	Indonesia	100%
Pricol Asia Pte. Limited	Singapore	100%
Pricol Espana S.L.	Spain	100%
Pricol Wiping Systems India Limited	India	100%
PT Sripri Wiring Systems (Subsidiary of PT Pricol Surya Indonesia)	Indonesia	100%
Pricol Wiping Systems Czech s.r.o. (Subsidiary of Pricol Espana S.L.)	Czech Republic	100%
Pricol do Brasil Componentes Automotivos Ltda (Subsidiary of Pricol Espana S.L.) - till date of loss of control	Brazil	100%
Pricol Wiping Systems Mexico S.A. de C.V., (Subsidiary of Pricol Espana S.L.) - till date of loss of control	Mexico	100%

vii. Foreign currency transactions :

Functional and presentation currency

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

a. Initial recognition

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

b. Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

c. Foreign Operations

The assets and liabilities of foreign operations (subsidiaries, associates and joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency, at the exchange rates at the reporting date. The income and expenses of the foreign operations are translated into INR at the exchange rates at the dates of the transaction or an average rate if it approximates the actual rate at the date of the transaction.

Foreign currency translation differences are recognised in OCI and accumulated in equity, except to the extent that the exchange differences are allocated to NCI (if any).

When a foreign operation is disposed off in its entirety or partially such that control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal.

viii. Revenue Recognition :

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. Dividend

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

c. 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.

d. Claims

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

ix. Property, Plant and Equipment & 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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2020 (Contd.,)**

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 up to 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 PPE are provided under straight line method so as to expense the depreciable amount i.e., 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
Buildings	20 to 30 years
Improvement to Leasehold Buildings	Useful life or lease period whichever is lower
Plant & Equipments	7.5 to 8 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	4 to 5 years
Dies, Tools and Moulds	3 years
Computer Equipments	
- Servers and Networks	6 years
- End User Devices	3 years
Spares	1 to 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 PPE 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2020 (Contd.,)**

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

x. Investment property:

Investment property is a property 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.

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

Class of Assets	Useful Lives
Buildings	30 Years

xi. Intangible assets and amortisation:

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

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

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

The Group has used the following useful lives to amortise its intangible assets:

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 evaluation)
Goodwill	15 Years

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

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

When the Group is committed to sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets held for sale / for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell / distribute.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 of 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.

xiii. Impairment of Non-Financial assets:

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

xiv. Impairment of Financial assets:

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires Expected Credit Losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

xv. Fair value measurement:

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

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

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or

- **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 categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

xvi. Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified 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 FOR THE YEAR ENDED 31st MARCH 2020 (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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at FVTOCI:

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

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

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

Debt instruments at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization 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 FOR THE YEAR ENDED 31st MARCH 2020 (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 recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes 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 realize the assets and settle the liabilities simultaneously.

xvii. Borrowing costs:

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2020 (Contd.,)**

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

xviii. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

xix. Employee benefits:

a. Short Term and other long term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave, in the period the related service is rendered, at 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 up to the reporting date.

b. Post-Employment Benefits :

i. Defined Contribution Plans

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

ii. Defined Benefit Plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial

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

xx. Provisions:

A provision is recognised when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xxi. Contingent Liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

xxii. Earnings Per Share:

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

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

xxiii. Government Grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

xxiv. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax

returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred Tax:

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

c. Minimum Alternate Tax:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

xxv. Inventories:

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

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

i) Raw Materials, Packing Materials & Stores and Spares: Weighted average basis.

ii) Finished Goods and Work-In-Progress: Cost of Direct Material, Labour & Other Manufacturing Overheads.

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

xxvi. Leases :

Adoption of new Standard IND AS 116 with effect from 1st April 2019

a. The Group as a lessee:

The Group's lease asset classes primarily consist of leases for land and buildings. 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 recognizes 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 is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized 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.

Upto 31.3.2019:

Assets acquired under lease where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such lease is capitalised at

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

the inception of the lease at lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

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

Transition:

Effective 1st April, 2019, the Group has adopted Ind AS 116 "Leases" for all long term lease contracts existing as on 1st April 2019 using the modified retrospective method. Consequently, the Group recorded the lease liability at the present value of lease payments discounted at the incremental borrowing rate and right of use asset at its carrying amount at the date of its initial application. Comparatives presented have not been retrospectively adjusted.

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. The Application of INDAS 116 did not have any implication as a Lessor.

xxvii. Business Combination:

The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. 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.

xxviii. Financial Guarantee Contracts:

Financial Guarantee Contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2020 (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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, 2020 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. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumption and selecting the inputs to the impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st MARCH 2020 (Contd.,)**

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 accounting pronouncements on Standards Issued or modified:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) has issued amendments to certain Ind AS. Some of the important amendments relate to:

- Ind AS-1, Presentation of Financial Statements and Ind AS-8, Accounting Policies, Changes in Accounting Estimates and Error: Refined the definition of term 'material' and related clarifications. Consequential amendments to other standards have been made based on the refined definition of material in Ind AS-10, Events after the Reporting Period, Ind AS-34, Interim Financial Reporting and Ind AS-37, Provisions, Contingent liabilities and Contingent Assets.

- Ind AS-103, Business Combinations: Revised definition of a 'business' and introduction of an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business
- Ind AS-109, Financial Instruments: Modification to some specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by the Interest Rate Benchmark Reform (IBOR).
- Ind AS-116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification.

The amendments are effective from annual reporting periods beginning on or after 1 April 2020. However, with respect to Ind AS 116, in case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after 1 April 2019.

The Group is in the process of evaluating the impact on the adoption of these standards.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.1. PROPERTY, PLANT AND EQUIPMENT (PPE)

Particulars	₹ Lakhs									
	Land	Leasehold Land	Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Gross Carrying Value										
As at 1st April, 2018	9,639.81	1,261.12	14,449.57	507.09	39,182.62	771.27	286.25	477.32	2,404.27	68,979.32
Additions during 2018-19	432.35	465.63	2,341.59	140.24	6,226.48	176.51	3.43	26.55	453.85	10,266.63
Less : Deletions during 2018-19	—	—	—	—	840.03	7.86	0.10	0.73	3.35	852.07
Less : Reclassified as held for Sale (Refer to Note No. 2.17)	761.33	—	—	—	—	—	—	—	—	761.33
Less : Reclassification to 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	99.34	836.13	244.26	200.66	14,629.91	100.21	14.86	176.61	60.52	16,362.50
Other Adjustments	—	—	(3.59)	(63.26)	640.13	(19.93)	(0.18)	24.38	22.54	600.09
Translation Adjustment	8.92	—	31.56	(8.95)	(1,151.83)	(10.56)	(1.02)	(8.94)	1.32	(1,139.50)
As at 31st March, 2019	9,220.41	890.62	16,574.87	374.46	29,427.46	809.22	273.52	341.97	2,818.11	60,730.64
Additions during 2019-20	185.59	—	863.67	12.61	5,266.85	21.77	—	3.08	67.74	6,421.31
Less : Deletions during 2019-20	—	—	—	—	71.50	12.81	0.52	—	2.98	87.81
Add : Reclassification from 'Assets Held for sale as part of disposal group' (Refer to Note No. 2.18)	—	836.13	244.26	200.66	4,353.63	4.79	—	9.45	27.22	5,676.14
Less: Reclassified as Right of Use (Refer to Note No. 2.2)	—	1,726.75	—	—	—	—	—	—	—	1,726.75
Other Adjustments	—	—	—	—	—	—	—	—	—	—
Translation Adjustment	(37.21)	—	(59.51)	1.17	(74.46)	—	—	(15.24)	1.58	(183.67)
As at 31st March, 2020	9,368.79	—	17,623.29	588.90	38,901.98	822.97	273.00	339.26	2,911.67	70,829.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

PROPERTY, PLANT AND EQUIPMENT (PPE) (Contd.,)

₹ Lakhs

Particulars	Land	Leasehold Land	Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Accumulated Depreciation										
As at 1st April, 2018	—	19.20	2,458.13	131.70	16,329.85	251.93	105.56	425.75	1,159.57	20,881.69
Depreciation for the year 2018-19	—	23.46	816.14	43.77	5,622.40	72.29	40.46	28.15	528.39	7,175.06
Less : Withdrawn during the year 2018-19	—	—	—	55.35	253.07	3.47	0.13	(6.79)	4.56	309.79
Less : Reclassification to 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	—	21.82	12.97	9.81	8,471.41	91.94	13.94	156.09	43.96	8,821.94
Other Adjustments	—	—	—	—	68.22	—	—	—	—	68.22
Translation Adjustment	—	—	17.04	(6.40)	(741.75)	(9.96)	(0.89)	(8.25)	1.25	(748.96)
As at 31st March, 2019	—	20.84	3,278.34	103.91	12,554.24	218.85	131.06	296.35	1,640.69	18,244.28
Depreciation for the year 2019-20										
Less : Withdrawn during the year 2019-20	—	—	884.53	46.03	5,745.64	88.29	35.32	17.29	471.66	7,288.76
Add : Reclassification from 'Assets Held for sale as part of disposal group' (Refer to Note No. 2.18)	—	—	—	—	13.25	2.77	—	—	2.44	18.46
Less : Reclassified as Right of Use (Refer to Note No. 2.2)	—	21.82	12.97	9.81	1,456.69	0.72	—	2.78	11.48	1,516.27
Translation Adjustment	—	42.66	—	—	—	—	—	—	—	42.66
As at 31st March, 2020	—	—	(34.90)	0.08	(69.67)	—	—	(14.87)	1.58	(117.78)
	—	—	4,140.94	159.83	19,673.65	305.09	166.38	301.55	2,122.97	26,870.41

Net Carrying Value

₹ Lakhs

As at 31st March, 2019	9,220.41	869.78	13,296.53	270.55	16,873.22	590.37	142.46	45.62	1,177.42	42,486.36
As at 31st March, 2020	9,368.79	—	13,482.35	429.07	19,228.33	517.88	106.62	37.71	788.70	43,959.45

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.2. RIGHT OF USE

₹ Lakhs

Particulars	Amount
Gross Carrying Value	
As at 1st April, 2018	—
Additions during 2018-19	—
Deletions during 2018-19	—
As at 31st March, 2019	—
Additions / Adjustments during 2019-20	2,957.47
Reclassified from PPE	1,726.75
Deletions during 2019-20	—
As at 31st March, 2020	4,684.22

Accumulated Depreciation

₹ Lakhs

As at 1st April, 2018	—
Depreciation for the year 2018-19	—
Withdrawn during the year 2018-19	—
As at 31st March, 2019	—
Depreciation for the year 2019-20	414.80
Reclassified from PPE	42.66
Withdrawn during the year 2019-20	—
As at 31st March, 2020	457.46

Net Carrying Value

₹ Lakhs

As at 31st March, 2019	—
As at 31st March, 2020	4,226.76

Effective 1st April, 2019, the Group has adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing as on that date using the modified retrospective method, wherein the Right of Use asset was created with corresponding lease liability. Accordingly, the comparatives have not been retrospectively adjusted.

2.3. CAPITAL WORK-IN-PROGRESS

₹ Lakhs

Particulars	31-3-2020	31-3-2019
Opening Capital Work-in-progress	1,360.17	6,222.11
Add : Addition during the year	7,195.39	11,510.00
Less : Deletion during the year	7,028.21	10,266.63
Less : Reclassified as held for Sale (Refer to Note No. 2.17)	—	1,131.58
Less : Reclassification to 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	—	4,973.73
Add : Reclassification from 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	662.44	—
Closing Capital Work-in-progress	2,189.79	1,360.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.4. INVESTMENT PROPERTY

₹ Lakhs

Particulars	Land	Building	Total
Gross Carrying Value			
As at 1st April, 2018	462.00	700.00	1,162.00
Additions during 2018-19	—	—	—
Deletions during 2018-19	—	—	—
As at 31st March, 2019	462.00	700.00	1,162.00
Additions during 2019-20	—	—	—
Deletions during 2019-20	—	—	—
As at 31st March, 2020	462.00	700.00	1,162.00

Accumulated Depreciation

₹ Lakhs

As at 1st April, 2018	—	125.86	125.86
Depreciation for the year 2018-19	—	42.20	42.20
Withdrawn during the year 2018-19	—	—	—
As at 31st March, 2019	—	168.06	168.06
Depreciation for the year 2019-20	—	42.20	42.20
Withdrawn during the year 2019-20	—	—	—
As at 31st March, 2020	—	210.26	210.26

Net Carrying Value

₹ Lakhs

As at 31st March, 2019	462.00	531.94	993.94
As at 31st March, 2020	462.00	489.74	951.74

The above Investment Property has been given as security against borrowings. (Refer to Note No.2.21)

The Company has identified Land and Building at Karamadai to be in the nature of investment property as they are being held to earn rentals :-

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

₹ Lakhs

Particulars	2019-20	2018-19
Rental Income	37.15	24.34
Less: Depreciation expense	42.20	42.20
Profit / (Loss) from Investment Property	(5.05)	(17.86)

ii) **Fair Value of Land and Building held as Investment Property : ₹ 2,032.67 Lakhs**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.5. GOODWILL

Particulars	Goodwill #	Goodwill on Consolidation	₹ Lakhs
			Total
Gross Carrying Value			
As at 1st April, 2018	15,479.67	5,730.25	21,209.92
Additions during 2018-19	—	—	—
Deletions during 2018-19	—	—	—
As at 31st March, 2019	15,479.67	5,730.25	21,209.92
Additions during 2019-20	—	—	—
Deletions during 2019-20	—	—	—
As at 31st March, 2020	15,479.67	5,730.25	21,209.92

Accumulated Amortisation

Particulars	Goodwill #	Goodwill on Consolidation	₹ Lakhs
			Total
As at 1st April, 2018	3,558.87	—	3,558.87
Amortisation for the year 2018-19	993.40	—	993.40
Withdrawn during the year 2018-19	—	—	—
Impairment during the year 2018-19	—	5,730.25	5,730.25
As at 31st March, 2019	4,552.27	5,730.25	10,282.52
Amortisation for the year 2019-20	993.40	—	993.40
Withdrawn during the year 2019-20	—	—	—
As at 31st March, 2020	5,545.67	5,730.25	11,275.92

Net Carrying Value

Particulars	Goodwill #	Goodwill on Consolidation	₹ Lakhs
			Total
As at 31st March, 2019	10,927.40	—	10,927.40
As at 31st March, 2020	9,934.00	—	9,934.00

Refer to Note No. 2.44 in relation to Scheme of Amalgamation and accounting treatment.

Particulars	2019-20	₹ Lakhs
		2018-19 (Re-presented)
Impairment pertaining to		
- Continuing Operations (Refer to Note No. 2.41)	—	4,678.37
- Discontinued Operations (Refer to Note No. 2.42)	—	1,051.88
	—	5,730.25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.6. OTHER INTANGIBLE ASSETS

₹ Lakhs						
Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total	
Gross Carrying Value						
As at 1st April, 2018	2,443.79	510.82	5,103.21	14,116.00	22,173.82	
Additions during 2018-19	376.46	1,087.05	(0.09)	—	1,463.42	
Deletions during 2018-19	—	—	—	—	—	
Other Adjustments	(1.74)	—	—	—	(1.74)	
Reclassification to 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	(1,285.81)	—	(170.22)	—	(1,456.03)	
Translation Adjustment	(105.44)	—	(18.89)	—	(124.33)	
As at 31st March, 2019	1,427.26	1,597.87	4,914.01	14,116.00	22,055.14	
Additions during 2019-20	319.54	—	—	—	319.54	
Deletions during 2019-20	—	—	—	—	—	
Reclassification from 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	324.04	—	—	—	324.04	
Translation Adjustment	1.84	—	—	—	1.84	
As at 31st March, 2020	2,072.68	1,597.87	4,914.01	14,116.00	22,700.56	
Accumulated Amortisation						
As at 1st April, 2018	1,118.07	505.14	1,072.46	2,823.21	5,518.88	
Amortisation for the year 2018-19	458.68	47.75	336.58	941.07	1,784.08	
Other Adjustments	0.21	—	—	—	0.21	
Withdrawn during the year 2018-19	59.90	—	1.01	—	60.91	
Reclassification to assets 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	(499.76)	—	(88.25)	—	(588.01)	
Translation Adjustment	(36.24)	—	(9.38)	—	(45.62)	
As at 31st March, 2019	981.06	552.89	1,310.40	3,764.28	6,608.63	
Amortisation for the year 2019-20	305.98	271.76	327.60	941.07	1,846.41	
Withdrawn during the year 2019-20	—	—	—	—	—	
Reclassification from 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	190.19	—	—	—	190.19	
Translation Adjustment	1.32	—	—	—	1.32	
As at 31st March, 2020	1,478.55	824.65	1,638.00	4,705.35	8,646.55	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

OTHER INTANGIBLE ASSETS (Contd.,)

Net Carrying Value		₹ Lakhs				
Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total	
As at 31st March, 2019	446.20	1,044.98	3,603.61	10,351.72	15,446.51	
As at 31st March, 2020	594.13	773.22	3,276.01	9,410.65	14,054.01	

2.7. INTANGIBLE ASSETS UNDER DEVELOPMENT

Particulars	₹ Lakhs	
	31-3-2020	31-3-2019
Opening Carrying Value	—	769.60
Add : Addition during the year	373.90	728.94
Less : Reclassification to "Assets held for sale as part of disposal group" (Refer to Note No. 2.18)	—	35.12
Add : Reclassification from "Assets held for sale as part of disposal group" (Refer to Note No. 2.18)	16.83	—
Less : Deletion / Adjustment during the year	336.36	1,463.42
Closing Carrying Value	54.37	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.8. OTHER FINANCIAL ASSETS		
Unsecured Considered good		
Security Deposits	606.53	625.64
Unsecured Considered Doubtful		
Security Deposits - Credit Impaired	26.10	26.10
Less : Allowance for Doubtful Deposits	26.10	26.10
	<u>—</u>	<u>—</u>
	<u>606.53</u>	<u>625.64</u>
2.9. OTHER NON-CURRENT ASSETS		
Unsecured Considered good		
Capital Advances	186.17	1,293.38
Others		
Advance Tax, Net of Provision	465.76	304.80
MAT Credit Entitlement	5,453.15	5,453.15
Deposits and Prepayments	113.49	192.51
Unsecured Considered Doubtful		
Capital Advances - Credit Impaired	3.26	10.27
Other Deposits #	86.43	102.23
	<u>89.69</u>	<u>112.50</u>
Less : Provision for Doubtful Advances	89.69	112.50
	<u>—</u>	<u>—</u>
	<u>6,218.57</u>	<u>7,243.84</u>
# Other Deposits represent amount paid under protest / disputed dues		
2.10. INVENTORIES		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials & Components	12,251.23	9,872.97
Goods-in-Transit - Raw Materials & Components	3,664.39	1,177.89
Work-in-progress	2,068.44	1,446.58
Finished Goods	5,026.59	5,062.47
Stores & Spares	396.40	411.93
Traded Goods	205.11	277.12
	<u>23,612.16</u>	<u>18,248.96</u>

Inventories have been given as securities for the borrowings availed by the respective companies. Refer to Note No. 2.26.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

INVENTORIES (Contd.,)

Cost of Inventory recognised as an expense

Particulars	2019-20	₹ Lakhs
		2018-19 (Re-presented)
Cost of Materials Consumed	1,03,119.93	1,18,218.82
Cost of Traded Goods Sold	6,826.96	7,986.93
Cost of Land held as Stock-in-Trade	—	173.14
Stores and Spares	384.85	572.49

2.11. INVESTMENTS

Sl. No.	Particulars	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
Investments in Mutual Funds (at Fair Value through P & L)			
Quoted - Non Trade			
1.	ICICI Prudential Regular Savings Fund - Growth	9.97	9.76
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	7.21	9.05
3.	Aditya Birla Sun Life Regular Savings Fund - Growth - Regular Plan	8.61	9.33
4.	ICICI Prudential Banking & PSU Debt Fund - Growth	89.41	81.93
5.	Kotak Dynamic Bond Fund Regular Plan - Growth	92.66	83.68
6.	Aditya Birla Sunlife Liquid Fund - Growth - Regular Plan	132.83	75.07
7.	ICICI Prudential Liquid Fund - Growth	130.25	—
	Total	470.94	268.82
	Aggregate amount of Quoted Investments	470.94	268.82
	Aggregate Market Value of Quoted Investments	470.94	268.82

No. of Units as on the closing date

in Numbers

Sl. No.	Particulars	31-3-2020	31-3-2019
1.	ICICI Prudential Regular Savings Fund - Growth	22,904.26	22,904.26
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	38,980.06	38,980.06
3.	Aditya Birla Sun Life Regular Savings Fund - Growth - Regular Plan	23,972.27	23,972.27
4.	ICICI Prudential Banking & PSU Debt Fund - Growth	3,86,016.32	3,86,016.32
5.	Kotak Dynamic Bond Fund Regular Plan Growth	3,44,800.10	3,44,800.10
6.	Aditya Birla Sunlife Liquid Fund - Growth - Regular Plan	41,802.52	25,110.29
7.	ICICI Prudential Liquid Fund - Growth	44,532.35	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.12. TRADE RECEIVABLES		
Unsecured Considered Good	19,870.26	19,816.41
Trade Receivables which have significant increase in credit risk	—	—
Trade Receivables - credit impaired	—	—
Less : Allowance for Expected Credit Loss	268.41	337.68
	<u>19,601.85</u>	<u>19,478.73</u>

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

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

The Group's exposure to credit and currency risk and loss allowances related to Trade Receivables are disclosed in Note No. 2.49.

2.13. CASH AND CASH EQUIVALENTS

Balances with Banks		
In Current Account	938.60	3,802.26
In Deposit Account (with original maturity of 3 months or less)	—	72.40
Cash on hand	<u>7.93</u>	<u>21.31</u>
	<u>946.53</u>	<u>3,895.97</u>

2.14. BANK BALANCES OTHER THAN ABOVE

Earmarked Balances

In Unpaid Dividend Account	101.53	105.33
In Margin Money Account	628.43	120.96
In Deposit	172.71	—
In Escrow Account	180.00	—

Others

In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)	2,391.41	1,730.35
	<u>3,474.08</u>	<u>1,956.64</u>

Notes :-

- i. Balances with Banks in Unpaid Dividend Account includes an amount ₹ 21.09 Lakhs (Previous year - ₹ 7.08 Lakhs) which is pending for transfer to Investor Education and Protection Fund as on 31st March 2020. This has since been remitted. (Refer to Note No. 2.28).
- ii. Margin Money with banks is towards issue of Bank Guarantee and issue of Letter of Credit.
- iii. Earmarked Balances in Deposit accounts has been provided as security towards borrowings availed.
- iv. Balances in Escrow Account represent One EMI for repayment of term loan availed from Cholamandalam Investment and Finance Company Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.15. OTHER FINANCIAL ASSETS		
Unsecured Considered Good		
Accrued Income		
Export Incentives	10.58	28.24
Interest from Banks	37.58	23.94
	<u>48.16</u>	<u>52.18</u>
2.16. OTHER CURRENT ASSETS		
Unsecured Considered Good		
GST Input Credits	1,527.40	1,288.67
Others		
Advances to Suppliers	235.80	248.50
Advances for Expenses	289.36	208.62
Prepayments	430.71	324.70
Gratuity Fund (Refer to Note No.2.50)	158.43	—
Unsecured Considered Doubtful		
Advances to Suppliers - Credit Impaired	15.57	7.90
Less : Provision for Doubtful Advances	<u>15.57</u>	<u>7.90</u>
	<u>2,641.70</u>	<u>2,070.49</u>
2.17. NON CURRENT ASSETS HELD FOR SALE		
(Measured at Fair Value less costs to sell)		
Land and Building	4,089.27	4,089.27
Building under construction	<u>1,131.58</u>	<u>1,131.58</u>
	5,220.85	5,220.85
Less : Deletion on Disposal	3,442.91	—
Less : Provision for Impairment / (Reversal)	<u>(1,777.94)</u>	<u>1,777.94</u>
	<u>—</u>	<u>3,442.91</u>
<p>During the year the non current assets held for sale were disposed off for a sale consideration of ₹ 3,510 Lakhs resulting in a loss on disposal of ₹ 1,710.85 Lakhs. The impairment loss amounting to ₹ 1,777.94 Lakhs, provided for in earlier years, has been reversed. The gain (net of impairment provision reversed) amounting to ₹ 67.09 Lakhs has been disclosed under other income.</p>		
2.18. ASSETS PERTAINING TO DISPOSAL GROUP		
(Refer to Note No. 2.42)		
Property, Plant and Equipment (including Capital work-in-progress)	—	7,540.53
Other Non Current Assets	—	6,378.87
Inventories	—	7,423.30
Trade Receivables	—	6,097.38
Other Current Assets	—	4,284.67
	<u>—</u>	<u>31,724.75</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.19. EQUITY SHARE CAPITAL		
Authorised		
58,20,00,000 Equity Shares of ₹ 1/- each (As at 31st March 2019 - 58,20,00,000 Equity Shares of ₹ 1/- each)	<u>5,820.00</u>	<u>5,820.00</u>
Issued, Subscribed and Paid-up		
9,47,96,721 Equity Shares of ₹ 1/- each (As at 31st March 2019 - 9,47,96,721 Equity Shares of ₹ 1/- each)	<u>947.97</u>	<u>947.97</u>

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

	31-3-2020		31-3-2019	
Equity Shares	No. of Shares in Lakhs	₹ Lakhs	No. of Shares in Lakhs	₹ Lakhs
At the beginning / closing of the year	<u>947.97</u>	<u>947.97</u>	<u>947.97</u>	<u>947.97</u>

Terms / rights attached to equity shares :

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

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

	31-3-2020		31-3-2019	
	No. of Shares	% held	No. of Shares	% held
- Vijay Mohan	<u>91,40,278</u>	<u>9.64%</u>	<u>91,40,278</u>	<u>9.64%</u>
- Pricol Holdings Limited	<u>85,56,926</u>	<u>9.03%</u>	<u>85,56,926</u>	<u>9.03%</u>
- Viren Mohan	<u>66,58,409</u>	<u>7.02%</u>	<u>66,58,409</u>	<u>7.02%</u>

Details of Shares held by Holding Company :

There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company as on 31st March 2020.

Details of Shares issued for consideration other than Cash :

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs		
2.20. OTHER EQUITY				
Securities Premium				
Balance - Opening / Closing	80,961.56	80,961.56		
Capital Reserve				
Opening Balance	3,048.57	2,605.89		
Add : Addition / Adjustments during the year	—	442.68		
Less : Adjustment on account of disposal of Stepdown subsidiaries	2,221.24	—		
	827.33	3,048.57		
Surplus / (Deficit) in the Statement of Profit & Loss				
Opening Balance	(35,131.12)	(16,602.30)		
Add : Profit / (Loss) for the year	(9,875.43)	(17,386.00)		
Add : Adjustment on account of disposal of Stepdown subsidiaries	2,221.24	—		
Less : Payment of Dividend including Dividend Distribution Tax	—	1,142.82		
	(42,785.31)	(35,131.12)		
Other Comprehensive Income				
i) Foreign Exchange Translation Reserve Gain / (Loss)				
Opening Balance	4.38	(1,405.01)		
Add : Addition / Adjustments during the year (Net)	(544.31)	1,409.39		
	(539.93)	4.38		
ii) Remeasurement of post employment benefit obligations				
Opening Balance	109.69	52.32		
Add : Addition / Adjustments during the year	218.25	57.37		
	327.94	109.69		
	38,791.59	48,993.08		
2.21. BORROWINGS				
	Non-Current portion		Current Maturities	
	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
Secured Loans at amortised cost :				
Rupee Term Loan From Banks	14,263.00	9,889.67	4,224.17	1,826.67
Rupee Term Loan From Others	6,422.55	—	1,279.94	—
Foreign Currency Term Loan from Banks	3,420.27	—	645.74	—
Less : Unamortised portion of Finance Charges	275.46	191.87	147.77	72.59
	23,830.36	9,697.80	6,002.08	1,754.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

BORROWINGS (Contd.,)

₹ Lakhs

Description	Frequency / No. of Instalments Due	Maturity	As at 31-03-2020	As at 31-03-2019	Security	Interest Rate / Effective Interest Rate (EIR)
HDFC Bank Limited	Equal Quarterly / 4 of ₹ 166.67 Lakhs	Feb-21	666.67	1,333.34	Note 1	One year MCLR
Bank of Bahrain and Kuwait B.S.C - Loan I	Equal Quarterly / 3 of ₹ 166.67 Lakhs	Oct-19	—	500.00	Note 2	One year MCLR plus 0.10%
Bank of Bahrain and Kuwait B.S.C - Loan II	Equal Quarterly / 5 of ₹ 140.00 Lakhs till 2021 & Final Instalment of ₹ 60 Lakhs	Aug-21	760.00	2,520.00	Note 3	One year MCLR plus 0.50%
IndusInd Bank Limited	Quarterly / 4 of ₹ 60 Lakhs till 2021 Quarterly / 15 of ₹ 180 Lakhs till 2024	Dec-24	2,940.00	3,000.00	Note 4	One year MCLR plus 0.70% EIR- 11.46%
The South Indian Bank Limited	Equal Quarterly / 14 of ₹ 312.50 Lakhs till 2024	May-20 to Feb-24	4,363.00	4,363.00	Note 5	One year MCLR plus 0.80% EIR- 11.29%
Cholamandalam Investment and Finance Company Limited	EMI / 60 of ₹ 180 Lakhs till 2024	Dec-24	7,702.49	—	Note 6	Floating Interest EIR- 13.80%
ICICI Bank Limited	Half Yearly / 9 of varying instalments	Aug-24	9,500.00	—	Note 7	One year MCLR plus 3.45%
ICICI Bank Limited	Equal Quarterly / 3 of ₹ 85.83 Lakhs till 2020	Nov-20	257.50	—	Note 8	One year MCLR plus 0.30%
Unicredit Bank	Equal Quarterly / 16 of Euro 1.93 Lakhs till 2024	Jan-24	2,406.06	—	Note 9	Euribor
PT Bank SBI Indonesia	Due after 43 months from April 2019	Oct-22	1,659.95	—	Note 10	SBDK plus 0.50%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

BORROWINGS (Contd.,)

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

Note 1: Exclusive charge by hypothecation of specific plant and machinery installed at Plant II, IMT Manesar, Gurugram and Plant III, Chinnamathampalayam, Coimbatore.

Note 2: Exclusive charge by hypothecation of specific Movable fixed assets of Plant V situated at Gat No. 180-187, Global Raison Industrial Park, Alandi-Markal Road, Phulgaon, Tal-Haveli, Pune - 412216.

Note 3: Pari-passu first charge on specific immovable property situated at Plant I, Perianaickenpalayam, Coimbatore.

Note 4: Pari-passu first charge on specific immovable property situated at Plant I, Perianaickenpalayam, Coimbatore. The Company is yet to create charge over the assets for the loan obtained.

Note 5: Pari-passu first charge on specific immovable property situated at Plant I, Perianaickenpalayam, Coimbatore (Restricted to ₹ 1,500 Lakhs), exclusive charge on the immovable property situated at Plant X, 650, Benjamin Road, Sri City - 517 646, Andhra Pradesh and exclusive charge by hypothecation of specific plant and machinery.

Note 6: a) Exclusive charge on equitable mortgage of specific immovable properties of the Company situated at Billich Village, Narasimhanaickenpalayam Village Poochiyur, Tea Estate Compound Race Course, Commercial Flats at Avinashi Road and Land & Building at Karamadai (Charge yet to be created) all situated in Coimbatore District, Tamilnadu.

b) Exclusive charge on specific immovable properties of certain promoters and promoter's companies. Personal Guarantee of Chairman, Managing Director and his Relative. Corporate Guarantee from Pricol Holdings Limited and Pricol Retreats Limited.

c) Exclusive charge on specific Plant and Machineries installed in various plants of the Company.

Note 7: Exclusive Charge by way of Mortgage of immovable properties viz., :-

a) Land measuring 6.68 acres in Perianaickenpalayam, Coimbatore.

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, Billich 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.

Note 8: Secured by movable fixed assets situated in Satara, Maharashtra and Corporate Guarantee from Holding Company.

Note 9: Secured by movable fixed assets of stepdown subsidiary company situated at Czech Republic.

Note 10: Secured by way of Land and factory building, inventories of subsidiary company situated at Indonesia and Corporate Guarantee from holding company.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.22. OTHER FINANCIAL LIABILITIES		
Lease Liabilities (Refer to Note No. 2.54)	2,287.46	1.09
Rental Advance Received	59.25	57.24
Derivative Liability (Net)	380.01	—
Security Deposits from Customers	64.98	57.19
	<u>2,791.70</u>	<u>115.52</u>
2.23. PROVISIONS		
a) For Employee Benefits :		
- Gratuity (Refer to Note No. 2.50)	143.24	168.54
b) For Central Excise Demands (Refer to Note No. 2.51)	215.17	598.89
c) For Potential Statutory Liabilities (Refer to Note No. 2.51)	808.00	549.33
	<u>1,166.41</u>	<u>1,316.76</u>
2.24. DEFERRED TAX LIABILITIES (NET)		
Deferred Tax Liability		
On Fixed Assets	7,347.33	6,884.76
On Other temporary differences	47.73	92.41
	<u>7,395.06</u>	<u>6,977.17</u>
Deferred Tax Asset		
On Disallowance under the Income Tax Act	952.04	1,351.78
On Unused tax losses	1,209.10	139.30
On Other temporary differences	75.49	50.40
	<u>2,236.63</u>	<u>1,541.48</u>
Deferred Tax Liabilities - Net (Refer to Note No. 2.52)	A - B	5,435.69
	<u>5,158.43</u>	<u>5,435.69</u>
2.25. OTHER NON-CURRENT LIABILITIES		
Deferred Income From Government grants	12.02	23.71
	<u>12.02</u>	<u>23.71</u>
2.26. BORROWINGS		
Secured Loans		
Working Capital Facilities from Banks		
- In Rupee	8,275.57	9,585.89
- In Foreign Currency	4,241.12	1,880.64
Unsecured Loans		
Working Capital Facilities from Banks		
- In Rupee	794.22	4,984.90
	<u>13,310.91</u>	<u>16,451.43</u>

Working Capital Facilities from banks are secured by pari-passu first charge on the current assets of the respective companies. The loans are further secured by second pari-passu charge on the specific immovable properties of the respective Companies. The loans are further Guaranteed by the holding company.

Working Capital Facilities from Banks are repayable on demand and carries interest rates varying from 9.50% to 13.75% p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.27. TRADE PAYABLES		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	122.80	186.45
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	<u>31,991.74</u>	<u>21,678.50</u>
	<u>32,114.54</u>	<u>21,864.95</u>
The Group's exposure to currency risk related to Trade Payables are disclosed in Note No. 2.49.		
2.28. OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (Refer to Note No. 2.21)	6,002.08	1,754.08
Lease Liabilities (Refer to Note No. 2.54)	246.02	—
Interest accrued and not due on borrowings	234.32	87.14
Unpaid Dividend	80.44	98.24
Dues to Investor Education and Protection Fund #	21.09	7.08
Employee Benefits Payable	1,810.75	2,119.29
Derivative Liability (Net)	57.58	—
Payable for Expenses	<u>4,320.10</u>	<u>2,317.36</u>
	<u>12,772.38</u>	<u>6,383.19</u>
# Dues to Investor Education and Protection Fund (IEPF) pertaining to unclaimed dividend of Erstwhile Pricol Limited remain unpaid on account of certain technical glitches with MCA portal, as on 31st March 2020. The due date for transferring the amounts to IEPF were 17th October, 2018 for ₹ 7.08 Lakhs and 6th October, 2019 for ₹ 14.01 Lakhs. The same has since been remitted on 8th July 2020 and 20th July 2020 respectively.		
2.29. OTHER CURRENT LIABILITIES		
Statutory Dues Payable	523.97	353.33
Advance from Customers	<u>825.56</u>	<u>368.04</u>
	<u>1,349.53</u>	<u>721.37</u>
2.30. PROVISIONS		
For Employee Benefits :		
- Gratuity (Refer to Note No. 2.50)	—	8.99
For Labour Settlement (Refer to Note No. 2.51)	261.72	261.72
For Warranty Related Claims (Refer to Note No. 2.51)	<u>406.35</u>	<u>171.95</u>
	<u>668.07</u>	<u>442.66</u>
2.31. CURRENT TAX LIABILITIES (NET)		
For Taxation	<u>76.73</u>	<u>77.68</u>
	<u>76.73</u>	<u>77.68</u>
2.32. LIABILITIES ASSOCIATED WITH DISPOSAL GROUP (Refer to Note No. 2.42)		
Non Current Borrowings	—	21,722.45
Current Financial Liabilities	—	19,260.05
Other Liabilities including provisions	<u>—</u>	<u>6,769.00</u>
	<u>—</u>	<u>47,751.50</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs (Re-presented)
2.33. REVENUE FROM OPERATIONS		
Sale of Products and Services		
Domestic	1,14,194.59	1,32,262.90
Export	36,858.06	38,920.92
Traded Goods	1,537.25	1,786.00
Service Income	1,263.30	395.02
	<u>1,53,853.20</u>	<u>1,73,364.84</u>
Disaggregation of Revenue :-		
1. Dashboard Instruments	62,408.85	67,945.89
2. Pumps and Mechanical Products	31,060.00	36,350.00
3. Switches and Sensors	12,760.00	17,850.00
4. Others & Service Income	47,624.35	51,218.95
	<u>1,53,853.20</u>	<u>1,73,364.84</u>
2.34. OTHER OPERATING REVENUE		
Sale of Land held as Stock-in-Trade	—	1,183.50
Export Incentives	106.69	119.87
Sale of Traded Goods - Others	6,021.43	6,705.75
	<u>6,128.12</u>	<u>8,009.12</u>
2.35. OTHER INCOME		
Interest Income		
From Banks	142.01	110.98
From other financial assets carried at amortised cost	12.89	11.85
On Income Tax Refund	—	174.93
Gain on Fair Valuation of Investments at Fair Value through P&L	27.11	12.88
Lease Rental Receipts	209.42	138.39
Profit on Sale of Property, Plant and Equipment (Net)	52.99	44.26
Miscellaneous Income	477.17	419.30
Excess Provision no longer required written back #	483.81	234.16
Expected Credit Loss written back	81.06	105.94
	<u>1,486.46</u>	<u>1,252.69</u>
# Excess provision no longer required written back during the current year includes reversal in respect of provision for disputed indirect tax cases settled under "Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019".		
2.36. COST OF MATERIALS CONSUMED		
Materials Consumed	<u>1,03,119.93</u>	<u>1,18,218.82</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs (Re-presented)
2.37. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS		
Opening Stock		
Work-in-progress	1,446.58	1,184.00
Finished Goods	5,062.47	6,091.26
Traded Goods	277.12	264.07
Land-Stock-in-Trade	—	173.14
	<u>6,786.17</u>	<u>7,712.47</u>
Add : Adjustments / Reclassification of Inventory from disposal group		
Work-in-progress	861.71	(253.33)
Finished Goods	513.05	21.38
Traded Goods	—	—
Land-Stock-in-Trade	—	—
	<u>1,374.76</u>	<u>(231.95)</u>
Less : Closing Stock		
Work-in-progress	2,068.44	1,446.58
Finished Goods	5,026.59	5,062.47
Traded Goods	205.11	277.12
Land-Stock-in-Trade	—	—
	<u>7,300.14</u>	<u>6,786.17</u>
	<u>860.79</u>	<u>694.35</u>
2.38. EMPLOYEE BENEFITS EXPENSE		
Pay, Allowances and Bonus	19,417.87	21,558.96
Contribution to Provident and other funds	810.48	857.69
Welfare Expenses	2,444.41	2,670.50
	<u>22,672.76</u>	<u>25,087.15</u>
2.39. FINANCE COSTS		
Interest on Borrowings (Net)	3,775.51	3,410.82
Other Borrowing Costs	205.47	108.76
Interest on Lease Obligations (Refer Note No. 2.54)	278.34	4.27
Unwinding of interest on financial instruments	161.73	10.54
	<u>4,421.05</u>	<u>3,534.39</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs (Re-presented)
2.40. DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation (Refer to Note No. 2.1, 2.2 & 2.4)	7,745.76	7,217.26
Amortisation of Intangibles (Refer to Note No. 2.5 & 2.6)	2,839.81	2,777.48
Less : Depreciation and Amortisation pertaining to disposal group	—	597.98
	<u>10,585.57</u>	<u>9,396.76</u>
2.41. OTHER EXPENSES		
Power & Utilities (Net)	2,146.25	2,441.40
Stores & Spares Consumed	384.85	572.49
Repairs and Maintenance :		
- Machinery	1,579.84	1,661.53
- Building	114.22	155.35
- Others	317.40	423.24
Printing & Stationery	150.92	121.40
Postage & Telephone	184.47	235.63
Lease Expenses	934.40	1,481.85
Rates, Taxes & Licence	356.55	588.46
Insurance	243.73	239.53
Bank Charges	54.28	216.47
Travelling & Conveyance	706.23	1,165.99
Freight & Forwarding	2,263.82	3,079.91
Warranty Claims	2,096.42	2,317.28
Selling Expenses	559.55	818.35
Bad Debts / Advances Written off	41.21	185.30
Provision for / (write back of) doubtful debts and advances	<u>(11.71)</u>	<u>(107.92)</u>
	29.50	77.38
Provision for Statutory Liabilities	348.76	117.88
Commission / Sitting Fees to Non-Whole Time Directors	13.35	8.85
Auditors' Remuneration (Refer to Note No. 2.45)	73.22	77.55
Professional Charges	4,066.87	4,956.62
Loss on Exchange Fluctuation (Net)	1,132.50	818.13
Assets Discarded / Written Off	3.42	94.32
Provision for Impairment Loss - Asset held for Sale	—	200.00
Impairment of Goodwill on consolidation	—	4,678.37
Miscellaneous Expenses	211.91	396.73
CSR Expenses	110.80	21.77
	<u>18,083.26</u>	<u>26,966.48</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.42. DISCONTINUED OPERATIONS

1) Description

During the previous financial year 2018-19, the company had taken a considered decision to dispose off its investment in its wholly owned subsidiary Pricol Espana S.L.Spain (Pricol Espana) (along with the stepdown subsidiaries, Pricol do Brasil Componentes Automotivos Ltda, Brazil (PdB) , Pricol Wiping Systems Czech s.r.o, Czech Republic (PWS Czech), Pricol Wiping Systems Mexico S.A. de C.V, Mexico (PWS Mexico)) and Pricol Wiping Systems India Limited, India (PWS India).

On 21st June 2019, the Company had entered into a Share Purchase Agreement (SPA) with Chroma GP, LLC, USA for disposal of 80.50% of its investment in wholly owned subsidiary, Pricol Espana, along with its stepdown subsidiaries (PdB, PWS Mexico and PWS Czech) and 74% of its Investment in PWS India.

The said SPA, as amended from time to time was terminated through an agreement dated 7th February 2020. A new Share Sale and Purchase Agreement dated 7th February 2020 had been entered into between Pricol Espana and the Purchasing Entities, 2NDM LLC and NELP FOUR LP, which are part of Chroma GP LLC Group for Divestment of its 100% shareholding in PdB and PWS Mexico for a Net Consideration of USD 2000 subject to fulfillment of certain terms and conditions. The Purchasing Entities have made the payment of Net Consideration on 11th February 2020, ('Transaction date'). In view of the above, PWS India and Pricol Espana with its Subsidiary PWS Czech remain as Subsidiaries of Pricol Limited.

Based on the conclusion of the sale as stated above, the Assets and Liabilities pertaining to PWS India and Pricol Espana with its Subsidiary PWS Czech do not meet the criteria for 'Disposal Group' with effect from the transaction date.

Consequent to the above the assets and liabilities pertaining to the Subsidiaries PWS India, Pricol Espana alongwith its stepdown Subsidiary PWS Czech do not meet the criteria of 'Non Current Assets held for Sale and Discontinued Operations' as per Ind AS 105. Consequently, the working results of PWS India and Pricol Espana alongwith its Subsidiary PWS Czech have been included in Continuing Operations on Individual Line item basis with comparative / prior periods being re-presented / re-stated in Consolidated Financial Statements. The assets and liabilities for the year ended 31st March 2020 have been reclassified from Assets / Liabilities pertaining to Disposal Group for which Comparatives have not been restated.

	31-3-2020	31-3-2019
	₹ Lakhs	₹ Lakhs
2) Description of Assets		
Property, Plant and Equipment	—	7,540.53
Other Non Current Assets	—	6,378.87
Inventories	—	7,423.30
Trade Receivables	—	6,097.38
Other Current Assets	—	4,284.67
	<u>—</u>	<u>31,724.75</u>
3) Description of Liabilities		
Non Current Borrowings	—	21,722.45
Current Financial Liabilities	—	19,260.05
Other Liabilities including provisions	—	6,769.00
	<u>—</u>	<u>47,751.50</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs Re-presented
DISCONTINUED OPERATIONS (Contd.,)		
4) Financial Performance		
Revenue	11,823.05	10,685.39
Expenses		
Cost of Materials Consumed	7,318.26	6,009.38
Purchases of Stock-in-Trade	—	—
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	181.14	(126.82)
Employee Benefits Expense	3,350.72	4,363.93
Finance Costs	1,011.70	1,909.63
Depreciation and Amortisation Expense	945.66	597.98
Other Expenses	6,117.63	5,942.82
	18,925.11	18,696.92
Profit / (Loss) before tax	(7,102.06)	(8,011.53)
Net Gain on Disposal of Subsidiaries (Refer to Note No. 2.42 (5))	1,901.00	—
Tax Expense	—	—
Profit / (Loss) after tax from discontinued operations	(5,201.06)	(8,011.53)
Other Comprehensive Income		
Exchange differences on translation of discontinued operations	—	1,496.65
Total Comprehensive Income for the year	(5,201.06)	(6,514.88)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
DISCONTINUED OPERATIONS (Contd.,)		
5) Details of Sale of Subsidiaries		
Consideration received	1.47	—
Excess carrying amount of liabilities over assets	1,550.43	—
Gain on disposal before income tax and reclassification of foreign currency translation reserve	1,551.90	—
Add : Reclassification of exchange differences (Gains) from OCI on disposal of subsidiaries	349.10	—
Tax Expense	—	—
Net Gain on disposal after income tax	<u>1,901.00</u>	<u>—</u>
The carrying amount of assets and liabilities as at the date of sale (11th February 2020) were as follows:-		
Property, Plant and Equipment	9,862.25	—
Trade Receivables	2,396.95	—
Inventory	2,149.13	—
Other Assets	2,038.14	—
Total Assets	<u>16,446.47</u>	<u>—</u>
Borrowings	2,523.59	—
Trade Payables	2,765.70	—
Other Payables	12,707.61	—
Total Liabilities	<u>17,996.90</u>	<u>—</u>
Net Assets	<u>(1,550.43)</u>	<u>—</u>
	2019-20	2018-19
	₹ Lakhs	₹ Lakhs
		Re-presented
2.43. EARNINGS PER SHARE		
Profit / (Loss) After Tax from continuing operations	(4,674.37)	(9,374.47)
Profit / (Loss) After Tax from discontinued operations	(5,201.06)	(8,011.53)
Profit / (Loss) After Tax for the year	(9,875.43)	(17,386.00)
Weighted Average No. of Shares Outstanding :		
- Basic & Diluted (Nos. in Lakhs)	947.97	947.97
Face Value per Equity Share (in ₹)	1.00	1.00
Basic & Diluted Earnings per share from continuing operations (in ₹)	(4.93)	(9.89)
Basic & Diluted Earnings per share from discontinued operations (in ₹)	(5.49)	(8.45)
Basic & Diluted Earnings per share from continuing and discontinued operations (in ₹)	(10.42)	(18.34)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.,)

2.44. 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.

2.45. PAYMENTS TO AUDITORS (EXCLUSIVE OF GST) :

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs Re-presented
For Audit	42.50	42.50
For Taxation Matters	16.05	17.75
For Certification and Others *	12.36	12.05
For Company Law Matters	—	4.00
Reimbursement of Expenses	2.31	1.25
	73.22	77.55

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

2.46. CONTINGENT LIABILITIES AND COMMITMENTS :

I. CONTINGENT LIABILITIES

In respect of Holding Company

a) On account of Pending Litigations

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
Sales Tax Matters (excluding Interest if any) (Of which ₹ 9.09 Lakhs has been paid under protest)	—	294.44
Excise, Service Tax and Customs Matters (excluding Interest and penalty if any) (Of which ₹ 87.76 Lakhs has been paid under protest)	1,281.44	1,113.96
	1,281.44	1,408.40

b) Labour related Matters

As at 31st March, 2020, the company has various labour related cases pending before various legal forums, amounting to ₹ 1,608 Lakhs.

c) Others

Letter of Credit	930.50	951.33
Guarantees	279.63	390.80
	1,210.13	1,342.13

II. COMMITMENTS

Estimated Value of contracts remaining to be executed on Capital account
- in respect of Holding Company

	327.72	1,538.65
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.47. SEGMENT REPORTING

The Group primarily operates in the automotive segment. The automotive segment includes manufacture and trading of automotive components. The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Group's performance, allocate resources based on the analysis of the various performance indicator of the Group as a single unit. Therefore, there is no reportable segment for the Group as per the requirement of Ind AS 108 'Operating Segments'.

Information about geographical revenue and non-current assets:

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

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs Re-presented
a) Revenue from Operations including other operating revenue		
Continuing operations		
Within India	1,14,716.19	1,33,243.36
Outside India	45,265.13	48,130.60
	<u>1,59,981.32</u>	<u>1,81,373.96</u>
Discontinued operations		
Within India	—	—
Outside India	11,611.58	10,576.73
	<u>11,611.58</u>	<u>10,576.73</u>
	31-3-2020	31-3-2019
	₹ Lakhs	₹ Lakhs (Not Re-stated)
b) Non-current assets		
Continuing operations		
Within India	77,585.21	76,960.62
Outside India	4,003.48	1,497.60
	<u>81,588.69</u>	<u>78,458.22</u>
Discontinued operations		
Within India	—	1,780.77
Outside India	—	12,137.40
	<u>—</u>	<u>13,918.17</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.48. FAIR VALUE MEASUREMENTS

i. Financial instruments by category

The carrying value of financial instruments by categories as at 31 March 2020 were as follows :

Particulars	Note No.	FVTPL	FVTOCI	Amortised cost	Cost / Amortised cost	Total Carrying value	Total Fair value
Financial Assets							
Investments	2.11	470.94	—	—	—	470.94	470.94
Trade receivables	2.12	—	—	19,601.85	19,601.85	19,601.85	19,601.85
Cash and cash equivalents	2.13	—	—	946.53	946.53	946.53	946.53
Other bank balances	2.14	—	—	3,474.08	3,474.08	3,474.08	3,474.08
Other Financial assets	2.8 & 2.15	—	—	654.69	654.69	654.69	654.69
Financial Liabilities							
Borrowings	2.21, 2.26 & 2.28	—	—	43,143.35	43,143.35	43,143.35	43,143.35
Trade payables	2.27	—	—	32,114.54	32,114.54	32,114.54	32,114.54
Other financial liabilities excluding Current Maturities of Long Term Debt	2.22 & 2.28	—	—	9,562.00	9,562.00	9,562.00	9,562.00

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

Particulars	Note No.	FVTPL	FVTOCI	Amortised cost	Cost / Amortised cost	Total Carrying value	Total Fair value
Financial Assets							
Investments	2.11	268.82	—	—	—	268.82	268.82
Trade receivables	2.12	—	—	19,478.73	19,478.73	19,478.73	19,478.73
Cash and cash equivalents	2.13	—	—	3,895.97	3,895.97	3,895.97	3,895.97
Other bank balances	2.14	—	—	1,956.64	1,956.64	1,956.64	1,956.64
Other Financial assets	2.8 & 2.15	—	—	677.82	677.82	677.82	677.82
Financial Liabilities							
Borrowings	2.21, 2.26 & 2.28	—	—	27,903.31	27,903.31	27,903.31	27,903.31
Trade payables	2.27	—	—	21,864.95	21,864.95	21,864.95	21,864.95
Other financial liabilities excluding Current Maturities of Long Term Debt	2.22 & 2.28	—	—	4,744.63	4,744.63	4,744.63	4,744.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)**FAIR VALUE MEASUREMENTS(Contd.,)**

ii. The management assessed that the fair value of cash and cash equivalents, trade receivables, loans, other financial assets, trade payables and other financial liabilities approximate the carrying amount largely due to short-term maturity of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

iii. Fair values hierarchy

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

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

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

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

Level 3 : Unobservable inputs for the asset or liability.

Given below are the fair values based on their hierarchy.

Particulars	Carrying Amount as on 31-3-2020	As at 31-3-2020			Carrying Amount as on 31-3-2019	As at 31-3-2019		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
		₹ Lakhs						
Financial Assets measured at Fair value through Profit and Loss	470.94	470.94	—	—	268.82	—	—	
Investments in Mutual Funds	470.94	470.94	—	—	268.82	—	—	
Financial Assets not measured at Fair value*								
Trade receivables	19,601.85	—	—	—	19,478.73	—	—	
Cash and cash equivalents	946.53	—	—	—	3,895.97	—	—	
Other bank balances	3,474.08	—	—	—	1,956.64	—	—	
Other Financial assets	654.69	—	—	—	677.82	—	—	
Financial Liabilities not measured at fair value*								
Borrowings								
- Current	19,312.99	—	—	—	18,205.51	—	—	
- Non-Current	23,830.36	—	—	—	9,697.80	—	—	
Trade payables	32,114.54	—	—	—	21,864.95	—	—	
Other financial liabilities excluding Current Maturities of Long Term Debt	9,562.00	—	—	—	4,744.63	—	—	

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

iv. Measurement of fair values:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

a. Credit risk

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

Credit risk management

Credit risk rating

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Classification of Financial Assets among Risk categories :

		₹ Lakhs	
Credit rating	Particulars	31-3-2020	31-3-2019
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	25,148.09	26,277.98
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			
31-3-2020	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	13,310.91	6,002.08	23,830.36	—	43,143.35
Trade payables	—	32,114.54	—	—	32,114.54
Other financial liabilities excluding Current Maturities of Long Term Debt	—	7,274.54	1,526.13	761.33	9,562.00
Total	13,310.91	45,391.16	25,356.49	761.33	84,819.89

		₹ Lakhs			
31-3-2019	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	16,451.43	1,754.08	9,697.80	—	27,903.31
Trade payables	—	21,864.95	—	—	21,864.95
Other financial liabilities excluding Current Maturities of Long Term Debt	—	4,744.63	—	—	4,744.63
Total	16,451.43	28,363.66	9,697.80	—	54,512.89

c. Interest rate risk

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)**FINANCIAL RISK MANAGEMENT (Contd.,)**

Below is the overall exposure of the borrowings :

Interest rate risk exposure		₹ Lakhs
Particulars	31-3-2020	31-3-2019
Fixed rate borrowing	—	—
Variable rate borrowing	43,143.35	27,903.31
Total	43,143.35	27,903.31

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	2019-20	2018-19
Interest rates – Increase / Decrease by 100 basis points	324.69	196.20

d. Financial currency risk

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,) Financial Currency Risk (Contd.,)

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

As at 31st March 2020										₹ Lakhs
Particulars	EURO	GBP	USD	CHF	JPY	INR	SGD	OTHER CURRENCIES		
Financial Assets	14,600.73	63.71	2,487.27	79.82	495.02	—	30.12	0.65		
Financial Liabilities	4,354.50	0.89	9,239.89	140.69	939.09	292.89	—	1.57		

As at 31st March 2019										₹ Lakhs
Particulars	EURO	GBP	USD	CHF	JPY	INR	SGD	OTHER CURRENCIES		
Financial Assets	684.72	50.21	2,779.64	83.51	603.09	7.94	72.59	0.98		
Financial Liabilities	114.44	0.06	4,067.22	121.02	1,152.87	238.52	—	1.91		

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.

	₹ Lakhs	
Particulars	31-3-2020	31-3-2019
Increase / Decrease by 1%	27.88	14.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.50. EMPLOYEE BENEFITS

In respect of Holding Company :

Defined contribution plan

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

₹ Lakhs

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	524.85	504.09
Employer's Contribution to Superannuation Fund	8.81	36.91

Particulars	2019-20	2018-19
Defined contribution plan contribution towards Key Managerial Personnel	19.07	21.17

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 Group makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

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

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

₹ Lakhs

Particulars	Gratuity (Funded)	
	2019-20	2018-19
i) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the year	3,007.44	2,984.47
Current Service Cost	217.24	180.20
Interest Cost	212.92	214.43
Remeasurements		
Effect of changes in demographic assumptions	—	—
Effect of changes in financial assumptions	(312.00)	23.60
Effect of experience adjustments	1.78	(91.54)
Benefits Paid	(314.21)	(303.72)
Transfer of obligation due to Transfer of Employees to Group Entities	153.27	—
Defined Benefit Obligation at year end	2,966.44	3,007.44
- Non-Current	2,851.69	2,826.47
- Current	114.75	180.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

₹ Lakhs

Particulars	Gratuity (Funded)	
	2019-20	2018-19
ii) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at beginning of year	2,998.45	3,070.55
Interest Income	222.85	229.71
Remeasurements :		
Return on plan assets (excluding interest income)	(15.14)	(20.15)
Employer Contribution	76.01	22.06
Benefits Paid	(314.21)	(303.72)
Fair value of Plan Assets at year end	2,967.96	2,998.45
iii) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	2,967.96	2,998.45
Present value of Obligation	2,966.44	3,007.44
Amount recognised in Balance Sheet - (Surplus / (Deficit))	1.52	(8.99)
- Non-Current	—	—
- Current	1.52	(8.99)
iv) Expenses recognised during the year		
In Income Statement		
Current Service Cost	217.24	180.20
Interest Cost	212.92	214.43
Return on Plan Assets	(222.85)	(229.71)
Net (Income) / Expense for the period recognised in Statement of Profit and Loss	207.31	164.92
In Other Comprehensive Income		
Remeasurement of net defined benefit liability		
Effect of changes in demographic assumptions	—	—
Effect of changes in financial assumptions	(312.00)	23.60
Effect of experience adjustments	1.78	(91.54)
Return on plan assets (excluding interest income)	15.14	20.15
Changes in asset ceiling (excluding interest income)	—	—
Net (Income) / Expense for the period recognised in OCI	(295.08)	(47.79)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

v) Investment Details

Particulars	31-3-2020		31-3-2019	
	₹ Lakhs	% invested	₹ Lakhs	% invested
GOI Securities	566.58	19.09	580.20	19.35
State Government Securities	1,512.77	50.97	1,679.73	56.02
NCD / Bonds	707.86	23.85	627.88	20.94
Others (including bank balances)	180.75	6.09	110.64	3.69
Total	2,967.96	100.00	2,998.45	100.00

vi) Actuarial assumptions

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Discount Rate (per annum)	6.84%	7.47%
Rate of escalation in Salary (per annum)	Uniform 8.00%	Uniform 10.00%
Attrition Rate	Uniform 4.00%	Uniform 4.00%
Retirement Age	58	58
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Disability	Nil	Nil

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

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

Particulars	Amount ₹ Lakhs
a) Expected contribution to the fund during the year ending March 31, 2021	128.98
b) Estimated benefit payments from the fund for the year ending March 31:	
Year 1	245.02
Year 2	236.75
Year 3	260.99
Year 4	225.79
Year 5	243.58
Next 5 years	1,087.15
Total	2,299.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

viii) Sensitivity Analysis

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

	₹ Lakhs	
Particulars	31-3-2020	31-3-2019
Discount rate +100 basis points	(224.44)	(223.58)
Discount rate -100 basis points	255.75	254.20
Salary Increase Rate +1%	235.55	230.91
Salary Increase Rate -1%	(211.34)	(207.87)
Attrition Rate +1%	(28.63)	(33.48)
Attrition Rate -1%	32.78	36.88

- ix) 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)	
	2019-20	2018-19
Expense towards defined benefit plan for Key Management Personnel	36.55	37.66

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

ix) In respect of Subsidiary :

PT Pricol Surya Indonesia		₹ Lakhs	
Particulars	2019-20	2018-19	
Funded Status :			
Present Value of Net Obligation	143.24	168.54	
Movement in the liability recognised in the statement of profit and Loss :			
Obligation at beginning period	168.54	177.18	
Beginning period adjustment due to Business Combination transaction	—	—	
Expense recognised during the year	10.78	38.21	
Actual benefit payment	(0.88)	(5.63)	
Amount recognised in Other Comprehensive Income ('OCI')	(25.56)	(41.22)	
On account of translation differences	(9.64)	—	
	143.24	168.54	
Details of Post Employment benefit expenses recognised in the Statement of comprehensive income :			
Current Service Cost	24.30	27.14	
Interest Cost	11.12	11.07	
Past Service Cost and (Gain) or Loss on Settlements	(24.64)	—	
	10.78	38.21	
Actuarial Assumptions :			
Discount Rate	8.50%	8.50%	
Annual Salary increase Rate	8.00%	10.00%	
Retirement age (year)	56	55	
Disability Rate	10.00%	10.00%	
Sensitivity Analysis		₹ Lakhs	
Particulars	31-3-2020	31-3-2019	
Discount rate +100 basis points	120.48	124.62	
Discount rate -100 basis points	144.55	155.83	
Salary Increase Rate +1%	144.42	155.33	
Salary Increase Rate -1%	120.40	124.74	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

In respect of Pricol Wiping Systems India Limited**Defined contribution plan**

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

Particulars	₹ Lakhs	
	2019-20	2018-19
Employer's Contribution to Provident Fund	12.71	14.20

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:

Particulars	₹ Lakhs	
	Gratuity (Funded)	
	2019-20	2018-19

i) Reconciliation of opening and closing balances of Defined Benefit Obligation

Defined Benefit Obligation at beginning of the year	31.22	24.08
Current Service Cost	3.96	5.09
Interest Cost	2.00	1.86
Remeasurements		
Effect of changes in demographic assumptions	(0.15)	(0.01)
Effect of changes in financial assumptions	(0.17)	0.05
Effect of experience adjustments	(1.22)	0.15
Benefits Paid	(10.55)	—
Defined Benefit Obligation at year end	25.09	31.22
- Non-Current	23.94	25.14
- Current	1.15	6.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

₹ Lakhs

Particulars	Gratuity (Funded)	
	2019-20	2018-19
ii) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at beginning of year	30.88	—
Interest Income	2.29	1.19
Remeasurements:		
Return on plan assets (excluding interest income)	(0.29)	(0.96)
Employer Contribution	6.40	30.65
Benefits Paid	(10.55)	—
Fair value of Plan Assets at year end	28.73	30.88
iii) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	28.73	30.88
Present value of Obligation	25.09	31.22
Amount recognised in Balance Sheet - (Surplus / (Deficit))	3.64	(0.34)
- Non-Current	—	—
- Current	3.64	(0.34)
iv) Expenses recognised during the year		
In Income Statement		
Current Service Cost	3.96	5.09
Interest Cost	(0.30)	0.67
Return on Plan Assets	—	—
Net (Income) / Expense for the period Recognised in Statement of Profit and Loss	3.66	5.76
In Other Comprehensive Income		
Remeasurement of net defined benefit liability		
Effect of changes in demographic assumptions	—	—
Effect of changes in financial assumptions	—	—
Effect of experience adjustments	(1.25)	1.15
Return on plan assets (excluding interest income)	—	—
Changes in asset ceiling (excluding interest income)	—	—
Net (Income) / Expense For the period Recognised in OCI	(1.25)	1.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

v) Actuarial assumptions

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Discount Rate (per annum)	6.84%	7.70%
Rate of escalation in Salary (per annum)	Uniform 5.00%	Uniform 6.00%
Attrition Rate	Uniform 4.00%	Uniform 5.00%
Retirement Age	58	58
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Disability	Nil	Nil

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

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

Particulars	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
a) Expected contribution to the fund during the year ending March 31, 2020 & March 31, 2019	3.14	8.79
b) Estimated benefit payments from the fund for the year ending March 31:		
Year 1	1.21	6.08
Year 2	1.33	1.48
Year 3	1.23	1.55
Year 4	3.24	1.69
Year 5	7.43	3.79
Next 5 years	5.90	12.63
Total	20.34	27.22

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 :

Particulars	₹ Lakhs	
	31-3-2020	31-3-2019
Discount rate +100 basis points	23.11	29.19
Discount rate -100 basis points	27.40	33.56
Salary Increase Rate +1%	27.29	33.42
Salary Increase Rate -1%	23.17	29.28
Attrition Rate +1%	25.28	31.41
Attrition Rate -1%	24.86	30.98

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.51. PROVISIONS

₹ Lakhs

Particulars	Non-Current Provisions			Current Provisions			Total Provisions
	Excise Demands	Potential Statutory Liabilities	Labour related Claims	Labour Settlement	Warranty related Claims	Total	
Balance as on 1-4-2018	691.58	431.45	582.39	261.72	306.95	568.67	2,274.09
Add : Addition	—	117.88	—	—	171.95	171.95	289.83
Less : Utilised / Reversed	92.69	—	4.99	—	306.95	306.95	404.63
Less : Re-classified as Liabilities associated with Discontinued Operations (Refer to Note No. 2.32.)	—	—	577.40	—	—	—	577.40
Balance as on 31-3-2019	598.89	549.33	—	261.72	171.95	433.67	1,581.89
Add : Addition	90.10	359.71	—	—	2,096.42	2,096.42	2,546.23
Less : Utilised / Reversed	473.82	101.04	—	—	1,862.02	1,862.02	2,436.88
Balance as on 31-3-2020	215.17	808.00	—	261.72	406.35	668.07	1,691.24

The holding company had opted for settlement of certain pending litigations pertaining to Central Excise & Service Tax under the "Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019". Necessary applications were filed in this regard against which the company has since received discharge certificates against the tax dues from the Designated committee. Consequently, the provision made in respect of the disputed liability (including interest) in earlier years amounting to ₹ 397.36 Lakhs has been derecognised and credited to Other Income.

2.52. NOTES ON TAXATION

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

₹ Lakhs

Particulars	31-3-2020	31-3-2019
Profit / (Loss) before Tax	(10,231.59)	(17,282.81)
Enacted tax rate in India	34.944%	34.944%
Income tax expense	(3,575.32)	(6,039.31)
Tax Effect on the following:		
- Weighted Deductions u/s 35(2AB) & 32AC(1A)	(289.06)	(252.98)
- Expenses not deductible in determining taxable profits	530.58	183.40
- Non-recognition of brought forward capital tax losses	—	(35.09)
- Current year losses for which no deferred tax asset was recognised	2,759.20	3,842.92
- Differences in tax rates in foreign jurisdictions	—	2,450.35
- Others	218.44	(46.10)
Tax Expense for the year	(356.16)	103.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

NOTES ON TAXATION (Contd.,)

Income tax recognised in other comprehensive income

	₹ Lakhs	
	31-3-2020	31-3-2019
Deferred tax		
Remeasurement of defined benefit obligation - (Expense) / Income	(104.42)	(26.85)
Total income tax recognised in OCI	(104.42)	(26.85)

b. Statement of Changes in Deferred tax assets / Liabilities

Particulars	Deferred Tax Liabilities		Deferred Tax Assets			Others	Net Charge in P&L and OCI
	On Fixed Assets and Others	On Disallowance under the Income Tax Act	On Unused Tax losses	On Other temporary differences			
At 1st April, 2018	7,134.35	993.02	—	114.36	—	—	
Recognised in Profit and Loss	460.00	412.39	139.30	(63.96)	7.20	(20.53)	
Recognised in OCI	—	(26.85)	—	—	—	26.85	
Pertains to discontinued operations	(617.18)	(26.78)	—	—	—	—	
At 31st March 2019	6,977.17	1,351.78	139.30	50.40	—	—	
Recognised in Profit and Loss	417.89	(295.32)	1,069.80	25.09	(1.97)	(383.65)	
Recognised in OCI	—	(104.42)	—	—	—	104.42	
At 31st March 2020	7,395.06	952.04	1,209.10	75.49	—	—	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.53. 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 gearing ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	₹ Lakhs	
	31-3-2020	31-3-2019
Borrowings (long-term and short-term, including current maturities of long term borrowings)	43,143.35	27,903.31
Less: Cash and cash equivalents	946.53	3,895.97
Less: Other Bank Balances (Balances with maturity more than 3 months)	3,121.37	1,956.64
Less: Margin Money against Borrowings	352.71	—
Net Debt	(A) 38,722.74	22,050.70
Equity Share Capital	947.97	947.97
Other Equity	38,791.59	48,993.08
Total Equity	(B) 39,739.56	49,941.05
Net Debt to Equity Ratio	(A) / (B) X 100	97.44%

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 year ended March 31, 2020 and March 31, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)**2.54. LEASES**

Effective 1st April, 2019, the Group has adopted Ind AS 116 “ Leases “ and applied the standard to all lease contracts existing as on that date using the modified retrospective method, wherein the Right of Use asset was created with corresponding lease liability. Accordingly, the comparatives have not been retrospectively adjusted.

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Movement of Lease Liability	₹ Lakhs
Particulars	31-3-2020
Opening Balance	1.09
Additions during the year	2,732.28
Repayments during the year	199.89
Closing Balance	2,533.48
Current	246.02
Non-Current	2,287.46

Maturity Analysis	
Within one year	246.02
1 - 5 years	1,526.13
More than five years	761.33

Effective Interest rate for the Lease Liabilities is **10.50%**

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

Particulars	₹ Lakhs
2019-20	
Depreciation expense of Right of Use Assets	414.80
Interest Expense on Lease Liabilities	278.06
Expense relating to Short Term Lease Liabilities	906.98
Expense relating to Lease of Low Value Assets	27.42
Income from Right of Use	2.49

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.55. INTEREST IN OTHER ENTITIES

The subsidiaries considered in the consolidated financial statements are set out below :

S. No.	Name of the entity	Country of Incorporation	Percentage of Ownership		Nature of Relationship	Method of Consolidation	Principal activities
			As at 31-3-2020	As at 31-3-2019			
1	PT Pricol Surya Indonesia	Indonesia	100%	100%	Subsidiary	Line by Line	
2	Pricol Asia Pte. Limited	Singapore	100%	100%	Subsidiary	Line by Line	
3	Pricol Espana S.L. #	Spain	100%	100%	Subsidiary	Line by Line	
4	Pricol Wiping Systems India Limited #	India	100%	100%	Subsidiary	Line by Line	Manufacture and sale of Automobile Accessories and Trading of Automobile Spares etc.,
5	Pricol do Brasil Componentes Automotivos Ltda#	Brazil	—	100%	Subsidiary of Pricol Espana S.L. (upto 11-Feb- 2020)	Line by Line	
6	Pricol Wiping Systems Mexico S.A. de C.V., #	Mexico	—	100%	Subsidiary of Pricol Espana S.L. (upto 11-Feb- 2020)	Line by Line	
7	PT Sripri Wiring Systems	Indonesia	100%	100%	Subsidiary of PT Pricol Surya Indonesia	Line by Line	
8	Pricol Wiping Systems Czech s.r.o. #	Czech Republic	100%	100%	Subsidiary of Pricol Espana S.L.	Line by Line	

Refer to Note No. 2.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)
2.56. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES

For the Financial year 2019-20

Sl. No.	Name of the entity	Net Assets		Share in Profit / (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As a % of consolidated Net Assets	Amount ₹ Lakhs	As a % of consolidated Profit/(Loss)	Amount ₹ Lakhs	As a % of consolidated OCI	Amount ₹ Lakhs	As a % of consolidated TCI	Amount ₹ Lakhs
	Parent								
1	Pricol Limited	112.26	44,614.57	169.50	16,738.38	38.58	191.97	180.53	16,930.35
	Subsidiaries - Indian								
1	Pricol Wiping Systems India Limited	2.19	870.49	(2.22)	(218.88)	0.25	1.24	(2.32)	(217.64)
	Subsidiaries - Foreign								
1	PT Pricol Surya Indonesia	4.14	1,644.48	0.08	8.86	(13.73)	(68.34)	(0.63)	(59.48)
2	Pricol Espana S.L.	0.17	66.74	(9.20)	(908.42)	114.66	570.58	(3.60)	(337.84)
3	Pricol Asia Pte. Limited	(10.78)	(4,284.61)	(195.06)	(19,263.03)	36.94	183.83	(203.45)	(19,079.20)
	Stepdown Subsidiaries - Foreign								
1	PT Sriptri Wiring Systems	0.08	30.57	0.18	17.82	—	—	0.19	17.82
2	Pricol do Brasil Componentes Automotivos Ltda	—	—	(16.55)	(1,634.59)	—	—	(17.43)	(1,634.59)
3	Pricol Wiping Systems Mexico S.A. de C.V.,	—	—	(36.11)	(3,566.46)	—	—	(38.03)	(3,566.46)
4	Pricol Wiping Systems Czech s.r.o.	(8.06)	(3,202.68)	(10.62)	(1,049.11)	(76.70)	(381.66)	(15.26)	(1,430.77)
	TOTAL	100.00	39,739.56	(100.00)	(9,875.43)	100.00	497.62	(100.00)	(9,377.81)

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 2018-19

Sl. No.	Name of the entity	Net Assets		Share in Profit / (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As a % of consolidated Net Assets	Amount ₹ Lakhs	As a % of consolidated Profit/(Loss)	Amount ₹ Lakhs	As a % of consolidated OCI	Amount ₹ Lakhs	As a % of consolidated TCI	Amount ₹ Lakhs
	Parent								
1	Pricol Limited	129.56	64,705.09	122.03	21,215.50	2.11	31.08	133.51	21,246.58
	Subsidiaries - Indian								
1	Pricol Wiping Systems India Limited	1.63	812.43	(2.66)	(462.04)	0.09	1.34	(2.89)	(460.70)
	Subsidiaries - Foreign								
1	PT Pricol Surya Indonesia	4.26	2,128.49	(1.61)	(279.79)	6.06	89.25	(1.20)	(190.54)
2	Pricol Espana S.L.	(27.08)	(13,523.87)	(8.17)	(1,420.27)	(34.23)	(503.98)	(12.09)	(1,924.25)
3	Pricol Asia Pte. Limited	(0.47)	(234.13)	(119.87)	(20,840.70)	8.33	122.60	(130.19)	(20,718.10)
	Stepdown Subsidiaries - Foreign								
1	PT Sripri Wiring Systems	(1.26)	(631.65)	(0.88)	(153.18)	—	—	(0.96)	(153.18)
2	Pricol do Brasil Componentes Automotivos Ltda	(12.11)	(6,045.91)	(40.13)	(6,976.20)	97.00	1,428.10	(34.86)	(5,548.10)
3	Pricol Wiping Systems Mexico S.A. de C.V.,	9.98	4,982.91	(5.95)	(1,035.32)	4.66	68.55	(6.08)	(966.77)
4	Pricol Wiping Systems Czech s.r.o.	(4.51)	(2,252.31)	(42.76)	(7,434.00)	15.98	235.32	(45.24)	(7,198.68)
	TOTAL	100.00	49,941.05	(100.00)	(17,386.00)	100.00	1,472.26	(100.00)	(15,913.74)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.57. SIGNIFICANT MATTERS STATED IN THE FINANCIAL STATEMENT OF SUBSIDIARIES

The Component Auditors of Pricol Wiping Systems India Limited, has given a modified / qualified opinion with respect to valuation of inventories. The relevant note is reproduced below :

The Company's carrying value of Finished Goods (FG) and Work-in-Progress (WIP) inventories as at 31st March 2020 is ₹ 74.62 Lakhs. The valuation of FG and WIP does not include the updated cost of raw material, cost of conversion of inventories directly related to the production and allocation of fixed and variable production overheads that are incurred in converting raw materials into FG and WIP. This constitutes a departure from the Indian Accounting Standard – 2 "Inventories" which could potentially result in misstatements in the Company's consumption and inventory balances.

The subsidiary is not material to the group and the above qualification would not have a material impact on the consolidated financial statements of the Group.

2.58. MATERIAL UNCERTAINTY RELATING TO GOING CONCERN :

The Component Auditors have, without qualifying / modifying their opinion, have drawn attention in their respective audit reports in relation to going concern which is reproduced below:

a. PRICOL WIPING SYSTEMS INDIA LIMITED

The Company has incurred a Net Loss (including Other Comprehensive Income) of ₹ 323.73 Lakhs during the year ended 31st March 2020, and as on that date, the Company's current liabilities exceeds its current assets by ₹ 1,212.07 Lakhs. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

b. PRICOLESPANA S.L. SPAIN

The Company has a negative equity of EURO 8.10 Million as of 31st March 2020, for which reason, it would be an event of dissolution as per Article 363 of the 'Consolidated Text of the Capital Companies Law'. On June 2020, the sole partner decided to transform a Loan of EURO 13.95 Million into a participative loan. In accordance with the current regulations, when assessing the possible cause of dissolution, participative loans are understood as an integral part of the company's own funds, thereby avoiding the legal cause of dissolution.

c. PRICOL WIPING SYSTEMS CZECH s.r.o, CZECH REPUBLIC

The auditors of Pricol Espana, in their audit report has described the situation of the investment in the subsidiary, Pricol Wiping Systems Czech, presenting negative equity. As of 31st March 2020, Pricol Espana has not recorded any impairment on the investment, pending the viability plan that allows the company to balance its networth, which indicates the existence of a material uncertainty that may raise significant doubts about the capacity of the company to continue as a going concern given the impact of such investment on its assets.

d. PT SRIPRI WIRING SYSTEMS, INDONESIA

The financial statements show an equity deficiency amounting to IDR 1,60,678.02 Lakhs. The company's management has responded that the shareholder has committed to support and maintain the company, by setting strategic plans for its going concern and undertaken measures to overcome such condition. They believe that the company would continue its normal operation.

In relation to the above subsidiaries, the parent company is evaluating various options and alternatives for revival of business including disposal of certain subsidiaries. Further, the parent / ultimate holding company assured the subsidiaries for continued financial support.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.59. The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally which has resulted in significant reduction in economic activities and also the business operations of the Group in terms of sales and production. As per current assessment there is no significant impact on carrying amounts of inventories, trade receivables, investments and other financial assets except to the extent for which impairment loss has been provided for. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on date of the approval of the consolidated financial statements.

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

2.61. As explained in Note No. 2.42, the figures of current year are strictly not comparable with those of previous year.

2.62. All figures are in Lakhs unless otherwise stated.

2.63. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

The Board of Directors at its meeting held on 29th July 2020 have approved the disposal of its Wholly Owned Subsidiary Pricol Espana along with its subsidiary PWS Czech for a consideration of Euro 50,000 net of all liabilities taken over by the buyer. The draft Share Purchase Agreement for the said disposal has been approved by the Board. No adjustment is considered necessary in the consolidated financial statements in relation to the disposal of the subsidiary for the year ended 31st March 2020.

2.64. RELATED PARTY DISCLOSURE AS PER INDIAN ACCOUNTING STANDARD 24

(i) Names of related parties and description of relationship:

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

- | | | |
|---|---|--|
| (a) Partnership firms under common control | : | Bhavani Global Enterprises, Libra Industries. |
| (b) Private Companies | : | Pricol Gourmet Private Limited, Pricol Travel Private Limited, Pricol Logistics Private Limited, VM International Pte. Limited, Infusion Hospitality Private Limited. |
| (c) Public Companies | : | Pricol Holdings Limited, PPL Enterprises Limited, Pricol Properties Limited, Pricol Engineering Industries Limited, Pricol Corporate Services Limited, Target Manpower Services Limited, Pricol Retreats Limited, Prinfra Limited. |
| (d) Trusts under common control | : | N D Foundation, Siruthuli. |
| (e) Key Management Personnel | : | Mrs. Vanitha Mohan - (Chairman - Executive Director)
Mr. Vikram Mohan - (Managing Director - Executive Director)
Mr. R. Vidhya Shankar - (Non Executive Director)
Mr. Suresh Jagannathan - (Non Executive Director)
Mrs. Sriya Chari - (Non Executive Director)
Mr. S.K. Sundararaman - (Non Executive Director)
Mr. K. Ilango - (Non Executive Director) - from 15th June 2019
Mr. P. Shanmugasundaram - (Non Executive Director)
- from 15th June 2019
Mr. Balaji Chinnappan - (Chief Operating Officer - Executive Director)
- from 15th June 2019
Mr. G. Soundararajan - (Non Executive Director) - upto 31st July 2019
Mr. G. Sundararaman - (President) - upto 30th April 2018 |