



# ANNUAL REPORT 2016



**PRICOL LIMITED**  
*Passion to Excel*

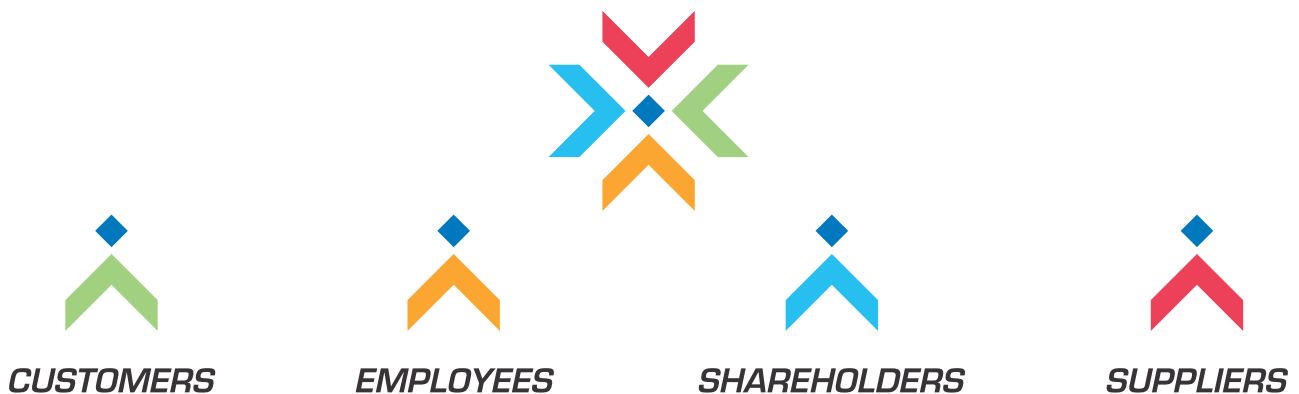
## THE EVOLUTION

Over the years, Pricol has grown and evolved into a global player with a dominant market presence in the automotive component and product business. Constantly progressing, we deliver innovative technological solutions and precision engineered products which propel the automobile industry.

Signifying this evolution, we present to you our new logo and a brand new visual identity that reflects our core values as an organisation, our evolution into a global player and our vision of moving forward. The new identity represents progression, the coming together of four equally balanced stakeholders in the form of futuristic arrow heads. The unit created by this formation is dynamic and unrestricted for development. It is stable, consistent and reflects the amalgamation of our resources with the company's vision, mission and core values. The logo is composed of a colour palette which signifies the synergy between the Pricol Group and its stakeholders.

Underlining the new identity, a new mission has been unveiled that would propel Pricol Group into global avenues of progress. The new mission defines a list of aspirations which would translate into tangible results, driving the vision of the company forward.

### STAKEHOLDERS



Our logo represents the synergistic relationship between the four stakeholders working in a convergent manner in order to create value for each other.

### CORPORATE VISION

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

### CORPORATE MISSION

- Be **Dynamic**: Constantly innovate and find better ways to deliver value to our customers
- Constantly **Evolve**: Improve in every sphere of our activity
- Work **Passionately**: To enhance value to our customers, employees, suppliers and shareholders
- Be **Sustainable**: Care for the society and environment around us

### CORE VALUES

#### **P**ASSION

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

#### **R**ESPECT

We respect those who add value to our lives

#### **I**NTEGRITY

We never compromise on our values

#### **C**OLLABORATION

We believe in working towards a unified goal

#### **O**WNSHIP

We take responsibility for all our actions

#### **L**ISTEN

We listen to both the spoken and unspoken before we act

# SERVING THE GLOBAL AUTOMOTIVE MARKET



2 Wheelers

3 Wheelers

Cars and Vans

Tractors



Commercial Vehicles



Off-Road Vehicles



Industrial

With a Wide Range of Products

## DRIVER INFORMATION SYSTEMS & SENSORS

## ASSET MANAGEMENT SOLUTIONS



Instrument Clusters (Mechanical, Digital & TFT)  
 Fuel Level Sensors (Reed Type, TFR, Capacitance & Ultrasonic)  
 Speed Sensor (Contact & Non-contact) | Temperature Sensor  
 CAM Sensor | Crank Sensor | Pressure Sensors



Asset Tracking and Monitoring System  
 Cab Tilting System | Centralized Lubrication System  
 Digital Fare Metre | Speed Governors

## TELEMATICS, BODY CONTROL & SECURITY SOLUTIONS

## PUMPS & MECHANICAL PRODUCTS



Telematics Control Unit | Body Control Modules  
 Display & Infotainment | Park Assist System



Oil Pumps | Water Pumps | Chain Tensioner  
 Auto Fuel Cock | Auto Decompression Unit | Fuel Feed Pumps  
 Fuel Pump Modules | Pressure Relief Valves  
 Idle Speed Control Valves | Vacuum Switching Valves

7 vehicle segments, 4 product categories and 45 countries

PASSIONATE > SUSTAINABLE > DYNAMIC > EVOLVING >

## NEW INVESTMENTS THIS YEAR



*NEW PLANT V - PUNE - UNDER CONSTRUCTION - TO BE INAUGURATED IN AUGUST 2016*

### SMD MACHINES (SURFACE MOUNTING DEVICE) *PLANT 1 - COIMBATORE*

Automated SMD Mounters, Printers & Robotic Machines which are being used to place surface-mount devices (SMD) onto Printed Circuit Board for Electronic Clusters. They are used for high speed, high precision placing of broad range of electronic components, like capacitors, resistors, integrated circuits onto the PCBs



### SLD ASSEMBLY LINE *PLANT 1 - COIMBATORE*



Enhanced assembly lines for processing electronic control units of speed limiting device with separate assembly lines for motor assembly and sensor assemblies.

## NEW INVESTMENTS THIS YEAR

### DURR WASHING MACHINE PLANT 3 - COIMBATORE



Evolving from manual to automatic washing process for Oil and Water pumps. Cleaning and drying process in a vacuum-proof work chamber. Increased efficiency, improved speeds and low human intervention.

### MACHINING CENTERS PLANT 3 - COIMBATORE

Automated machines which are being used for machining and trimming of Oil and Water pumps delivering high productivity and quality output.



### END OF LINE TESTERS PLANT 1 - COIMBATORE



36 Vision based testing machines which replaces manual inspection with automated inspection. Reducing human inaccuracy and thus increasing quality

## *NEW INVESTMENTS THIS YEAR*

---

### NEW NO FAULT FORWARDING PRODUCTION LINES

*PLANT 1, COIMBATORE*



New automated assembly and transfer lines which facilitates highest quality, consistency and embraces 'No Fault Forward' principles at all stages of component and sub-assembly.

### HiL LAB MACHINE

*PLANT 1 - COIMBATORE*



Hardware-in-the-Loop (HiL) testing systems is an essential contribution to quality assurance during the early phases of Electronic Control Unit ( ECU ) development. By simulating the model components they facilitate the testing of the functions or diagnostic behaviour of ECUs in the laboratory.

## *SOME OF OUR NEW BUSINESSES*

### JCB - LIVE LINK

Live Link is an innovative advanced telematics solution developed by Pricol which has enabled JCB, to offer better after sales support and vehicle management solutions, to all business stake holders.

The device is compatible with 32 JCB vehicle variants.

Compatible with both 12V and 24V vehicles.

First telematics product with CAN (J1939) interface.

First time 6 layer PCB board developed in Pricol, using 32 bit microcontroller.

First product with IP69K enclosure.

First Telematics product that crossed the 10000 mark.



### JOHN DEERE - TELEMATICS DEVICE

Globally Certified replicable GPRS/3 G Modem.

GPS/GLONASS Receiver.

CAN/Controlled High side output.

Internal Battery/8 Hours Back up/<3mA Sleep Current.

Internal GPRS antenna/Internal and External GPS antenna.

Temper detection:External GPS antenna & SIM card alter

IP 67 Enclosure.

Live Mode/Back log Mode/Beacon Mode.

Integrated accelerometer/Temperature sensor.



### RENAULT NISSAN KWID - PUMPS & SENSOR



Fuel Level Sensor

Oil Pump

Water Pump

## *SOME OF OUR NEW BUSINESSES*

### *BAJAJ - AVENGER*

Customer: Bajaj  
Model: Avenger  
Market: India/International  
Product Details: Stepper Motor Driven Speedometer.



### *FORCE - TRAX*

Customer: Force Motor Limited  
Model: Trax – Commercial Vehicle  
Market: India  
Product Details: Stepper Motor Driven Speedometer, Tachometer.

### *ROYAL ENFIELD - HIMALAYAN*

Customer: Royal Enfield  
Model: Himalayan  
Market: India/International  
Product Details: Stepper Motor Driven Speedometer, Tachometer And Fuel Gauge.



### *SML ISUZU*

Customer: SML Isuzu  
Model: WC29 – Commercial Vehicle  
Market: India  
Product Details: Stepper Motor Driven Speedometer, Tachometer And Fuel Gauge.



## CSR INITIATIVES

Corporate Social Responsibility is a way of life at Pricol, than just a statutory obligation. With Pricol's long standing commitment to service to the society, we are determined to develop a better environment and society around us.



### Water Purifiers & AMC

Water purifiers with UV and Ozone technology were distributed to 10 rural government schools and 2 primary health centers under this project. These machines were provided with four years of free AMC.

### Construction of Ladies Toilet at Government Schools

Creating sanitation facility for girls in three identified rural government schools in Periyanaickenpalayam, Veerapandi and Rakipalayam villages in and around Coimbatore, India.

### Tree Park Construction

Converted three empty reserve sights at Veerapandi village in Coimbatore, India, as tree parks and maintaining the same.

### Contribution to Wild Life SOS

Financial support to Wildlife SOS.

### Flood Relief - Cuddalore

Three Truckloads of relief materials were distributed in Cuddalore to over 4000 families in five badly inundated villages. The relief hamper consisted of two sets of new clothes and undergarments for each family member, one bed sheet, one Jammakalam and sanitary pads. Besides these, medicines and water were also distributed.



**BOARD OF DIRECTORS**

**Mr. Vijay Mohan**, Chairman  
**Mrs. Vanitha Mohan**, Vice Chairman  
**Mr. Vikram Mohan**, Managing Director  
**Mr. D. Sarath Chandran** (Upto 27th May, 2016)  
**Mr. C.R. Swaminathan**  
**Mr. K. Murali Mohan**  
**Mr. Suresh Jagannathan**  
**Mr. R. Vidhya Shankar**  
**Mr. G. Soundararajan**  
**Mrs. Sriya Chari** (From 27th May, 2016)

**CHIEF FINANCIAL OFFICER**

**Mr. S. Shrinivasan**

**COMPANY SECRETARY**

**Mr. T.G. Thamizhanban**

**AUDITORS**

**M/s. Haribhakti & Co. LLP**  
 Chartered Accountants, Coimbatore

**BANKERS**

State Bank of India	Axis Bank Limited
HDFC Bank Limited	ICICI Bank Limited
Bank of Bahrain and Kuwait B.S.C.	

**REGISTERED OFFICE**

CPM Towers,  
 109, Race Course,  
 Coimbatore - 641 018, India.  
 Ph : +91 422 4336000 Fax : +91 422 4336299  
 E-mail : [cs@pricol.co.in](mailto:cs@pricol.co.in) Website : [www.pricol.com](http://www.pricol.com)  
 CIN : L33129TZ1972PLC000641

**FACTORIES**

<b>PLANT I</b> 132, Mettupalayam Road, Perianaickenpalayam, Coimbatore - 641 020, India.	<b>PLANT II</b> Plot No.34 & 35, Sector 4, IMT Manesar, Gurgaon - 122 050, India.
---	--

<b>PLANT III</b> 4/558, Mettupalayam Road, Chinnamathampalayam, Bililichi Village, Press Colony Post, Coimbatore - 641 019, India.	<b>PLANT V</b> Survey No.1065 & 1066, Urawade Road, Pirangut, Taluk Mulshi, Pune - 412 108, India.
---	--

<b>PLANT VI</b> Plot No.11, Sector 10, Integrated Industrial Estate, Pantnagar, SIDCUL, Rudrapur - 263 153, India.	<b>PLANT VII</b> Plot No.45, Sector 11, Integrated Industrial Estate, Pantnagar, SIDCUL, Rudrapur - 263 153, India.
--	---

<b>CONTENTS</b>	<b>PAGE</b>
Directors' Report & Management Analysis	2
Report on Corporate Governance	25
Independent Auditors' Report	37
Balance Sheet	42
Statement of Profit & Loss	43
Cash Flow Statement	44
Notes to Financial Statements	45
Consolidated Financial Statements	63

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Your Directors have pleasure in presenting the Forty Fourth Annual Report and audited accounts for the financial year ended 31st March, 2016.

### FINANCIAL RESULTS

The summarised financial results are:

	₹ Million	
	2015-16	2014-15
Net Sales & Services		
- Domestic	9,799.203	7,842.345
- Export	1,005.282	1,162.545
Total	<b>10,804.485</b>	9,004.890
Profit from Operations before Finance Cost, Depreciation and Amortisation Expense & Exceptional Items	1,136.535	252.896
Less : Finance Costs	93.119	78.900
: Depreciation & Amortisation Expense	341.737	352.545
Profit / (Loss) from Operations before Exceptional Items and Tax	701.679	(178.549)
Less : Exceptional Items	100.162	46.768
<b>Profit / (Loss) Before Tax</b>	<b>601.517</b>	<b>(225.317)</b>
Less : Tax Expense		
Current Tax	165.540	12.903
Deferred Tax	(24.000)	(48.378)
MAT Credit	-	(12.903)
For earlier years	28.003	3.033
<b>Profit / (Loss) for the year</b>	<b>431.974</b>	<b>(179.972)</b>
Add : Surplus – Opening	472.382	699.911
Less : Loss on Amalgamation	-	11.393
Adjustment relating to Depreciation as per Transitional Provision	-	36.164
<b>Amount available for appropriation</b>	<b>904.356</b>	<b>472.382</b>

### DIVIDEND

Your Directors recommend a dividend of ₹ 1/- per share of ₹ 1/- face value for the year ended 31st March 2016 and the total dividend payout is ₹ 114.095 Million including dividend distribution tax.

### APPROPRIATION

	2015-16	2014-15
Dividend (₹ 1/- per share of ₹ 1/- face value) (Previous year- Nil)	94.797	-
Tax on Dividend	19.298	-
Surplus to be carried over	790.261	472.382
<b>Total</b>	<b>904.356</b>	<b>472.382</b>

### AUTO INDUSTRY

During the year, the Auto Industry domestic market grew by 3.78% and exports by 1.91%. The overall growth was 3.49% as against 8.32% in the previous financial year.

The performance as per Society of Indian Automobile Manufacturers (SIAM) is :

Category	Vehicles Sold		Growth
	2015-16	2014-15	2015-16
	In numbers		%
Passenger Car / Utility Vehicle	3,262,917	3,048,978	7.02
Vans	180,650	173,599	4.06
Medium & Heavy Commercial Vehicle	337,565	263,407	28.15
Light Commercial Vehicle	449,828	438,480	2.59
Motor cycles / Scooters / Mopeds	18,937,104	18,433,027	2.73
Three Wheelers	942,533	940,226	0.25
<b>Total</b>	<b>24,110,597</b>	<b>23,297,717</b>	<b>3.49</b>

### OPERATIONS

For the financial year 2015-16, our Company's domestic sales increased to ₹ 9,799.203 Million from ₹ 7,842.345 Million, a growth of 25%, despite a growth of only 3.49% by the auto industry. The growth is on account of successful new launches during the festive season in two wheeler segment & growth in M&HCV segment, where Pricol is supplying the Speed Limiters. New legislation mandated all new Commercial Vehicles to be fitted with Speed Limiters effective 1st October, 2015. Pricol is the only approved source by ARAI for all OEM fitments.

Our export sales decreased by 13.53% to ₹ 1,005.282 Million from ₹ 1,162.545 Million. There was a steep production drop in two wheelers of our Overseas OEM

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

Customers Kawasaki Thailand / Indonesia and Piaggio Italy. In addition, there was a drop in the export sales to Europe since the economy there is yet to fully recover.

The overall sales of the Company increased by 20% to ₹ 10,804.485 Million from ₹ 9,004.890 Million.

The company was able to achieve profit before tax after exceptional items of ₹ 601.517 Million against loss of ₹ 225.317 Million incurred during the previous year. This was achieved by several operational improvements and cost reduction measures.

For the ensuing year 2016-17, the Company's business is expected to grow higher than the market, mainly due to new business generated. The company has embarked upon further improving operational efficiency, efforts to control cost and expects to improve profits for the year 2016-17.

### SUBSIDIARY COMPANIES

#### PT Pricol Surya Indonesia

The Company's customers are 2 Wheeler manufacturers to whom Instrument Clusters are supplied.

In the financial year 2015-16 the company has achieved a sales of Indonesian Rupiah 172,406 Million (₹ 848.236 Million) as against the previous year sales of Indonesian Rupiah 190,739 Million (₹ 964.183 Million) a decrease of 9.61% in Indonesian Rupiah. The sales drop in INR terms was 12% mainly due depreciation of Indonesian Rupiah.

This fall in sales is mainly due to the drop in sales of two wheelers in Indonesia market. Even though there is steep fall in sales the company due to their cost control measures was able to contain its losses to ₹ 28.571 Million as against the previous year loss of ₹ 118.862 Million.

The outlook for the year 2016-17 is good as seen from the order inflow from customers. Efforts are being made to add new products in the current year and the company has received enquiries for new clusters and oil pumps. Coupled with various cost cutting measures the company is confident of making profits in 2016-17, if the market continues to grow and the economic condition of the country remains stable.

#### Pricol Asia Pte Limited, Singapore

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

In the financial year 2015-16, the Company achieved sales of ₹ 1,236.453 Million as against the previous year sales of ₹ 1,043.079 Million. The company made a profit of ₹ 21.808 Million during the year 2015 - 16 as against ₹ 10.257 Million in 2014 - 15.

#### Pricol Espana Sociedad Limitada, Spain

It is an investment arm of Pricol to acquire companies in Europe and America. During the financial year, the company has incurred a loss of ₹ 2.964 Million mainly due to bank charges. It is a one time charge. Its income mainly from interest from Pricol do Brasil stood at ₹ 10.371 Million.

#### Pricol do Brasil Componentes Automotivos Ltda, Brazil

Pricol do Brasil Componentes Automotivos Ltda (PdB) serves wide range of Domestic and International customers such as Volkswagen, Fiat, Fiat Powertrain, General Motors, Harley Davidson, Mack Trucks etc. PdB has a strong backward integrated facility with diverse manufacturing capabilities (Die Casting, Machining and Assembly) and extensive Testing and Validation facilities to provide end to end solution and add value to the Customer.

R&D capabilities are another strong area of PdB and several new programs are on the 1st stage of development, such as :- Electric Coolant Pump, Electric Vacuum Pump, Electric Coolant Valve, Variable Flow Oil Pump, Variable Flow Water Pump, Solenoid Valve and Electric Oil Pump.

During the financial year 2015-16, the country went through a political crisis and the economy ended up in de-growth of 5.9% and industrial production had a de-growth of 9.8%. Automotive industry had a dip of 25.6%, which had seriously affected PdB's sales growth in Brazil. The sales went down from previous year BRL 79.454 Million (₹ 1,711 Million) to BRL 69.060 Million (₹ 1,303 Million) a drop of 13.08% (Pricol took over the Company in January 2015). In the current year PdB embarked upon severance of excess employees and

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

reduced manpower by 68 employees. This has resulted in net increase of employee cost after considering the cost savings in employee cost due to reduction in manpower to the tune of BRL 2.616 Million (₹ 50 Million). During the year, the company has ended with a loss of BRL 24.361 Million (₹ 459.682 Million).

Outlook for the financial year 2016-17 is again a drop of around 15% in the automotive industry which will have an impact on Auto ancillaries.

PdB is working on various cost reduction initiatives such as materials and employee costs, together with sales improvement plans (Increasing the share of business with current major OEM's – GM, Fiat & Volkswagen), price increase from customers, tapping the aftermarket business in Brazil, USA and Europe, to catch up the drop in OE market sales. New products sales for export and aftermarket sales will be the focus areas for PdB. As a result, business in more diversified markets and product variety should support for PdB's growth in the future.

### **Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited)**

On 22nd January, 2016 the company sold its 100% shareholding of its Wholly Owned Subsidiary Company, M/s. Coimbatore Metal Works Limited for a consideration of ₹ 47.488 Million excluding bank liability of ₹ 82.512 Million which has been taken over by the buyer.

### **Integral Investments Limited**

A Wholly Owned Subsidiary made a profit of ₹ 0.251 Million during the financial year 2015-16.

The parent company, Pricol Limited proposed to sell its 100% shareholding in the Company and identified a prospective buyer. The Company had obtained approval of Reserve Bank of India (RBI) for the proposed sale since it is a Non-Banking Financial Company (Non Deposit Taking). The sale is expected to be completed by July 2016.

### **Pricol Pune Limited (Formerly, Johnson Controls Pricol Private Limited)**

Consequent to change in status (Private Limited to Public Limited) and name of the Company, presently it is known as Pricol Pune Limited. The face value of the equity shares of the company had been sub-divided from ₹ 10/- each to ₹ 1/- each.

The Wholly Owned Subsidiary Company supplies Instrument Clusters to 2 Wheelers by Bajaj Auto in the Western Region and Personal Passenger Car and Utility Vehicles manufactured by Renault Nissan, Tata Motors, Mahindra & Mahindra, General Motors India and FIAT India.

The sales increased from ₹ 967.708 Million to ₹ 1,216.415 Million due to better market conditions as well as sales to Kwid model of Renault. The company made an operational profit before exceptional item of ₹ 68.394 Million as against the previous year loss of ₹ 66.901 Million before amortisation of goodwill of ₹ 60.169 Million.

Consequent to purchase of 50% shareholding held by Johnson Controls Enterprises Limited, UK by Pricol Limited, the company sold its Renault lines to Visteon Technical and Service Center Private Limited towards goodwill and transfer of technology in relation to products manufactured for Renault Nissan for a profit of ₹ 82.500 Million.

The company made a net profit of ₹ 89.425 Million during the financial year 2015-16 against the net loss of ₹ 127.070 Million.

### **AMALGAMATION**

On 27th January, 2016, the Board approved the amalgamation of Pricol Limited (Pricol) with its Wholly Owned Subsidiary Company, Pricol Pune Limited (Pricol Pune), an auto component Company, w.e.f. 1st April, 2015 ("Appointed Date") by way of Scheme of Amalgamation, subject to all relevant approvals.

By integrating the related auto component businesses of Pricol and Pricol Pune, the Company would be in a position to offer a wider portfolio of products and services to its customers. The amalgamation would provide a high level of synergistic integration of operations, better operational management and provide value addition to existing and future orders of both the companies by integrating the respective technical, financial and other expertise and resources.

As part of the proposed Amalgamation, all assets (including intangible assets not recorded by Pricol) and liabilities of Pricol as on the Appointed Date shall stand

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

transferred to and vested with Pricol Pune. By amalgamation of Pricol into Pricol Pune, the combined entity would be able to reflect the true net-worth in the financial statements (as all assets, tangible and intangible, including those not recorded in the books of Pricol would be recorded in the books of Pricol Pune at their respective fair values). This would enable greater realisation of potential of the businesses of both the companies and result in enhanced value creation for the Company, their shareholders, lenders and employees.

Upon amalgamation, Pricol will cease to exist and as consideration equity shareholders of Pricol shall receive equity shares of Pricol Pune in the ratio of 1:1. Pursuant to amalgamation, equity shares of Pricol Pune held by Pricol shall be cancelled. Pursuant to Amalgamation, the shareholding of Pricol Pune shall be the mirror image of Pricol's shareholding pattern. The name of "Pricol Pune Limited" will be changed to "Pricol Limited."

The Company had filed the Draft Scheme with BSE Limited (Designate Stock Exchange) and National Stock Exchange of India Limited as per SEBI circulars, for their 'No-objection' to the Draft Scheme. The Stock Exchanges had given their 'No-objection' to the draft scheme. Secured creditors of the company had given their no objection for the amalgamation.

The Company had filed necessary applications with Honourable High Court of Madras for getting their approval. As directed by the Honourable High Court, the company had already forwarded Notice to the shareholders to get their approval through postal ballot / e-voting by way of special resolution.

### **OUTLOOK, OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS**

The growth recorded in automotive industry was almost flat at 1.8% for the first half of 2015-16. This trend got reversed starting from 3rd quarter through the 4th quarter of the year on account of successful new launches.

The momentum picked up in two wheeler segment especially Scooters and M&HCVs during 3rd and 4th quarter to continue in 2016-17, according to SIAM reports. The overall industry growth in 2016-17 will be

led by Scooter segment (17-19%) followed by M&HCV (12-15%). The advancement of sales due to implementation of BS-IV on Pan India basis effective 1st April, 2017 will also result in higher growth in Auto industry.

Key concerns for auto industry in 2016-17 will be increase in vehicle cost due to the new Infrastructure Cess announced in the recent budget and firming up of steel prices.

Pricol being market leader in Speed Limiting Devices hopes to benefit from the recent notifications in some of the States on retro-fitting of speed limiters in used commercial vehicles.

Pricol is expected to outgrow the auto industry on account of large basket of products that serve different segments within the industry.

### **RISK MANAGEMENT**

The Company has adopted a Risk Management Policy, for identifying and managing risk, at the strategic, operational and tactical level. The Risk Management policy has been placed on the website of the Company and the web link there to is <http://www.pricol.com/Risk-Management-Policy.pdf>. Our risk management practices are designed to be responsive to the ever changing Industry dynamics.

At present the Company has not identified any element of risk which may threaten the existence of the Company.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

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

### FINANCE

During the year the Company has not accepted / renewed any fixed deposit from public. The total deposits remained unpaid or unclaimed as at 31st March, 2016 is Nil. There is no default in repayment of deposits or payment of interest thereon during the year.

The Company undertook several steps to keep a control over borrowings and cost of borrowings.

ICRA has reaffirmed the credit rating of "A-" for Long term fund based facilities and "A2+" for short term fund based & non fund based facilities.

The particulars of Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013 are given in Note No. 2.50 to the Financial Statements.

### RELATED PARTY TRANSACTIONS

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

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

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

### DIRECTORS

As per the provisions of Section 149 of the Companies Act, 2013, Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Directors retirement policy at the age of 70, the Members of the Company had at the AGM held on 8th August 2014, re-appointed the independent directors as mentioned below:

Name of Independent Director	Period of Appointment
Mr. C.R.Swaminathan	Upto 28th February 2018
Mr. K.Murali Mohan	Upto 31st March 2018
Mr. Suresh Jagannathan	Upto 31st July 2019
Mr. R.Vidhya Shankar	Upto 31st July 2019
Mr. G.Soundararajan	Upto 31st July 2019

Mrs. Sriya Chari (DIN: 07383240) was appointed as an Additional (Independent) Director of the Company by the Board of Directors at its meeting held on 27th May 2016 and whose term of office expires at this Annual General Meeting ('AGM'). The Board recommends the appointment of Mrs. Sriya Chari as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 27th May 2016 to 26th May 2021.

All Independent Directors have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

None of the Directors of the Company have resigned during the year.

Mr. Vijay Mohan and Mrs. Vanitha Mohan who are Non-Independent Director's retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

In line with the Company's Directors retirement policy at the completion of age 70, Mr. D.Sarath Chandran retires from the Board, with effect from 27th May 2016. The Board places on record its warm appreciation for the contributions rendered by him from 1980 when he first came on to the Board of the Directors of our Company.

### EVALUATION BY THE BOARD

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

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

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

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

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

### KEY MANAGERIAL PERSONNEL

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

Mr. J. Sridhar, Chief Financial Officer of the Company has retired from the services of the Company with effect from 31st August 2015 on attaining Superannuation. The Board placed its appreciation for the services rendered by Mr. J. Sridhar during his tenure as Chief Financial Officer of the Company.

### STATUTORY AUDITORS

M/s. Haribhakti & Co. LLP the Statutory Auditors of the Company was re-appointed as Statutory Auditors of the Company, for the second term of 5 consecutive years, to hold office from the conclusion of the 43rd AGM held in the year 2015 to the conclusion of the fifth consecutive AGM to be held in the year 2020 (subject to ratification of the appointment by the members at every AGM held after the ensuing AGM).

M/s. Haribhakti & Co. LLP are eligible for ratification of appointment and have confirmed that their appointment, if approved, will be in compliance with Section 141 of the Companies Act, 2013.

Your Board recommends the ratification of appointment of M/s. Haribhakti & Co.LLP, as Statutory Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the next AGM.

### COST AUDITORS

The Board of Directors at its meeting held on 27th May 2016 appointed M/s. STR & Associates, Cost Accountants, as the Cost Auditors for conducting the Cost Audit for the financial year 2016-17. A resolution seeking members' ratification of the remuneration payable to Cost Auditor is included in the AGM notice dated 27th May 2016. The Cost Audit Report will be filed within the stipulated period.

### SECRETARIAL AUDIT

The Company had appointed M/s. P. Eswaramoorthy and Company, Company Secretary in Practice to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report is annexed herewith as "Annexure A".

### CSR INITIATIVES

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

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is annexed herewith as "Annexure C".

### EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in Form No.MGT-9 is annexed herewith as "Annexure D".



## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

### DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Management and Union Representatives meeting is being conducted every month and the issues raised in the meetings are redressed immediately. Periodical review of the issues is being carried out to ensure its completeness. This has improved the overall peaceful Industrial Relations situation. The participation from the operators has improved considerably during the year. The number of people employed as on 31st March 2016 is 5,100.

Management is keen to implement the terms of the Long Term Productivity Linked Agreement with the Labour Unions entered into between the Management and the respective union representatives at the Plants I & III, Coimbatore and Plant II, Gurgaon without any deviation and delay.

### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any sexual harassment complaint during the year 2015-16.

### PARTICULARS OF EMPLOYEES

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

### DIRECTORS RESPONSIBILITY STATEMENT

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

- a) in the preparation of annual accounts for the financial year ended 31st March 2016, the applicable accounting standards have been followed;
- b) they had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts for the financial year ended 31st March 2016, on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

### CORPORATE GOVERNANCE

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

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

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

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

Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance, is made a part of this Directors' Report. All the board members and senior management personnel have affirmed compliance with the code of conduct for the year 2015-16.

### CAUTIONARY STATEMENT

Management Discussion and Analysis forming part of this Report is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such statements may be "forward-looking" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include

economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

### ACKNOWLEDGEMENTS

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

Coimbatore  
27th May, 2016

For and on behalf of the Board  
**Vijay Mohan**  
Chairman  
(DIN : 00001843)

\*\*\*\*\*

# ANNEXURE “A” TO DIRECTORS' REPORT

FORM NO.MR-3

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2016

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

To

The Members,

**Pricol Limited,**

[CIN : L33129TZ1972PLC000641]

CPM Towers, 109 Race Course,

Coimbatore – 641 018.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pricol Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - d. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India

## ANNEXURE “A” TO DIRECTORS' REPORT (Contd.,)

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors, Independent Directors and Woman Director. There is no change in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit and also on the review of quarterly compliance reports by respective department heads and Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no instances of

- (i) Public / Rights / Preferential Issue of shares / Debentures / Sweat Equity etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance of Section 180 of the Companies Act, 2013.
- (iv) Foreign technical collaborations.

I further report that following important events took place during the period under review:

- a) Sale of 100% stake in Coimbatore Metal Works Limited, a wholly owned subsidiary company.
- b) The Board of Directors at their meeting held on 27th January, 2016 approved the proposal of Amalgamation of Pricol Limited with its wholly owned subsidiary company Pricol Pune Limited under Section 391-394 of the Companies Act, 1956 read with Section 100 and other applicable provisions, if any of the Companies Act, 1956 & 2013.

The members are requested to read this report along with my letter of even date annexed to this report.

### **P. ESWARAMOORTHY AND COMPANY**

Company Secretaries

**CS P. Eswaramoorthy**

Proprietor

Coimbatore  
27th May, 2016

FCS No.: 6510  
CP No.: 7069

\*\*\*\*\*

## ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To  
The Members,  
**Pricol Limited,**  
[CIN : L33129TZ1972PLC000641]  
CPM Towers, 109 Race Course,  
Coimbatore – 641 018.

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

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

### **P. ESWARAMOORTHY AND COMPANY**

Company Secretaries  
**CS P. Eswaramoorthy**  
Proprietor

Coimbatore  
27th May, 2016

FCS No.: 6510  
CP No.: 7069

## ANNEXURE "B" TO DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

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

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

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

#### **Web Link to the CSR Policy :**

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

2. **CSR Committee has Mrs. Vanitha Mohan, Mr. Vikram Mohan and Mr. C.R. Swaminathan as its members.**
3. **Average net profit / (Loss) of the Company for last three financial years ₹ (45.972) Million**
4. **Prescribed CSR Expenditure** NIL  
(two per cent of the amount as in item 3 above)
5. **Details of CSR spent during the financial year**
  - a) Total amount spent for the financial year ₹ **3,472,750**
  - b) Amount unspent, if any –

## ANNEXURE “B” TO DIRECTORS' REPORT (Contd.,)

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

(in ₹)

S. No	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise ₹ 1.3 Million carried forward from 2014 - 15 budget	Amount Spent on the projects or programs (by implementing agency)	Cumulative expenditure upto to the reporting period	Amount Spent: Direct or through implementing agency
1	Public Eye Camp	Health	Coimbatore, Tamil Nadu	-	-	190,816	ND Foundation
2	Water Purifiers & AMC Charges	Health	Coimbatore and Tirupur, Tamil Nadu	175,000	172,800	892,009	
3	Fire Safety and First Aid Training – To school students	Education	Coimbatore, Tamil Nadu	-	-	136,790	
4	Construction of Ladies Toilet at Govt. Schools	Health and Sanitation	Coimbatore, Tamil Nadu	562,000	552,932	891,407	
5	Tree Park Construction	Environment	Coimbatore, Tamil Nadu	240,000	209,850	419,850	
6	De-siltling and repair of check dam	Environment	Coimbatore, Tamil Nadu	-	-	500,000	
7	Contribution to Wild Life SOS	Environment	Delhi	230,000	230,000	830,000	
8	Contribution for Corpus (Trauma care centre)	Health	Coimbatore, Tamil Nadu	-	-	3,200,000	
9	Flood relief Chennai	Health / Environment	Cuddalore, Tamil Nadu	2,350,000	2,307,168	2,307,168	
<b>Total</b>				<b>3,557,000</b>	<b>3,472,750</b>	<b>9,368,040</b>	

CSR implementing agency: ND Foundation

**Note : During the year, 2015-16, the company had not made any contribution to ND foundation. The amount (₹ 1.166 Million) spent by ND foundation during the year, is out of contribution made by company in 2014-15.**

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

**Not applicable**

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

Coimbatore  
20th May, 2016

**Vikram Mohan**  
Managing Director  
(DIN : 00089968)

**Vanitha Mohan**  
Chairman, CSR Committee  
(DIN : 00002168)

## ANNEXURE “C” TO DIRECTORS' REPORT

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

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

#### A. CONSERVATION OF ENERGY:

- Company ensures that the manufacturing operations are conducted in the manner whereby optimum utilisation and maximum possible savings of energy is achieved.
- No specific investment has been made in reduction in energy consumption.
- As the impact of measures taken for conservation and optimum utilisation of energy are not quantitative, its impact on cost cannot be stated accurately.

#### B. TECHNOLOGY ABSORPTION :

##### I. Research and Development (R&D)

###### (i) Specific areas of R&D

The Company has two R&D centers, which are approved by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India, New Delhi. Our R&D is engaged in several areas as outlined below. In addition, it is also engaged in indigenization and horizontal deployment of technologies either acquired or mutually developed with associates.

With 31 design registrations under patent grant process and several additional patents under registration review, the Company continues to foster innovation for growth, across all product development functions.

- Design and development of new products with emerging technologies.
- Design quality and feature enhancements in existing products through technology migration.
- Apply value engineering approach for design to cost target in product development for competitive advantage in cost and quality.
- Engineering emerging technologies in display instrumentation, sensing, electro-mechanical actuation domains and integrating telematics applications in automotive requirements.
- Collaborate and drive technology deployment in manufacturing processes to complement innovative design solutions for market growth.
- Build and foster domain expertise in the areas of Automotive Infotainment Displays, Human Machine Interface (HMI) and sensing technologies for green transportation initiatives and body control modules towards automotive safety comfort.

###### (ii) Benefits derived from R&D

- Helps to meet and exceed customer targets on quality, cost and delivery of new products and its variants.
- Ensures development and delivery of new products with state of the art technologies.
- Complements new product development for market competitiveness and sustenance through value

engineering methods to meet the target cost and quality requirements.

- Identify and implement emerging technologies and production processes, and their deployment horizontally in applicable products.
- Develops products with validated Intellectual Property Rights (IPR) and regulations through benchmark studies, to enable risk free product implementation.

###### (iii) Future plan of action

- Develop high quality automotive grade Telematics products which suit various fleet applications and prognostics requirements.
- Develop technology and solutions to deploy Telematics features in construction, agriculture and Taxi fare systems.
- Adopt and develop technology to develop automotive grade Body Control products to control various light, inductive loads and Motorized Control Products like Road speed limiters which can comply ISO 26262 standards as applicable.
- Next generation instrument clusters – Equipped with latest color TFT displays
- Enhanced technological focus towards development and commercialization of sensors to meet Global emission norms.

<b>Expenditure on R&amp;D 2015-16</b>	(₹ Million)
Capital	29.982
Revenue	257.379
<b>Total</b>	<b><u>287.361</u></b>

R & D expenditure as a percentage of sales

**2.66%**

##### II. Technology Absorption, Adaptation and Innovation Imported Technology

Technology procured from IAV GmbH Germany for the development of Variable Flow Oil Pump has been fully absorbed. Prototypes have been developed and evaluated for basic performance. Now we are proceeding for Engine Dynamo Testing.

###### Inhouse R&D

- Fuel Level Sensors using capacitance sensors for Trucks and Off Road Vehicles: Refined design is in progress.
- Concept design of Adblue Level Sensors for different environmental application has been completed. Sub system testing is completed. Integrated testing with DEF suction system is planned.
- Roll Over Valve and One Way Valve for 2 Wheeler application: Refined design is in progress.

##### C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the year the Company's foreign exchange earnings were ₹ 968.016 Million (₹ 1,110.217 Million in 2014-15). The revenue expenditure in foreign currency was ₹ 1,718.940 Million (₹ 1,703.436 Million in 2014-15) and the capital expenditure was ₹ 65.452 Million (₹ 38.223 Million in 2014-15).

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

## ANNEXURE “D” TO DIRECTORS' REPORT

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

as on the financial year ended 31st March, 2016

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

#### I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:**L33129TZ1972PLC000641
- ii) **Registration Date :** 6th March 1972
- iii) **Name of the Company :** Pricol Limited
- iv) **Category / Sub - Category of the Company:**  
Company limited by shares / Indian Non – Government Company
- v) **Address of the Registered office and contact details:**  
CPM Towers,109, Race Course,  
Coimbatore – 641 018, India  
Phone: +91 422 4336000  
Fax: +91 422 4336299  
Email: cs@pricol.co.in
- vi) **Whether Listed Company :** Yes/No
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:**  
Integrated Enterprises (India) Limited  
Unit: Pricol Limited,  
2nd Floor, “KENCES” Towers,  
No.1, Ramakrishna Street,  
North UsmanRoad,  
T. Nagar, Chennai - 600017, India.  
Phone: +91 44 28140801-03  
Fax: +91 44 28142479  
Email: srirams@integratedindia.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Oil Pumps	28132	10
2	Auto Components - Motor Vehicles	29301 & 29304	25
3	Auto Components - Motor Cycles and Three Wheelers	30913	46

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Name, address & CIN / GLN of the Company	% of shares held	Applicable Section
<b>Subsidiary Company</b>		
1 <b>Pricol Pune Limited (Formerly, Johnson Controls Pricol Private Limited)</b>  Survey No.1065 & 1066 Pirangut, Taluk Mulshi Pune - 412108, India. CIN : U34200PN2011PTC139594	100%	2(87)
2 <b>Integral Investments Limited</b>  CPM Towers,109 Race Course Coimbatore - 641 018, India. CIN : U67120TZ1994PLC005250	100%	2(87)
3 <b>PT Pricol Surya Indonesia</b>  J 1, Permata Raya Lot FF-2 KIIC Industrial Park Karawang - 41361, Indonesia. Regn No – C-34667HT.01.01.TH.2005	100%	2(87)
4 <b>Pricol Asia Pte. Limited</b>  17 Phillip Street, #05-01 Grand Building, Singapore - 048695. Regn No - 201221194R	100%	2(87)
5 <b>Pricol Espana Sociedad Limitada</b>  Calle Pensamirnto, 27 Escalera Izquierda, 3a Planta, Puerta 3, 28020 Madrid, Spain. CNPJ – 21.671.518 0001.27	100%	2(87)
6 <b>Pricol Do Brasil Componentes Automotivos Ltda</b>  AG.0403, CC. 00137-82 Av, Fukuichi, 381, Piraporinha, Diadema,Sao Paulo, Brazil CNPJ – 07.765.200 0001.84	100%	2(87) Subsidiary of Pricol Espana Sociedad Limitada



## ANNEXURE “D” TO DIRECTORS' REPORT (Contd.,)

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

#### i) Category-wise Share Holding

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	24,882,743	–	24,882,743	26.25	24,948,596	–	24,948,596	26.32	0.07
b) Central Government	–	–	–	–	–	–	–	–	–
c) State Government(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	13,378,748	–	13,378,748	14.11	13,399,366	–	13,399,366	14.13	0.02
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (1):-</b>	<b>38,261,491</b>	<b>–</b>	<b>38,261,491</b>	<b>40.36</b>	<b>38,347,962</b>	<b>–</b>	<b>38,347,962</b>	<b>40.45</b>	<b>0.09</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	–	–	–	–	–	–	–	–	–
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
<b>Sub-total (A) (2):-</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total shareholding of Promoter(A)=(A)(1)+(A)(2)</b>	<b>38,261,491</b>	<b>–</b>	<b>38,261,491</b>	<b>40.36</b>	<b>38,347,962</b>	<b>–</b>	<b>38,347,962</b>	<b>40.45</b>	<b>0.09</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	1,758,131	750	1,758,881	1.86	2,717,583	750	2,718,333	2.87	1.01
b) Banks / FI	79,663	125	79,788	0.08	109,626	125	109,751	0.12	0.04
c) Central Government	–	–	–	–	–	–	–	–	–
d) State Government (s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	2,700,000	–	2,700,000	2.85	2,700,000	–	2,700,000	2.85	–
f) Insurance Companies	268,966	–	268,966	0.28	268,966	–	268,966	0.28	–
g) FIs	133,437	–	133,437	0.14	5,000	–	5,000	0.01	(0.13)
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
<b>Sub-total (B)(1):-</b>	<b>4,940,197</b>	<b>875</b>	<b>4,941,072</b>	<b>5.21</b>	<b>5,801,175</b>	<b>875</b>	<b>5,802,050</b>	<b>6.13</b>	<b>0.92</b>
<b>2. Non-Institutions</b>									
a) Bodies Corporate									
i) Indian	15,344,433	16,010	15,360,443	16.20	14,925,939	15,940	14,941,879	15.76	(0.44)
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	27,580,949	2,808,734	30,389,683	32.06	27,189,469	2,699,504	29,888,973	31.53	(0.53)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	4,264,697	–	4,264,697	4.50	4,668,063	–	4,668,063	4.92	0.42
c) Others (specify)									
i) Non Resident Indians	1,540,335	37,500	1,577,835	1.67	1,102,294	37,500	1,139,794	1.20	(0.47)
ii) Trust	1,500	–	1,500	–	8,000	–	8,000	0.01	0.01
<b>Sub-total (B)(2):-</b>	<b>48,731,914</b>	<b>2,862,244</b>	<b>51,594,158</b>	<b>54.43</b>	<b>47,893,765</b>	<b>2,752,944</b>	<b>50,646,709</b>	<b>53.42</b>	<b>(1.01)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>53,672,111</b>	<b>2,863,119</b>	<b>56,535,230</b>	<b>59.64</b>	<b>53,694,940</b>	<b>2,753,819</b>	<b>56,448,759</b>	<b>59.55</b>	<b>(0.09)</b>
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
<b>Grand Total(A+B+C)</b>	<b>91,933,602</b>	<b>2,863,119</b>	<b>94,796,721</b>	<b>100.00</b>	<b>92,042,902</b>	<b>2,753,819</b>	<b>94,796,721</b>	<b>100.00</b>	<b>–</b>

## ANNEXURE “D” TO DIRECTORS' REPORT (Contd.,)

### (ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	% Change in share holding during the year
1	Vijay Mohan	9,167,453	9.67	–	9,140,278	9.64	–	(0.03)
2	Vijay Mohan (BHUF)	660,900	0.70	–	660,900	0.70	–	–
3	Vanitha Mohan	3,806,754	4.02	–	3,726,488	3.93	–	(0.09)
4	Vikram Mohan	3,363,960	3.55	–	3,521,175	3.71	–	0.16
5	Viren Mohan	6,522,615	6.88	–	6,545,909	6.91	–	0.03
6	Madhura Mohan	181,575	0.19	–	181,575	0.19	–	–
7	Manasa Mohan	–	–	–	150,000	0.16	–	0.16
8	Sarath Chandran D	45,000	0.05	–	45,000	0.05	–	–
9	Prashanth Chandran	82,500	0.09	–	82,500	0.09	–	–
10	Ashwin Chandran	153,651	0.16	–	153,651	0.16	–	–
11	T Balaji Naidu	975	–	–	975	–	–	–
12	Gayathri Balaji	184,995	0.19	–	184,995	0.19	–	–
13	Vinay Balaji	120,000	0.13	–	120,000	0.13	–	–
14	Uday Balaji	22,005	0.02	–	22,005	0.02	–	–
15	Sumanth R	413,145	0.44	–	413,145	0.44	–	–
16	Dr Jairam Varadaraj	35,805	0.04	–	–	–	–	(0.04)
17	Anvar Jay Varadaraj	40,470	0.04	–	–	–	–	(0.04)
18	Varun Jay Varadaraj	40,470	0.04	–	–	–	–	(0.04)
19	Maya Jay Varadaraj	40,470	0.04	–	–	–	–	(0.04)
20	Precot Meridian Limited	2,790,000	2.94	–	2,790,000	2.94	2.94	–
21	Suprem Textiles Processing Limited	210,000	0.22	–	210,000	0.22	–	–
22	Pricol Holdings Limited	4,410,308	4.65	–	4,416,926	4.66	–	0.01
23	Bhavani Infin Services India Private Limited	1,433,790	1.51	–	1,433,790	1.51	–	–
24	Sagittarius Investments Private Limited	274,650	0.29	–	281,650	0.30	–	0.01
25	Shrimay Enterprises Private Limited	120,000	0.13	–	127,000	0.13	–	–
26	Venkataramana Holdings Private Limited	4,140,000	4.37	–	4,140,000	4.37	–	–
	<b>Total</b>	<b>38,261,491</b>	<b>40.36</b>	<b>–</b>	<b>38,347,962</b>	<b>40.45</b>	<b>2.94</b>	<b>0.09</b>

## ANNEXURE “D” TO DIRECTORS' REPORT (Contd.,)

### (iii) Change in Promoters' Shareholding

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
<b>1 VIJAY MOHAN</b>				
As on 01/04/2015	9,167,453	9.67		
Gift 11/09/2015	-75,000	-0.08	9,092,453	9.59
Purchase 05/02/2016	47,825	0.05	9,140,278	9.64
As on 31/03/2016			9,140,278	9.64
<b>2 VANITHA MOHAN</b>				
As on 01/04/2015	3,806,754	4.02		
Transfer 01/05/2015	-5,266	-0.01	3,801,488	4.01
Gift 11/09/2015	-75,000	-0.08	3,726,488	3.93
As on 31/03/2016			3,726,488	3.93
<b>3 VIKRAM MOHAN</b>				
As on 01/04/2015	3,363,960	3.55		
Purchase 30/10/2015	116,745	0.12	3,480,705	3.67
Purchase 25/12/2015	40,470	0.04	3,521,175	3.71
As on 31/03/2016			3,521,175	3.71
<b>4 VIREN MOHAN</b>				
As on 01/04/2015	6,522,615	6.88		
Purchase 05/02/2016	23,294	0.03	6,545,909	6.91
As on 31/03/2016			6,545,909	6.91
<b>5 MANASA MOHAN</b>				
As on 01/04/2015	-	-		
Gift 11/09/2015	150,000	0.16	150,000	0.16
As on 31/03/2016			150,000	0.16
<b>6 PRICOL HOLDINGS LIMITED</b>				
As on 01/04/2015	4,410,308	4.65		
Purchase 01/05/2015	6,618	0.01	4,416,926	4.66
As on 31/03/2016			4,416,926	4.66
<b>7 SAGITTARIUS INVESTMENTS PRIVATE LTD</b>				
As on 01/04/2015	274,650	0.29		
Purchase 05/02/2016	7,000	0.01	281,650	0.30
As on 31/03/2016			281,650	0.30
<b>8 SHRIMAY ENTERPRISES PRIVATE LTD</b>				
As on 01/04/2015	120,000	0.13		
Purchase 05/02/2016	7,000	-	127,000	0.13
As on 31/03/2016			127,000	0.13
<b>9 Dr. JAIRAM VARADARAJ</b>				
As on 01/04/2015	35,805	0.04		
Sale 23/10/2015	-35,805	-0.04	-	-
As on 31/03/2016			-	-
<b>10 ANVAR JAY VARADARAJ</b>				
As on 01/04/2015	40,470	0.04		
Sale 23/10/2015	-40,470	-0.04	-	-
As on 31/03/2016			-	-

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
<b>11 MAYA JAY VARADARAJ</b>				
As on 01/04/2015	40,470	0.04		
Sale 18/12/2015	-40,470	-0.04	-	-
As on 31/03/2016			-	-
<b>12 VARUN JAY VARADARAJ</b>				
As on 01/04/2015	40,470	0.04		
Sale 23/10/2015	-40,470	-0.04	-	-
As on 31/03/2016			-	-

### (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
<b>1 VRAMATH FINANCIAL SERVICES PVT LTD</b>				
As on 01/04/2015	4,567,861	4.82		
<b>(Proprietary A/c)</b>				
<b>Trading are carried out in</b>				
<b>Trading Member Account</b>				
Purchase 10/04/2015	3,150	-	4,571,011	4.82
Purchase 17/04/2015	22,000	0.02	4,593,011	4.85
Sale 24/04/2015	-23,000	-0.02	4,570,011	4.82
Purchase 01/05/2015	6,050	0.01	4,576,061	4.83
Sale 08/05/2015	-7,100	-0.01	4,568,961	4.82
Purchase 15/05/2015	900	-	4,569,861	4.82
Purchase 22/05/2015	100	-	4,569,961	4.82
Purchase 29/05/2015	25	-	4,569,986	4.82
Sale 05/06/2015	-1,825	-	4,568,161	4.82
Purchase 12/06/2015	120,423	0.13	4,688,584	4.95
Purchase 19/06/2015	30,915	0.03	4,719,499	4.98
Sale 26/06/2015	-151,588	-0.16	4,567,911	4.82
Purchase 30/06/2015	58	-	4,567,969	4.82
Purchase 03/07/2015	127	-	4,568,096	4.82
Purchase 10/07/2015	315	-	4,568,411	4.82
Purchase 17/07/2015	390	-	4,568,801	4.82
Purchase 24/07/2015	40,811	0.04	4,609,612	4.86
Purchase 31/07/2015	5,696	0.01	4,615,308	4.87
Sale 06/08/2015	-47,102	-0.05	4,568,206	4.82
Purchase 07/08/2015	22,875	0.02	4,591,081	4.84

## ANNEXURE “D” TO DIRECTORS' REPORT (Contd.,)

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
Purchase 14/08/2015	53,744	0.06	4,644,825	4.90
Sale 21/08/2015	-4,364	-0.01	4,640,461	4.90
Purchase 28/08/2015	213,356	0.23	4,853,817	5.12
Purchase 04/09/2015	30,405	0.03	4,884,222	5.15
Purchase 11/09/2015	7,360	0.01	4,891,582	5.16
Sale 18/09/2015	-1,050	-	4,890,532	5.16
Sale 25/09/2015	-1,510	-	4,889,022	5.16
Purchase 02/10/2015	12,600	0.01	4,901,622	5.17
Purchase 09/10/2015	5,760	0.01	4,907,382	5.18
Sale 16/10/2015	-2,610	-	4,904,772	5.17
Purchase 23/10/2015	6,300	0.01	4,911,072	5.18
Purchase 30/10/2015	1,057	-	4,912,129	5.18
Sale 06/11/2015	-502	-	4,911,627	5.18
Purchase 13/11/2015	3,803	-	4,915,430	5.19
Purchase 20/11/2015	21,855	0.02	4,937,285	5.21
Sale 27/11/2015	-46,205	-0.05	4,891,080	5.16
Sale 04/12/2015	-23,020	-0.02	4,868,060	5.14
Sale 18/12/2015	-5,226	-0.01	4,862,834	5.13
Sale 25/12/2015	-55,959	-0.06	4,806,875	5.07
Sale 31/12/2015	-71,640	-0.08	4,735,235	5.00
Purchase 01/01/2016	1,300	-	4,736,535	5.00
Sale 08/01/2016	-54,900	-0.06	4,681,635	4.94
Sale 15/01/2016	-5,175	-0.01	4,676,460	4.93
Purchase 22/01/2016	63,235	0.07	4,739,695	5.00
Sale 29/01/2016	-15,249	-0.02	4,724,446	4.98
Sale 05/02/2016	-133,285	-0.14	4,591,161	4.84
Purchase 12/02/2016	17,510	0.02	4,608,671	4.86
Sale 19/02/2016	-16,750	-0.02	4,591,921	4.84
Purchase 26/02/2016	79,263	0.08	4,671,184	4.93
Purchase 04/03/2016	24,160	0.03	4,695,344	4.95
Purchase 11/03/2016	3,529	-	4,698,873	4.96
Purchase 18/03/2016	21,900	0.02	4,720,773	4.98
Sale 25/03/2016	-3,395	-	4,717,378	4.98
Sale 31/03/2016	-385	-	4,716,993	4.98
As on 31/03/2016			4,716,993	4.98
<b>2 PHI CAPITAL SOLUTIONS LLP</b>				
As on 01/04/2015	4,500,000	4.75		
As on 31/03/2016			4,500,000	4.75
<b>3 PHI CAPITAL TRUST - PHI CAPITAL GROWTH FUND - I</b>				
As on 01/04/2015	2,700,000	2.85		
As on 31/03/2016			2,700,000	2.85

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
<b>4 RAJESH MADHAVAN UNNI (HUF)</b>				
As on 01/04/2015	1,680,596	1.77		
Purchase 18/12/2015	170,000	0.18	1,850,596	1.95
Purchase 25/12/2015	97,000	0.10	1,947,596	2.05
As on 31/03/2016			1,947,596	2.05
<b>5 L &amp; T MUTUAL FUND TRUSTEE LTD - L &amp; T INDIA VALUE FUND</b>				
As on 01/04/2015	-	-		
Purchase 01/01/2016	172,667	0.18	172,667	0.18
Purchase 08/01/2016	810,933	0.86	983,600	1.04
Purchase 15/01/2016	141,504	0.15	1,125,104	1.19
Purchase 22/01/2016	241,965	0.26	1,367,069	1.44
Sale 12/02/2016	-200,000	-0.21	1,167,069	1.23
Purchase 19/02/2016	205,339	0.22	1,372,408	1.45
As on 31/03/2016			1,372,408	1.45
<b>6 MIRAE ASSET TAX SAVER FUND</b>				
As on 01/04/2015	-	-		
Purchase 05/02/2016	745,000	0.79	745,000	0.79
Purchase 12/02/2016	645,000	0.68	1,390,000	1.47
Purchase 19/02/2016	20,000	0.02	1,410,000	1.49
Sale 26/02/2016	-50,000	-0.05	1,360,000	1.44
Sale 04/03/2016	-27,000	-0.03	1,333,000	1.41
Sale 31/03/2016	-227,453	-0.24	1,105,547	1.17
As on 31/03/2016			1,105,547	1.17
<b>7 VRAMATH INVESTMENT CONSULTANCY PVT LTD</b>				
As on 01/04/2015	938,277	0.99		
Purchase 31/12/2015	100	-	938,377	0.99
As on 31/03/2016			938,377	0.99
<b>8 SHRI GAUTAM GANDHAR ADVISORS LLP</b>				
As on 01/04/2015	-	-		
Purchase 15/01/2016	587,080	0.62	587,080	0.62
Sale 12/02/2016	-26,515	-0.03	560,565	0.59
Sale 19/02/2016	-75,000	-0.08	485,565	0.51
Purchase 04/03/2016	74	0.00	485,639	0.51
Sale 31/03/2016	-100,000	-0.11	385,639	0.41
As on 31/03/2016			385,639	0.41
<b>9 SEEMA GOEL</b>				
As on 01/04/2015	270,000	0.29		
As on 31/03/2016			270,000	0.29
<b>10 UNITED INDIA INSURANCE COMPANY LIMITED</b>				
As on 01/04/2015	268,966	0.28		
As on 31/03/2016			268,966	0.28

## ANNEXURE “D” TO DIRECTORS' REPORT (Contd.,)

### (v) Shareholding of Directors and Key Managerial Personnel

For Each of the Director & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
<b>1 SURESH JAGANNATHAN</b> <b>Independent Director</b>				
As on 01/04/2015	26,985	0.03		
Allotment / transfer / bonus / sweat equity etc	–	–	26,985	0.03
As on 31/03/2016			26,985	0.03
<b>2 C.R.SWAMINATHAN</b> <b>Independent Director</b>				
As on 01/04/2015	1,995	–		
Allotment / transfer / bonus / sweat equity etc	–	–	1,995	–
As on 31/03/2016			1,995	–
<b>3 R.VIDHYA SHANKAR</b> <b>Independent Director</b>				
As on 01/04/2015	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31/03/2016			–	–
<b>4 G.SOUNDARARAJAN</b> <b>Independent Director</b>				
As on 01/04/2015	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31/03/2016			–	–
<b>5 K.MURALI MOHAN</b> <b>Independent Director</b>				
As on 01/04/2015	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31/03/2016			–	–
<b>6 D.SARATH CHANDRAN</b> <b>Non-Independent Director</b>				
As on 01/04/2015	45,000	0.05		
Allotment / transfer / bonus / sweat equity etc	–	–	45,000	0.05
As on 31/03/2016			45,000	0.05
<b>7 VIJAY MOHAN</b> <b>Chairman</b>				
As on 01/04/2015	9,167,453	9.67		
Gift 11/09/2015	-75,000	-0.08	9,092,453	9.59
Purchase 05/02/2016	47,825	0.05	9,140,278	9.64
As on 31/03/2016			9,140,278	9.64
<b>8 VIJAY MOHAN (BHUF)</b>				
As on 01/04/2015	660,900	0.70		
As on 31/03/2016			660,900	0.70

For Each of the Director & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
<b>9 VANITHA MOHAN</b> <b>Vice Chairman</b>				
As on 01/04/2015	3,806,754	4.02		
Transfer 01/05/2015	-5,266	-0.01	3,801,488	4.01
Gift 11/09/2015	-75,000	-0.08	3,726,488	3.93
As on 31/03/2016			3,726,488	3.93
<b>10 VIKRAM MOHAN</b> <b>Managing Director</b>				
As on 01/04/2015	3,363,960	3.55		
Purchase 30/10/2015	116,745	0.12	3,480,705	3.67
Purchase 25/12/2015	40,470	0.04	3,521,175	3.71
As on 31/03/2016			3,521,175	3.71
<b>11 S.SHRINIVASAN</b> <b>Chief Financial Officer</b>				
As on 01/04/2015	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31/03/2016			–	–
<b>12 T.G.THAMIZHANBAN</b> <b>Company Secretary</b>				
As on 01/04/2015	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31/03/2016			–	–

### V. INDEBTEDNESS

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

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total
<b>As at 1-Apr-2015</b>				
i) Principal Amount	300.102	340.000	–	640.102
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	0.187	5.541	–	5.728
<b>Total (i+ii+iii)</b>	<b>300.289</b>	<b>345.541</b>	<b>–</b>	<b>645.830</b>
<b>Change during the financial year</b>				
i) Addition	902.810	–	–	902.810
ii) Reduction	700.288	345.541	–	1,045.829
<b>Net Change (i - ii)</b>	<b>202.522</b>	<b>(345.541)</b>	<b>–</b>	<b>(143.019)</b>
<b>As at 31-Mar-2016</b>				
i) Principal Amount	500.000	–	–	500.000
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	2.811	–	–	2.811
<b>Total (i+ii+iii)</b>	<b>502.811</b>	<b>–</b>	<b>–</b>	<b>502.811</b>

## ANNEXURE “D” TO DIRECTORS' REPORT (Contd.,)

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ Million

Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
	Mr.Vikram Mohan (Managing Director)	Mrs.Vanitha Mohan (Vice Chairman)	
1. Gross salary			
(a) Salary as per provisions contained u/s17(1) of the Income - Tax Act,1961	9.216	3.456	12.672
(b) Value of perquisites u/s 17(2) Income - Tax Act,1961	3.644	1.304	4.948
(c) Profits in lieu of salary u/s 17(3) Income - Tax Act,1961	–	–	–
2. Stock Option	–	–	–
3. Sweat Equity	–	–	–
4. Commission			
- as % of profit	14.949	11.212	26.161
- others	–	–	–
5. Others (Contribution to PF, Gratuity and Superannuation Fund)	0.791	0.359	1.150
<b>Total(A)</b>	<b>28.600</b>	<b>16.331</b>	<b>44.931</b>
<b>Ceiling as per the Act</b>			
1. In case of adequate profit	37.372 (5% of the Net Profit)	37.372 (5% of the Net Profit)	74.744 (10% of the Net Profit)
2. In case of no profit or inadequate profit	₹ 12 Million	₹ 12 Million	₹ 24 Million
	plus contribution to PF, Superannuation, Gratuity, Encashment of leave to the extent permitted under the Act		

#### B. Remuneration to other Directors:

₹ Million

Particulars of Remuneration	Mr.C.R.Swami nathan	Mr.K.Murali Mohan	Mr.Suresh Jagannathan	Mr.R.Vidhya Shankar	Mr.G.Soun dararajan	Mr.D.Sarath Chandran	Mr.Vijay Mohan	Total Amount
<b>1. Independent Directors</b>								
Fee for attending board/ committee meetings	0.215	0.175	0.045	0.250	0.065	–	–	0.750
Commission	0.510	0.430	0.110	0.600	0.160	–	–	1.810
Others	–	–	–	–	–	–	–	–
<b>Total (1)</b>	<b>0.725</b>	<b>0.605</b>	<b>0.155</b>	<b>0.850</b>	<b>0.225</b>	<b>–</b>	<b>–</b>	<b>2.560</b>
<b>2. Other Non-Executive Directors</b>								
Fee for attending board/ committee meetings	–	–	–	–	–	0.090	0.150	0.240
Commission	–	–	–	–	–	0.220	0.350	0.570
Others	–	–	–	–	–	–	–	–
<b>Total (2)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.310</b>	<b>0.500</b>	<b>0.810</b>
<b>Total (B) = ( 1 + 2)</b>	<b>0.725</b>	<b>0.605</b>	<b>0.155</b>	<b>0.850</b>	<b>0.225</b>	<b>0.310</b>	<b>0.500</b>	<b>3.370</b>

#### C. Total Managerial Remuneration (A+B): ₹ 48.301 Million

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

## ANNEXURE “D” TO DIRECTORS' REPORT (Contd.,)

### D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD

₹ Million

Particulars of Remuneration	Key Managerial Personnel				Total
	Mr.K.U. Subbaiah (CEO) - upto 29th May, 2015	Mr.J.Sridhar (CFO) upto 31st Aug, 2015	Mr.S.Shrinivasan (CFO) From 1st Sep, 2015	Mr.T.G. Thamizhanban (CS)	
1. Gross salary					
(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	1.891	2.078	2.031	1.945	7.945
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—	—
(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	—	—	—	—	—
2. Stock Option	—	—	—	—	—
3. Sweat Equity	—	—	—	—	—
4. Commission	—	—	—	—	—
- as % of profit	—	—	—	—	—
- others	—	—	—	—	—
5. Others (Contribution to PF, Gratuity, Superannuation and Service weightage)	0.098	0.109	0.462	0.317	0.986
<b>Total</b>	<b>1.989</b>	<b>2.187</b>	<b>2.493</b>	<b>2.262</b>	<b>8.931</b>

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made
<b>A. COMPANY</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>B. DIRECTORS</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	—	—	—	—	—
Punishment	—	—	—	—	—
Compounding	—	—	—	—	—

## ANNEXURE “E” TO DIRECTORS' REPORT

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

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015 - 16

S.No	Name of the Director	No. of Meetings attended	Ratio
1	Mr. Suresh Jagannathan	3	0.32
2	Mr. C.R.Swaminathan	19	1.49
3	Mr. R.Vidhya Shankar	20	1.75
4	Mr. G.Soundararajan	4	0.46
5	Mr. K.Murali Mohan	11	1.24
6	Mr. D.Sarath Chandran	6	0.64
7	Mr. Vijay Mohan	15	1.03
S.No	Name of Whole Time Director	Ratio	
1	Mrs. Vanitha Mohan, Vice Chairman	33.53	
2	Mr. Vikram Mohan, Managing Director	58.73	

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

S. No	Name of Non Whole Time Director	No. of Meetings attended		% Increase / (Decrease) in remuneration
		2015-16	2014-15	
1	Mr.Suresh Jagannathan	3	6	47.62
2	Mr.C.R.Swaminathan	19	27	110.14
3	Mr.R.Vidhya Shankar	20	24	136.11
4	Mr.G.Soundararajan	4	7	104.55
5	Mr.K.Murali Mohan	11	15	128.30
6	Mr.D.Sarath Chandran	6	11	93.75
7	Mr.Vijay Mohan	15	18	122.22

S. No	Name of Whole Time Director / CEO / CFO / CS	% Increase / (Decrease) in remuneration
1	Mrs.Vanitha Mohan, Vice Chairman	248.06
2	Mr.Vikram Mohan, Managing Director	128.55
3	Mr.K.U.Subbaiah (CEO) upto 29th May,15	NA
4	Mr.J.Sridhar (CFO) upto 31st Aug,15	NA
5	Mr.Shrinivasan S (CFO) from 1st Sep,15	NA
6	Mr.T.G.Thamizhanban (CS)	7.97

## ANNEXURE “E” TO DIRECTORS' REPORT (Contd.,)

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

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

Last year (2014-15) due to loss the directors were not paid commission on net profit. Current year (2015-16) remuneration includes commission on net profit.

(iii) **The percentage increase in the median remuneration of employees (staff) in the financial year** 5.87%

(iv) **The number of permanent employees (staff) on the rolls of Company** 650

(v) **The explanation on the relationship between average increase in remuneration and Company performance**

The increase granted to employees is in line with the normal increase granted by the Company from time to time and is intended to compensate for inflation and motivate employees to perform at their best.

(vi) **Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the Company**

KMP's remuneration 2015-16 (₹ Mn)	% Increase / (Decrease) in KMP's remuneration (2015-16 against 2014-15)	Sales 2015-16 (₹ Mn)	% Increase in sales (2015-16 against 2014-15)
37.531	22.05	10,804.49	19.98

(vii) **Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year.**

Particulars	as on 31.03.2015	as on 31.03.2016	Variations	%
Market Capitalisation (₹ Mn)	2,868	4,081	1,213	42.29
Price Earnings Ratio	— (Since last year EPS is negative)	9.44	— (Since last year EPS is negative)	

<b>Market quotation of the shares as on 31.03.2016 (NSE)</b>	₹ 43.05/- per share of Face Value ₹ 1/- per share
<b>Market quotations of the shares when the Company came out with the last public offer</b>	Rights Issue in April 1995 at a price of ₹ 280/- per share of Face Value ₹ 10/- per share
<b>Percentage increase / decrease over in the market quotations of the Company</b>	After the last public offer the Company has sub-divided the face value from ₹ 10/- per share to ₹ 1/-each. The Company also issued bonus shares in the ratio of 1:2. The Company has made a preferential allotment of 4,500,000 shares of ₹ 1/- each. The Company issued 293,721 shares of ₹ 1/- each in connection with the amalgamation of Xenos Automotive Limited with the Company. Hence it is not comparable.

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

KMP's Name & Designation	CTC for 2015-16 ₹ Mn	% Increase / (Decrease) in CTC (2015-16 against 2014-15)	Sales for 2015-16 ₹ Mn	% Increase in sales (2015-16 against 2014-15)
Mr.Vikram Mohan, Managing Director	28.600	128.55	10,804.49	19.98
Mr.K.U.Subbaiah, Chief Executive Officer (Upto 29th May, 2015)	1.989	NA		
Mr.J.Sridhar, Chief Financial Officer (Upto 31st August, 2015)	2.187	NA		
Mr.S.Shrinivasan, Chief Financial Officer (From 1st September, 2015)	2.493	NA		
Mr.T.G.Thamizhanban, Company Secretary	2.262	7.97		
<b>Total</b>	<b>37.531</b>	<b>22.05</b>		



## ANNEXURE “E” TO DIRECTORS' REPORT (Contd.,)

- (ix) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**
- The average percentile increase granted to employees (staff) other than managerial personnel is 8.83 %.
- The percentile increase granted to managerial personnel is 161.12%.
- Last year due to loss the whole time directors (managerial personnel) were not paid commission on net profit. Current year remuneration includes commission on net profit.
- (x) **The key parameters for any variable component of remuneration availed by the directors**
- The Directors are not eligible for any variable compensation other than Commission as per the provisions of the Act.
- (xi) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year**
- Since the remuneration of the highest paid employee is not in excess of the highest paid director it is not applicable.
- (xii) **We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.**
- (xiii) **Statement of employees receiving remuneration not less than five lakh rupees per month:**

Name & (Age)	Designation (Nature of Duties)	Remuneration (₹ in Million)		Qualification & Experience (Years)	Date of Commencement of Employment	Last Employment
		Gross	Net			
Mrs.Vanitha Mohan (63)	Vice Chairman (Internal Audit and Corporate Social Responsibilities)	16.331	14.257	Commerce Graduate with PG Diploma in Business Management (30)	1st June,1999	—
Mr.Vikram Mohan (41)	Managing Director (Strategy, Finance, Customer Relationship Management and HR)	28.600	22.171	Bachelor of Engineering (Production Engineering) (20)	7th November,2011	Pricol Corporate Services Limited
Mr.G.Sundararaman * (49)	President (Responsible for all plant operations)	6.521	3.916	B.E (Mechanical) & PG Diploma in Business Administration (27)	27th July, 2015	Royal Enfield (Unit Eicher Motors Limited)
Mr.Subbaiah Uthappa Kokkalera * (57)	Chief Executive Officer (Day-to-day business operation of the company, Sales & Marketing, Product Development Engg. and Quality Engg.)	1.989	1.469	Bachelor of Engineering (Mechanical) & PG Diploma in Management (34)	17th May, 2012 (Date of leaving 29th May, 2015)	Tyco Electronics Corporation India (P) Limited
Mr.Narendran M Balan* (48)	Chief Technology Officer (Product Development Engineering)	4.164	2.952	B.Tech (Aeronautical) M.Tech (Aerospace) Phd. (Engineering) (16)	2nd May, 2014 (Date of leaving 4th Dec, 2015)	General Motors R&D
Mr.Seenivasan B * (47)	Chief Operations Officer (Responsible for all plant operations)	3.519	2.478	B.E (Engineering Technology), MS (Manufacturing Management) & PG Diploma in Business Management (28)	20th August, 2012 (Date of leaving 24th July, 2015)	Tyco Electronics Corporation India (P) Limited

\* Worked for part of the year

### NOTE :

- Mr.D.Sarath Chandran, Mr.Vijay Mohan, Mrs.Vanitha Mohan and Mr.Vikram Mohan are related to each other. Mr.D.Sarath Chandran is Mr.Vijay Mohan's brother, Mrs.Vanitha Mohan is Mr.Vijay Mohan's wife and Mr.Vikram Mohan is the elder son of Mr.Vijay Mohan.
- Mrs.Vanitha Mohan and Mr.Vikram Mohan owns more than 2% of the equity shares of the Company as on 31st March 2016.
- Gross remuneration comprises salary, commission, allowances, monetary value of perquisites and the Company's contribution to provident fund, gratuity fund and superannuation fund.
- Net remuneration is exclusive of contributions to provident fund, gratuity fund, superannuation fund and tax deducted.

## ANNEXURE “F” TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

#### 1. Company's philosophy on code of governance:

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

#### 2. Board of Directors:

##### a. Composition of the Board:

As on 31st March 2016, the Company's Board comprised of 9 Directors. The Board consists of 2 (22%) Executive Directors of whom one is a Woman Director and 7 (78%) Non-Executive Directors, of whom 5 (56%) are Independent Directors. Details are given in the table below;

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

##### b. Category of Directors, Attendance, other directorships and committee membership:

Name of the Director	DIN	Category	Attendance Particulars		No. of Directorships in other Companies			No. of Committee positions held in other Companies	
			Board Meeting	Last AGM	Public Company	Private Company	Foreign Company	Member	Chairman
Mr.Suresh Jagannathan	00011326	Non-Executive-Independent	2	-	3	4	-	3	-
Mr.C.R.Swaminathan	00002169	Non-Executive-Independent	4	-	2	1	-	2	1
Mr.R.Vidhya Shankar	00002498	Non-Executive-Independent	5	✓	1	-	-	1	-
Mr.G.Soundararajan	00037995	Non-Executive-Independent	3	-	-	5	4	-	-
Mr.K.Murali Mohan	00626361	Non-Executive-Independent	4	-	3	-	-	-	-
Mr.D.Sarath Chandran	00001885	Non-Executive-Promoter	4	-	6	-	-	2	-
Mr.Vijay Mohan Chairman	00001843	Non-Executive-Promoter	5	✓	6	-	-	1	-
Mrs.Vanitha Mohan Vice Chairman	00002168	Executive-Promoter	4	✓	3	3	-	-	-
Mr.Vikram Mohan Managing Director	00089968	Executive-Promoter	5	✓	7	-	5	1	-

Chairmanship / Membership of Board Committees shall only include Audit Committee and Stakeholders Relationship Committee. As detailed in the table above, none of the directors is a member of more than Ten Board level Committees of public companies in which they are Directors nor a Chairman of more than five such Committees.

Mr.D.Sarath Chandran, Mr.Vijay Mohan, Mrs.Vanitha Mohan and Mr.Vikram Mohan are related to each other. Mr.D.Sarath Chandran is Mr.Vijay Mohan's brother, Mrs.Vanitha Mohan is Mr.Vijay Mohan's wife and Mr.Vikram Mohan is the elder son of Mr.Vijay Mohan. No other directors are related to each other.

The Company conducts familiarization programmes for the Independent Directors and the details of such programmes have been disclosed on the website of the Company and the web link thereto is <http://www.pricol.com/ID-Familiarization>. An exclusive meeting of the Independent Directors of the Company was held on 1st March, 2016 without the attendance of the Non-Independent Directors and members of the management to discuss inter alia the matters specified under Schedule IV of the Companies Act, 2013.

##### c. Board Meetings:

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

During the year 2015-16, the Board met 5 times on 25th May 2015, 5th August 2015, 4th November 2015, 27th January 2016 and 12th February 2016 and the gap between two meetings did not exceed 120 days.

## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

### d. Brief note on Directors seeking appointment / re-appointment at the ensuing AGM:

**Mr. Vijay Mohan**, 68 years of age, the Non - Executive Chairman of the Company, holds Bachelor Degree in Mechanical Engineering from PSG College of Technology and Masters in Management Science from USA. He is having an experience of 43 years in general management of affairs of the Company. He was appointed on the Board of Directors of the Company on 18th February 1974. During the year 2015 - 16, he attended all the 5 Board meetings of the Company. The remuneration in the form of sitting fee and commission for the year 2015 - 16 is ₹ 0.500 Million. His appointment is liable to retire by rotation. Sitting fee and commission will be paid broadly on the basis of attendance to the Board and Committee meetings.

He is also a Director in Precot Meridian Limited, Pricol Holdings Limited, PPL Enterprises Limited, Pricol Properties Limited, Pricol Technologies Limited and Pricol Pune Limited. He is a member of Stakeholders Relationship Committee and Investment and Borrowing Committee of Pricol Limited. He is also a member of Audit Committee & Nomination and Remuneration Committee of Pricol Technologies Limited and member of Nomination and Remuneration Committee of Pricol Pune Limited. He holds 9,801,178 shares of the Company.

Mr.D.Sarath Chandran, Mr.Vijay Mohan, Mrs.Vanitha Mohan and Mr.Vikram Mohan are related to each other. Mr.D.Sarath Chandran is Mr.Vijay Mohan's brother, Mrs.Vanitha Mohan is Mr.Vijay Mohan's wife and Mr.Vikram Mohan is the elder son of Mr.Vijay Mohan.

**Mrs. Vanitha Mohan**, 63 years of age, the Vice Chairman of the Company, is a Commerce Graduate with a Post Graduate Diploma in Business Management from the University of Strathclyde, Glasgow, UK. She is having 30 years of experience and heads the Internal Audit functions and Corporate Social Responsibilities of the Company. She was appointed on the Board of Directors of the Company on 28th May, 1999. During the year 2015 - 16, she attended 4 Board meetings of the Company. The remuneration in the form of salary, perquisites and commission for the year 2015 - 16 is ₹ 16.331 Million. Her appointment is liable to retire by rotation. Salary, perquisites and commission will be paid in accordance with the Shareholders approval.

She is also a Director in Pricol Travel Limited, Pricol Properties Limited, Tamilnadu Corporation for Development of Women Limited, Sagittarius Investments Private Limited, Shrimay Enterprises Private Limited and Bhavani Infin Services India Private Limited. She is a member of the Audit Committee, CSR Committee, Investment and Borrowing Committee and Stakeholders Relationship Committee of the Company. She holds 3,726,488 shares in the Company.

She is the Managing Trustee of SIRUTHULI, an NGO formed to address the environmental issues of Coimbatore with focus on water management and enhancement of green cover of the city. She is also a Trustee of ND Foundation. She is the Vice President of RAAC (Residents' Awareness Association of Coimbatore) which focuses on the infrastructure and hygiene management of Coimbatore. She is a member of CTAG (City Technical Advisory Group) of the Coimbatore Corporation. She is the Vice President of the Coimbatore Chapter of the Indian Chamber of Commerce and Industry and is in charge of civic and public affairs.

Mr.D.Sarath Chandran, Mr.Vijay Mohan, Mrs.Vanitha Mohan and Mr.Vikram Mohan are related to each other. Mr.D.Sarath Chandran is Mr.Vijay Mohan's brother, Mrs.Vanitha Mohan is Mr.Vijay Mohan's wife and Mr.Vikram Mohan is the elder son of Mr.Vijay Mohan.

**Mr. Vikram Mohan**, 41 years of age, the Managing Director of the Company, holds a Bachelors Degree in Production Engineering with Honours from PSG College of Technology, Coimbatore. Mr.Vikram Mohan is having 20 years of experience and shall be responsible for Strategy, Finance, Customer Relationship Management and Human Resources of the Company. He was appointed on the Board of Directors of the Company on 29th May, 2009. During the year 2015 - 16, he attended all the 5 Board meetings of the Company. The remuneration in the form of salary, perquisites and commission for the year 2015 - 16 is ₹ 28.600 Million. His appointment is liable to retire by rotation. Salary, perquisites and commission will be paid in accordance with the Shareholders approval.

## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

He is also a Director in Pricol Properties Limited, Pricol Technologies Limited, Pricol Travel Limited, Pricol Holdings Limited, PPL Enterprises Limited, M and M Enterprises (India) Limited, Pricol Pune Limited, Pricol Technologies Inc., Michigan, USA, Pricol Technologies (Europe) Limited, UK, Pricol Espana Sociedad Limitada, Spain, Pricol Asia PTE Limited, Singapore and PT Pricol Surya Indonesia. He is also the Managing Director of Pricol Pune Limited. He is a member of the CSR Committee and Investment and Borrowing Committee of the Company. He is also a member of the Audit Committee of Pricol Pune Limited. He holds 3,521,175 shares in the Company.

Mr. D.Sarath Chandran, Mr. Vijay Mohan, Mrs. Vanitha Mohan and Mr. Vikram Mohan are related to each other. Mr. D.Sarath Chandran is Mr. Vijay Mohan's brother, Mrs. Vanitha Mohan is Mr. Vijay Mohan's wife and Mr. Vikram Mohan is the elder son of Mr. Vijay Mohan.

**Mrs. Sriya Chari**, 42 years of age, is B.Com (Hons.) graduate from Sriram College of Commerce, Delhi and MBA from Cardiff Business School, University of Wales. She is having an experience of 23 years and presently Director in Rajsriya Automotive Industries Private Limited and Managing Director of Auto Pluss Electrical Components (Chennai) Private Limited. She does not hold any shares of the Company. Her appointment is not liable to retire by rotation. Sitting fee and commission will be paid broadly on the basis of attendance to the Board and Committee meetings. She is not related to any Promoter, Director or Key Managerial Personnel of the Company.

### 3. Audit Committee:

a. The Committee is mandated with the same terms of reference as specified in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also conforms to the provisions of Section 177 of the Companies Act, 2013.

#### b. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2015-2016:

Name of the Member	Category	Date of Meeting / Members present				
		25th May 2015	5th August 2015	4th November 2015	25th January 2016	12th February 2016
Mr.R.Vidhya Shankar (Chairman)	Non-Executive- Independent	✓	✓	✓	✓	✓
Mr.C.R.Swaminathan	Non-Executive- Independent	✓	✓	✓	✓	–
Mr.K.Murali Mohan	Non-Executive- Independent	✓	✓	✓	–	✓
Mrs.Vanitha Mohan	Executive - Promoter	–	✓	✓	✓	✓

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

### 4. Nomination and Remuneration Committee:

a. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees.

b. The Committee shall identify the persons who are qualified to become Directors / Senior Management Personnel of the Company in accordance with the criteria laid down, recommend to the Board their appointment, the remuneration including commission, perquisites and benefits payable to the Directors and their removal. It shall also carry out the evaluation of every Director's performance.

## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

### c. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2015 - 2016:

Name of the Member	Category	Date of Meeting / Members present		
		18th May 2015	15th June 2015	9th February 2016
Mr. C.R.Swaminathan (Chairman)	Non Executive –Independent	✓	✓	✓
Mr. K.Murali Mohan	Non Executive –Independent	✓	✓	–
Mr. R.Vidhya Shankar	Non Executive –Independent	✓	✓	✓

### d. Nomination and Remuneration Policy

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

#### The Objectives of the Policy are:

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

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

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

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

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

### 5. Remuneration to Directors:

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

The Shareholders have approved remuneration to Non-Executive directors by way of Commission not exceeding one percent of the Net profits of the Company per annum. The sitting fees and commission will be distributed broadly on the basis of Board Meetings and Committee Meetings attended by the Non-Executive Directors.

#### The remuneration paid / payable to the Executive Directors for the year 2015 - 2016:

₹ Million

Name of the Director	Designation	Service Contract	Salary, perquisites & benefits (Gross)	Commission	Total
Mrs. Vanitha Mohan	Vice Chairman	1st April 2013 to 31st March 2016	5.119	11.212	16.331
Mr. Vikram Mohan	Managing Director	1st April 2013 to 31st March 2016	13.651	14.949	28.600

## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

The remuneration paid / payable to the Non-Executive Directors for the year 2015 - 2016 and the shares held by them are given below: ₹ Million

Name of the Non-Executive Director	Commission	Sitting fee	No. of Shares held on 31st March, 2016
Mr. Vijay Mohan	0.350	0.150	9,801,178
Mr. Suresh Jagannathan	0.110	0.045	26,985
Mr. C.R.Swaminathan	0.510	0.215	1,995
Mr. D.Sarath Chandran	0.220	0.090	45,000
Mr. R.Vidhya Shankar	0.600	0.250	—
Mr. G.Soundararajan	0.160	0.065	—
Mr. K.Murali Mohan	0.430	0.175	—

The Company had availed the services of Mr.R.Vidhya Shankar, Advocate who is a Non-Executive-Independent Director, in his professional capacity and paid ₹ 2.515 Million. The said transaction value does not exceed ten per cent of the gross turnover of his legal firm.

### 6. Stakeholders Relationship Committee:

The Committee comprises of Mr.D.Sarath Chandran, Mr.Vijay Mohan, Mrs.Vanitha Mohan, Mr.C.R.Swaminathan and Mr.R.Vidhya Shankar.

The Committee approves the issue of new / duplicate share certificates. The Committee oversees and reviews all matters connected with share transfers / transmission / demat /remat and other issues pertaining to shares. The Committee also looks into the investor relations / grievances and redressal of the same, on a periodical basis.

The Committee met 4 times during the year on 15th May 2015, 20th July 2015, 29th October 2015 and 27th January 2016. Mr.D.Sarath Chandran / Mr.Vijay Mohan chaired the meetings. Mr.T.G.Thamizhanban, Company Secretary is the Compliance Officer.

During the year, 3 letters were received from the investors regarding non-receipt of dividend warrants / annual reports / share certificates etc., and all of them were replied / resolved to their satisfaction. No transfer / dematerialisation / investor complaints are kept pending.

### 7. General Body Meetings:

Year	Date & Time	Special Resolution	Location
2013 - 41st AGM	2nd August 2013 4.30 p.m	a) Re-appointment of Mrs.Vanitha Mohan, as Vice Chairman b) Re-appointment of Mr.Vikram Mohan as Managing Director c) Commission to Non-Whole Time Director	Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore 641 018.
2014 - 42nd AGM	8th August 2014 4.30 p.m.	a) Fixing Borrowing powers of the Board of Directors b) Alteration of Articles of Association c) Approval for contracts / arrangement with M/s. Pricol Asia Pte Limited, Singapore, a Wholly Owned Subsidiary	
2015 - 43rd AGM	12th August 2015 4.30 p.m.	NIL	

- Court convened meeting of members held during the year 2015-16 : NIL
- Special resolution passed during the year 2015 - 16, through postal ballot: NIL
- Person who conducted the postal ballot exercise : Not applicable.
- During 2016-2017, notice to shareholders (High Court convened meeting) sent on 20th May 2016 for getting approval through postal ballot / e-voting for Scheme of Amalgamation of Pricol Limited with Pricol Pune Limited - Special resolution.

## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

### 8. Means of Communication:

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

Management discussion & Analysis forms part of the Annual Report.

### 9. General Shareholder information:

#### a. Annual General Meeting

**Date & Time** : 17th August, 2016, 4.30 p.m.

**Venue** : Chamber Hall, Chamber Towers, 8/732 Avinashi Road, Coimbatore – 641 018

**b. Financial Year** : 1st April 2015 to 31st March, 2016

**c. Date of Book closure** : 13th August, 2016 to 17th August, 2016

#### d. Financial Calendar

Financial reporting for the quarter ending	Financial Calendar
30th June, 2016	Between 15th July and 14th August, 2016
30th September, 2016	Between 15th October and 14th November, 2016
31st December, 2016	Between 15th January and 14th February, 2017
31st March, 2017	Between 15th April and 30th May, 2017

**e. Particulars of Dividend payments** : Dividend of ₹ 1/- per share has been recommended by the Board of Directors and subject to the approval of the shareholders at the ensuing Annual General Meeting is proposed to be paid from 18th August, 2016.

**f. Listing on Stock Exchanges** : **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051  
**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

**g. Stock Code** : National Stock Exchange : PRICOL  
BSE Limited : 526109

#### h. International Security

**Identification Number (ISIN)** : INE605A01026

**i. Listing and Custodial Fee** : Annual Listing Fees for the year 2016-17 were paid to National Stock Exchange of India Limited and BSE Limited. Custodial Fees for the year 2016-17 to Central Depository Services (India) Limited and National Securities Depository Limited, were paid.

## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

### j. Stock Market Data:

Month	National Stock Exchange				BSE Limited			
	Price (₹)		CNX- 500 (Points)		Price (₹)		BSE- Small Cap (Points)	
	High	Low	High	Low	High	Low	High	Low
April-15	43.80	29.90	7299.55	6698.45	43.85	30.45	11942.76	10621.33
May-15	41.00	29.80	6988.30	6572.70	41.40	29.85	11293.79	10598.29
June-15	34.15	28.50	6980.65	6543.55	34.25	28.75	11317.26	10522.80
July-15	41.55	31.10	7172.70	6906.60	41.55	31.30	11851.41	11089.37
August-15	42.25	29.00	7233.75	6352.90	42.35	29.00	12203.64	10178.98
September-15	32.30	28.55	6694.60	6286.70	32.35	28.55	11038.02	10269.93
October-15	36.15	30.75	6952.00	6640.80	36.20	30.65	11673.26	11029.68
November-15	39.80	30.05	6796.35	6487.45	39.85	29.85	11656.47	10822.82
December-15	44.70	33.75	6731.35	6386.45	44.65	34.00	11845.44	11142.60
January-16	48.70	37.60	6758.55	6055.30	48.75	37.15	12008.85	10186.93
February-16	56.20	40.50	6374.55	5717.00	56.05	40.50	10984.18	9399.43
March-16	46.35	41.10	6430.00	5866.65	46.30	41.40	10554.51	9557.56

### k. Registrar and Transfer Agents:

#### For Physical transfer and Dematerialisation of shares:

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

### l. Share Transfer System:

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

- Pursuant to Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, on half-yearly basis, for due compliance of share transfer formalities by the Share Transfer Agent of the Company.
- Pursuant to SEBI (Depositories and Participants) Regulations, 1996, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) with the total issued / paid up capital of the Company.



## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

### m. Shareholding pattern as on 31st March 2016:

Shares held by	No. of holders	No. of Shares	% of Total Paid - up Capital
Promoters & Associates	23	38,347,962	40.45
Non-Resident Indians	318	1,139,794	1.20
Foreign Institutional Investors	1	5,000	0.01
Banks/ Indian Financial Institutions	5	109,751	0.12
Venture Capital Funds	1	2,700,000	2.85
Insurance Companies	1	268,966	0.28
Trust	3	8,000	0.01
Bodies Corporate	657	14,941,879	15.76
Mutual Funds	6	2,718,333	2.87
Public	27,981	34,557,036	36.45
<b>Total</b>	<b>28,996</b>	<b>94,796,721</b>	<b>100.00</b>

### n. Distribution of Shareholding as on 31st March 2016:

Shareholding (Range)	No. of holders	No. of Shares	% of Total Paid - up Capital
Upto 500	20,594	3,823,888	4.03
501 to 1000	3,469	2,944,026	3.10
1001 to 2000	2,043	3,212,104	3.39
2001 to 3000	858	2,214,826	2.34
3001 to 4000	373	1,334,157	1.41
4001 to 5000	403	1,889,160	1.99
5001 to 10000	653	4,849,303	5.12
10001 and above	603	74,529,257	78.62
<b>Total</b>	<b>28,996</b>	<b>94,796,721</b>	<b>100.00</b>

### o. Dematerialisation of shares and liquidity as on 31st March 2016:

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

Particulars	No. of holders	% of No. of holders	No. of Shares	% of Total Paid- up Capital
i) National Securities Depository Limited (NSDL)	18,582	64.08	72,208,553	76.17
ii) Central Depository Services (India) Limited (CDSL)	9,278	32.00	19,834,349	20.92
<b>Demat Form (i + ii)</b>	<b>27,860</b>	<b>96.08</b>	<b>92,042,902</b>	<b>97.09</b>
iii) Physical Form	1,136	3.92	2,753,819	2.91
<b>Total</b>	<b>28,996</b>	<b>100.00</b>	<b>94,796,721</b>	<b>100.00</b>

The Company's shares are regularly traded on BSE Limited and National Stock Exchange of India Limited.

### p. Transfer of Unclaimed Shares to Demat Account:

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

## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

Particulars		No. of shareholders	No. of shares
Opening	a	764	1,077,370
Transferred from Unclaimed Shares Suspense account upto 31st March 2015	b	48	88,990
Closing Balance as on 31st March 2015	c =a-b	716	988,380
Claimed during the year 2015-16		10	22,060
Transferred from Unclaimed Shares Suspense account during the year 2015-16	d	10	22,060
Closing Balance as on 31st March 2016	e=c-d	706	966,320

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

**q. As on 31st March 2016, there are no Outstanding GDRs /ADRs / Warrants or any Convertible Instruments.**

**r. Commodity price risk or foreign exchange risk and hedging activities :**  
Refer Note No. 2.45 to Notes to Financial Statements.

**s. Plant locations:**

**Plant I**

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

**Plant III**

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

**Plant VI**

Plot no.11, Sector 10,  
Integrated Industrial Estate,  
Pantnagar, SIDCUL,  
Rudrapur - 263 153, India.

**Plant II**

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

**Plant V**

Survey No.1065 & 1066,  
Urawade Road,  
Pirangut, Taluk Mulshi,  
Pune - 412 108, India.

**Plant VII**

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

**t. Address for correspondence:**

**Registrar & Transfer Agents**

**Integrated Enterprises (India) Limited**

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

**Company**

Secretarial Department

**Pricol Limited,**

CPM Towers, 109 Race Course,  
Coimbatore - 641 018, India.

Phone : + 91 422 4336238 / 6272

Fax : + 91 422 4336299

Email : cs@pricol.co.in

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

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

**10. Disclosures:**

a. The Company has not entered into any materially significant related party transactions that may have potential conflict with the interest of the Company at large. Details of transactions with related parties are provided in Note No.2.50 to Notes to Financial Statements in accordance with the provision of Accounting Standard 18. The Company has formulated a policy on related party transactions which has been placed on the website of the Company and the web link thereto is <http://www.pricol.com/Policy-RPT.pdf>.

## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

- b. There was no instance of non-compliance by the Company on any matters relating to the capital markets, nor was there any penalties, strictures, imposed by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years;.
- c. The Company has established a Vigil Mechanism / Whistle Blower Policy to enable the Stakeholders of the Company to report their genuine concerns and grievances. The Policy provides for adequate safeguards against victimization of stakeholders who avail of the vigil mechanism and direct access to the Chairman of the Audit Committee of the Company, in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

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

- d. The Company has formulated a Policy on Subsidiary & Material Subsidiary Company and has placed it on the website of the Company and the web link thereto is <http://www.pricol.com/Policy-on-Subsidiary-Material-Subsidiary-Company.pdf>.
- e. Disclosure of commodity price risks and commodity hedging activities.  
Refer Note No. 2.45 to Notes to Financial Statements.
- f. The Company has complied with all the mandatory requirement of corporate governance norms as specified in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- g. The Company has complied with the following Discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:
  - The Company has a non-executive Chairman who maintains a Chairman's office at the Company's expense and who is allowed reimbursement of expenses incurred in the performance of his duties.
  - Adopted the best practices to ensure a regime of financial statements with unmodified audit opinion.
  - The Company has appointed separate persons to the post of Chairman and Managing Director.

For and on behalf of the Board

**Vijay Mohan**

Chairman

(DIN : 00001843)

Coimbatore  
27th May, 2016

### CODE OF CONDUCT

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

### DECLARATION

All the Board members and senior management personnel affirmed compliance with the code of conduct of the Company for the financial year ended 31st March 2016.

Coimbatore  
27th May, 2016

**Vikram Mohan**  
Managing Director  
(DIN : 00089968)

## ANNEXURE “F” TO DIRECTORS' REPORT (Contd.,)

### CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

**The Members of Pricol Limited (CIN : L33129TZ1972PLC000641)**

I have examined all the relevant records of Pricol Limited ("the Company") for the purpose of certifying compliance of the conditions of corporate governance stipulated under Clause 49 of the Listing Agreement & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March, 2016. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

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

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated in the aforesaid Listing Agreement & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**P. ESWARAMOORTHY AND COMPANY**

Company Secretaries

**CS. P. Eswaramoorthy**

Proprietor

FCS No.: 6510

CP No.: 7069

Coimbatore  
27th May, 2016

# TEN YEARS PERFORMANCE AT A GLANCE

## OPERATING RESULTS

₹ Million

Year Ended 31st March	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Net Sales &amp; Services</b>										
- Domestic	4,809.48	4,803.69	4,765.51	6,338.06	7,100.16	7,886.74	6,996.69	6,899.65	7,842.34	9,799.21
- Export	1,024.35	1,260.94	1,375.25	1,085.86	1,062.93	1,428.05	1,285.91	1,402.78	1,162.55	1,005.28
<b>Total Net Sales &amp; Services</b>	<b>5,833.83</b>	<b>6,064.63</b>	<b>6,140.76</b>	<b>7,423.92</b>	<b>8,163.09</b>	<b>9,314.79</b>	<b>8,282.60</b>	<b>8,302.43</b>	<b>9,004.89</b>	<b>10,804.49</b>
Gross Surplus from Operation	954.17	763.11	335.34	909.50	768.73	737.32	604.37	658.14	232.84	1,066.54
Other Income	30.36	69.41	42.28	33.30	57.15	21.47	15.16	36.22	20.06	70.00
Depreciation & Amortisation Expense (a)	295.92	327.19	364.91	351.78	337.04	291.91	319.50	306.65	352.55	341.74
Finance Costs (b)	180.48	287.00	395.51	316.45	273.12	297.92	163.31	65.20	78.90	93.12
Profit / (Loss) from operations before Exceptional Items and Tax	508.13	218.33	(382.80)	274.57	215.72	168.96	136.72	322.51	(178.55)	701.68
Exceptional Items (Net)	—	—	—	—	—	494.20	—	516.33	(46.77)	(100.16)
Profit / (Loss) Before Tax (PBT) (c)	508.13	218.33	(382.80)	274.57	215.72	663.16	136.72	838.84	(225.32)	601.52
Tax Provision incl. Deferred Tax	146.00	27.50	(82.56)	19.77	(15.43)	99.00	(20.68)	168.85	(45.35)	169.55
Profit / (Loss) After Tax (PAT) (d)	362.13	190.83	(300.24)	254.80	231.15	564.16	157.40	669.99	(179.97)	431.97
Dividend (including tax) (e)	105.30	63.18	—	41.98	62.76	83.68	42.12	88.45	—	114.10
Retained Profit / (Loss)	256.83	127.65	(300.24)	212.82	168.39	480.48	115.28	581.54	(179.97)	317.87
As at 31st March	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016

### SOURCES OF FUNDS

Share Capital	90.00	90.00	90.00	90.00	90.00	90.00	90.00	94.50	94.80	94.80
Reserves & Surplus	1,650.89	1,778.54	1,478.30	1,691.12	1,859.51	2,339.99	2,455.28	3,113.32	2,580.59	2,898.47
Money received against Share Warrants	—	—	—	—	—	20.25	20.25	—	—	—
Networth (f)	1,740.89	1,868.54	1,568.30	1,781.12	1,949.51	2,450.24	2,565.53	3,207.82	2,675.39	2,993.27
Deferred Tax Liability / (Asset)	67.19	37.19	(29.81)	(56.81)	7.00	51.00	40.00	81.00	14.00	(10.00)
Loan Funds (g)	2,979.65	3,250.60	3,090.05	2,559.98	2,380.60	1,738.56	1,049.24	439.42	640.10	500.00
Total Capital Employed (h)	4,787.73	5,156.33	4,628.54	4,284.29	4,337.11	4,239.80	3,654.77	3,728.24	3,329.49	3,483.27

### APPLICATION OF FUNDS

Gross Fixed Assets	4,186.60	4,741.85	4,972.66	5,127.37	5,138.11	5,043.79	5,180.64	5,041.60	4,557.01	4,703.33
Depreciation	1,794.99	2,119.56	2,461.98	2,804.32	2,979.66	3,130.63	3,347.13	3,231.80	2,796.33	2,898.77
Net Fixed Assets	2,391.61	2,622.29	2,510.68	2,323.05	2,158.45	1,913.16	1,833.51	1,809.80	1,760.68	1,804.56
Investments	243.74	182.91	182.91	252.41	252.41	302.41	388.05	603.85	527.56	954.42
Net Current Assets	2,152.38	2,351.13	1,934.95	1,708.83	1,926.25	2,024.23	1,433.21	1,314.59	1,041.25	724.29
Net Assets Employed	4,787.73	5,156.33	4,628.54	4,284.29	4,337.11	4,239.80	3,654.77	3,728.24	3,329.49	3,483.27

### PERFORMANCE INDICATORS

Equity shares (Nos. in Mn) (i)	90.00	90.00	90.00	90.00	90.00	90.00	90.00	94.50	94.80	94.80
Face Value of Equity share (₹)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Earnings per share (EPS) (₹) (d / i)	4.02	2.12	(3.34)	2.83	2.57	6.27	1.75	7.16	(1.90)	4.56
Diluted Earnings per share (₹)	4.02	2.12	(3.34)	2.83	2.57	6.18	1.67	7.16	(1.90)	4.56
Dividend per share (₹)	1.00	0.60	—	0.40	0.60	0.80	0.40	0.80	—	1.00
Networth per share (NWPS) (₹) (f / i)	19.34	20.76	17.43	19.79	21.66	27.22	28.51	33.95	28.22	31.58
Return on Average Networth (RONW) (%) *	22.46	10.57	(17.47)	15.21	12.39	25.65	6.28	23.21	(6.12)	15.24
Return on Average Capital Employed (ROCE) (%) **	15.84	10.16	0.26	13.26	11.34	22.41	7.60	24.49	(4.15)	20.39
Total Debt to Networth (g / f)	1.71	1.74	1.97	1.44	1.22	0.71	0.41	0.14	0.24	0.17
Interest Coverage Ratio (a+b+c) / b	5.46	2.90	0.95	2.98	3.02	4.21	3.79	18.57	2.61	11.13

\* RONW =  $[\text{PAT} / \{(\text{Previous Year Networth} + \text{Current Year Networth}) / 2\}] \times 100$

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

## REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHARE HOLDERS

### To the Members of Pricol Limited

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Pricol Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

## REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHARE HOLDERS (Contd.,)

2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.30 on Contingent Liabilities to the standalone financial statements;
- (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts –

Refer Note 2.29 to the standalone financial statements;

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W  
**C.S. Sathyanarayanan**

Coimbatore  
27th May 2016

Partner  
Membership No.028328

### ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Pricol Limited on the standalone financial statements for the year ended 31-03-2016]**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. In respect of inventory lying with third parties, these have substantially been confirmed by them. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases.

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

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

## REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHARE HOLDERS (Contd.,)

Name of the Statute	Nature of dues	Amount ₹ Million	Period to which the amount relates	Forum where dispute is pending
Central Excise Act / Service Tax / Customs	i) Service Tax	3.984	1990 - 2014	High Court
	ii) Excise Duty	89.884		CESTAT
	iii) Service Tax	57.790		CESTAT
	iv) Service Tax	0.252		Commissioner (Appeals)
	v) Excise Duty	2.052		Commissioner (Appeals)
	vi) Customs Duty	0.895		Joint secretary - Ministry of Finance
	vii) Excise duty	45.426		Departmental adjudication
	viii) Service Tax	1.641		Departmental adjudication
	ix) Customs duty	1.283		Departmental adjudication
Sales Tax	i) CST	13.325	1995 - 96 &	High Court
	- Penalty	19.988	1996 - 97	
	ii) CST	7.439	2009 - 10 & 2010 - 11	Additional Commissioner

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

Coimbatore  
27th May 2016

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No.028328



## REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHARE HOLDERS (Contd.,)

### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Pricol Limited on the standalone financial statements for the year ended 31-03-2016]**

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

We have audited the internal financial controls over financial reporting of Pricol Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of 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.

## REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHARE HOLDERS (Contd.,)

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No. 103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No.028328

Coimbatore  
27th May 2016

★ ★ ★ ★ ★

## BALANCE SHEET AS AT 31st MARCH 2016

	Note No.	31-3-2016 ₹ Million	31-3-2015 ₹ Million
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	94.797	94.797
(b) Reserves and Surplus	2.2	2,898.471	2,580.592
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	2.3	133.333	200.000
(b) Deferred Tax Liabilities (Net)	2.4	—	14.000
(c) Long Term Provisions	2.5	226.473	112.867
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	2.6	200.000	340.102
(b) Trade Payables	2.7		
(i) Total Outstanding dues of Micro Enterprises and Small Enterprises		34.728	20.860
(ii) Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		2,003.112	1,691.963
(c) Other Current Liabilities	2.8	615.082	474.003
(d) Short Term Provisions	2.9	163.576	62.524
<b>Total</b>		<b>6,369.572</b>	<b>5,591.708</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets	2.10		
(i) Tangible Assets		1,683.811	1,646.094
(ii) Intangible Assets		56.241	76.056
(iii) Capital Work-in-progress		64.508	38.535
(b) Non Current Investments	2.11	954.415	527.563
(c) Deferred Tax Assets (Net)	2.4	10.000	—
(d) Long Term Loans and Advances	2.12	104.926	59.500
(e) Other Non-Current Assets	2.13	163.250	297.873
<b>(2) Current Assets</b>			
(a) Current Investments	2.14	2.086	2.100
(b) Inventories	2.15	1,157.283	1,082.816
(c) Trade Receivables	2.16	2,001.904	1,644.743
(d) Cash and Cash Equivalents	2.17	64.717	67.582
(e) Short Term Loans and Advances	2.18	101.798	138.480
(f) Other Current Assets	2.19	4.633	10.366
<b>Total</b>		<b>6,369.572</b>	<b>5,591.708</b>

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

As per our report of date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Regn. No. 103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328  
Coimbatore, 27th May 2016

**Vijay Mohan**  
Chairman  
(DIN: 00001843)

**S. Shrinivasan**  
Chief Financial Officer  
(ACMA No.: 17505)

For and on behalf of the Board

**Vanitha Mohan**  
Vice Chairman  
(DIN: 00002168)

**Vikram Mohan**  
Managing Director  
(DIN:00089968)

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

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

	Note No.	2015-16 ₹ Million	2014-15 ₹ Million
<b>INCOME</b>			
Revenue from Operations	2.20	10,804.485	9,004.890
Other Operating Revenue	2.21	460.611	491.753
Other Income	2.22	69.996	20.057
<b>Total Revenue</b>		<b>11,335.092</b>	<b>9,516.700</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.23	6,923.099	6,002.960
Purchases of Stock-in-Trade		493.927	555.434
Changes in inventories of Work-in-progress, Finished Goods and Stock-in-Trade	2.24	(21.257)	25.066
Employee Benefits Expense	2.25	1,584.978	1,618.954
Finance Costs	2.26	93.119	78.900
Depreciation & Amortisation Expense	2.27	341.737	352.545
Other Expenses	2.28	1,217.810	1,061.390
<b>Total Expenses</b>		<b>10,633.413</b>	<b>9,695.249</b>
<b>Profit / (Loss) from operations before Exceptional Items and Tax</b>		<b>701.679</b>	<b>(178.549)</b>
Less : Exceptional Items	2.43	100.162	46.768
<b>Profit / (Loss) Before Tax</b>		<b>601.517</b>	<b>(225.317)</b>
Less : Tax Expense			
Current Tax		165.540	12.903
Deferred Tax		(24.000)	(48.378)
MAT Credit		—	(12.903)
For earlier years		28.003	3.033
<b>Profit / (Loss) for the year</b>		<b>431.974</b>	<b>(179.972)</b>
<b>Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees</b>	2.33		
Basic		4.56	(1.90)
Diluted		4.56	(1.90)

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

As per our report of date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Regn. No. 103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328  
Coimbatore, 27th May 2016

**Vijay Mohan**  
Chairman  
(DIN: 00001843)

**S. Shrinivasan**  
Chief Financial Officer  
(ACMA No.: 17505)

For and on behalf of the Board

**Vanitha Mohan**  
Vice Chairman  
(DIN: 00002168)

**Vikram Mohan**  
Managing Director  
(DIN:00089968)

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

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

	2015-16 ₹ Million	2014-15 ₹ Million
<b>A. Cash flow from operating activities :</b>		
Net Profit / (Loss) Before Tax	601.517	(225.317)
Adjustments for :		
Depreciation & Amortisation Expense	341.737	352.545
Bad debts written off	2.215	1.593
Provision for doubtful debts written back	(2.215)	(2.277)
Provision for doubtful debts and advances	11.870	13.010
(Profit) / Loss on sale of assets (Net)	(3.948)	4.301
Profit on Sale of Investment	—	(151.000)
Provision for Diminution in Value of Investment	—	287.538
Provision for Diminution in Value of Current Investment	0.014	—
Loss on Sale of Investment (Net of Provision for Diminution)	100.162	—
Assets Discarded / Written off	15.028	24.614
Profit on Sale of undertaking / business	—	(18.800)
Profit on Sale of Land	—	(70.970)
Exchange Fluctuation (Gain) / Loss on Re-statement	5.363	(6.886)
Interest received	(3.212)	(3.094)
Income from Current Investments	(0.518)	—
Finance Costs	93.119	78.900
	559.615	509.474
Operating Profit before working capital changes	1,161.132	284.157
Adjustments for :-		
Trade and other receivables	(368.702)	(40.206)
Inventories	(74.467)	(60.220)
Trade and other payables	514.947	143.523
	71.778	43.097
Cash generated from Operations	1,232.910	327.254
Direct taxes	(78.913)	(25.691)
Net cash from operating activities	1,153.997	301.563
<b>B. Cash flow from investing activities :</b>		
Purchase of Fixed Assets	(404.960)	(405.616)
Sale of Fixed Assets	8.268	98.815
Sale of undertaking / business	—	48.895
Interest received	3.212	3.094
Purchase of Investments	(1,470.402)	(262.348)
Sale of Investments	943.906	200.000
Net Cash (used in) / from investing activities	(919.976)	(317.160)
<b>C. Cash flow from financing activities :</b>		
Secured Long Term Borrowings	—	300.000
Unsecured Long Term Borrowings & Deposits	—	(0.018)
Working Capital Borrowings	(140.102)	(152.314)
Dividend & Tax on Dividend paid	(0.748)	(44.338)
Finance Costs paid	(96.036)	(73.834)
Net Cash (used in) / from financing activities	(236.886)	29.496
<b>D. Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	(2.865)	13.899
Cash and Bank balances as at 1.4.2015 and 1.4.2014 (Opening Balance)	67.582	37.797
Add : Pursuant to Amalgamation	—	15.886
Less : Bank Balances not considered as Cash and Cash equivalents as per Accounting Standard AS 3	47.991	40.017
	16.726	27.565
Cash and cash equivalents as at 31.3.2016 and 31.3.2015 (Closing Balance)		

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

As per our report of date attached

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Regn. No. 103523W

**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328  
Coimbatore, 27th May 2016

**Vijay Mohan**  
Chairman  
(DIN: 00001843)

**S. Shrinivasan**  
Chief Financial Officer  
(ACMA No.: 17505)

For and on behalf of the Board

**Vanitha Mohan**  
Vice Chairman  
(DIN: 00002168)

**Vikram Mohan**  
Managing Director  
(DIN:00089968)

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### I. a) Basis of preparation :

The financial statements have been prepared to comply in all material respects with the accounting standards specified under Section 133 of Companies act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### b) Use of estimates :

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year. Difference between the actual amounts and the estimates are recognised prospectively in the year in which the events are materialised.

#### II. Fixed Assets, Depreciation & Amortisation and Impairment :

- a) Fixed Assets are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation, accumulated amortisation and cumulative impairment. Costs include pre-operative expenses and all expenses related to acquisition and installation of the assets concerned.
- b) Where the cost of part of the asset is significant to the total cost of the asset and if the part of the asset has a different useful life than the main asset, useful life of that part is determined separately for depreciation.
- c) Own manufactured assets are capitalised at cost including an appropriate share of overheads.
- d) New Product Development Cost including Technology Fee payable to Technology providers will be appropriately capitalised as and when the liability gets crystallised with mutual consent of parties concerned.
- e) (i) Depreciation has been provided under the Straight Line Method as per the useful lives stated in Schedule II to the Companies Act 2013, except for Dies, Tools and Moulds, which is depreciated over a period of 3 years. Depreciation for Plant & Machinery has been provided on Triple shift basis.

#### (ii) Intangible assets are amortised as follows: -

- i) Specialised software : Over a period of 4 years
  - ii) Fees for Technical Know-how : Over a period of 4 years
- f) Leasehold Buildings are amortised over the lease period.
- g) As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine ;
- i) the provision for impairment loss, if any, required or ;
  - ii) the reversal, if any, required for impairment loss recognised in previous periods.
- Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

#### III. Investments:

- a) Long Term Investments are stated at cost.
- b) Current Investments are carried at lower of cost and fair value as on the Balance Sheet date.
- c) Provision for diminution in value of long-term investments is made, if the diminution is other than temporary.

#### IV. Valuation of Inventories:

- a) Inventories are valued at lower of cost and estimated net realisable value. The basis of determining Cost for various categories of inventories are as follows :-
  - i) Raw Materials, Packing Materials and Stores & spares : Weighted Average Basis.
  - ii) Finished Goods and Work-in-progress : Cost of Direct Material, Labour and other Manufacturing overheads
- b) Excise Duty is added in the Closing Inventory of Finished Goods.

#### V. Revenue Recognition:

- a) The company generally follows the mercantile system of accounting and recognises income and Expenditure on an accrual basis except those with significant uncertainties.
- b) Sale of goods is recognised when the risk and rewards of ownership are passed on to the customers, which is generally on despatch of goods.
- c) Dividend Income is recognised when the right to receive the dividend is unconditional at the Balance Sheet date.
- d) Interest is recognised on a time proportion basis

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

### SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

taking into account the amount outstanding and the rate applicable.

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

#### VI. Foreign Currency Transactions:

- a) Foreign Currency Transactions are recorded at exchange rates prevailing on the date of such transaction.
- b) Exchange differences arising on settlement on transactions of monetary items are recognised as income / expense in the Statement of Profit & Loss in the period in which it arises.
- c) Foreign monetary currency assets and liabilities at the year end are realigned at the exchange rate prevailing at the year end and difference on realignment is recognised in the Statement of Profit & Loss.
- d) Premium / Discount in respect of Forward Contract is amortised as expense / income over the period of contract. Exchange difference arising on forward contracts between the exchange rate on the date of the transaction and the exchange rate prevailing at the year end is recognised in the Statement of Profit & Loss.

#### VII. Research and Development:

Revenue Expenditure on Research and Development is charged under respective heads of account.

#### VIII. Employee Benefits:

- a) Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- b) Post employment and other long term benefits, which are defined benefit plans, are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered service. The expense is recognised based on the present value of the obligation determined in accordance with Accounting Standard 15 on "Employee Benefits". Actuarial gains & losses are charged to the Statement of Profit and Loss.
- c) Payments to defined contribution schemes are charged as expense as and when incurred.
- d) Termination benefits are recognised as an expense, as and when incurred.

#### IX. Borrowing Costs:

- a) Borrowing Costs attributable to the acquisition or construction of qualifying assets are capitalised as part of such assets. All other borrowing costs are charged to revenue.
- b) A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use or sale.

#### X. Taxes on Income:

- a) Current tax on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessment / appeals.
- b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- c) Deferred tax assets are recognised only to the extent that there is reasonable certainty that the assets can be realised in the future. However, where there is unabsorbed depreciation or carried forward business loss under taxation loss, deferred tax assets are recognised only there is a virtual certainty of realisation of such assets.

#### XI. Operating Leases :

Lease arrangements, where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor, are recognised as an operation lease.

Lease payments under operating leases are recognised as an expense on a straight line basis over the lease period.

The Assets given under operating leases are shown in Balance Sheet under Fixed Assets and depreciated on a basis consistent with the depreciation policy of the company. The lease income is recognised in the Statement of Profit and Loss on a straight line basis over the lease period.

#### XII. Government Grant and Subsidies :

Grants and subsidies from the Government are recognised when there is a reasonable assurance that Grant / Subsidy are received and all attached conditions complied with. Grant related to specific fixed assets are presented in the Balance Sheet by showing such Grant as deduction from the Fixed Asset concerned. Grants received in the nature of promoters contribution is credited to Capital Reserve and treated as a part of Shareholders' fund.

#### XIII. 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. The weighted average number of equity shares outstanding during the period are 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 profit or loss for the period attributable to equity shareholders and the weighted average number

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

### SIGNIFICANT ACCOUNTING POLICIES (Contd..)

of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### XIV. Provisions and Contingencies:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. A disclosure of a contingent liability is made when there

is possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

#### XV. Cash and Cash equivalents :

Cash flow are reported using the indirect method, whereby net profit / loss before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow comprises regular revenue generating, investing and financing activities of the company. Cash and cash equivalents in the balance sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.1. SHARE CAPITAL

	31-3-2016	31-3-2015
	₹ Million	₹ Million
<b>Authorised</b>		
482,000,000 Equity Shares of ₹ 1/- each	<u>482.000</u>	<u>482.000</u>

#### Issued, Subscribed and Paid-up

94,796,721 Equity Shares of ₹ 1/- each fully paid-up	<u>94.797</u>	<u>94.797</u>
--	---------------	---------------

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

Equity Shares	31-3-2016		31-3-2015	
	No. of Shares	₹	No. of Shares	₹
	Million	Million	Million	Million
At the beginning of the period	94.797	94.797	94.500	94.500
Add : Shares issued during the year	—	—	0.297	0.297
At the closing of the period	<u>94.797</u>	<u>94.797</u>	<u>94.797</u>	<u>94.797</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 :

Equity Shares of ₹ 1/- each fully paid	31-3-2016		31-3-2015	
	No. of Shares	% held	No. of Shares	% held
- Vijay Mohan	9,801,178	10.34 %	9,828,353	10.37 %
- Viren Mohan	<u>6,545,909</u>	<u>6.91 %</u>	<u>6,522,615</u>	<u>6.88 %</u>

#### Details of Shares held by Holding Company :

There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company.

#### Details of Shares issued for consideration other than in cash :

296,721 Shares of ₹ 1/- each were allotted during the year 2014 - 15 in terms of Scheme of Amalgamation with Xenos Automotive Limited which was sanctioned by the Hon'ble High Court of Madras on 1st December 2014. 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 FINANCIAL STATEMENTS (Contd.,)

	31-3-2016 ₹ Million	31-3-2015 ₹ Million		
<b>2.2. RESERVES &amp; SURPLUS</b>				
<b>Securities Premium Account</b>	257.500	257.500		
<b>General Reserve</b>				
Opening Balance	1,850.710	2,155.909		
Add : Transfer from Surplus in the Statement of Profit & Loss	—	—		
	<u>1,850.710</u>	<u>2,155.909</u>		
Less : Deficit on Amalgamation	—	305.199		
<b>Surplus in the Statement of Profit &amp; Loss</b>	<u>1,850.710</u>	<u>1,850.710</u>		
Opening Balance	472.382	699.911		
Add : Profit / (Loss) for the year	431.974	(179.972)		
Less : Appropriations :-				
: Loss on Amalgamation	—	11.393		
: Adjustment relating to Depreciation as per Transitional Provision	—	36.164		
: Dividend - 100% - ₹ 1/- per share (Previous year - Nil)	94.797	—		
: Tax on Dividend	19.298	—		
: Transfer to General Reserve	—	—		
	<u>790.261</u>	<u>472.382</u>		
	<u>2,898.471</u>	<u>2,580.592</u>		
<b>2.3. LONG TERM BORROWINGS</b>				
	<b>Non-Current portion</b>	<b>Current Maturities</b>		
	31-3-2016	31-3-2015	31-3-2016	31-3-2015
	₹ Million	₹ Million	₹ Million	₹ Million
<b>Secured Loans :</b>				
Rupee Term Loan from Banks	133.333	200.000	166.667	100.000
	<u>133.333</u>	<u>200.000</u>	<u>166.667</u>	<u>100.000</u>
Term Loan of ₹ 300 Million for Medium Term Working Capital from Bank of Bahrain and Kuwait B.S.C. is repayable in 12 quarterly instalments of ₹ 25 Million each. Interest is payable on monthly basis at the rate of Bank's Base Rate plus 10 bps. The loan is secured by an exclusive charge on the specific land and building of Plant III situated at Billichy Village, Coimbatore District. Outstanding as on 31st March, 2016 is ₹ 150 Million (Previous year - ₹ 300 Million).				
Term Loan ₹ 200 Million from HDFC Bank is repayable in 12 quarterly instalments of ₹ 16.667 Million each. Interest is payable on monthly basis at the rate of Bank's Base Rate plus 5 bps. The loan is secured by exclusive charge on the specific plant and machinery and exclusive charge on immovable property situated at IMT Manesar, Gurgaon. Outstanding as on 31st March, 2016 is ₹ 150 Million (Previous year - Nil).				
<b>2.4. DEFERRED TAX LIABILITIES / (ASSETS) (NET)</b>	31-3-2016	Charged /	31-3-2015	
	₹ Million	Reversed	₹ Million	
		during the year		
<b>Deferred Tax Liability</b>		₹ Million		
Fixed Assets	47.780	(7.523)	55.303	
	<u>47.780</u>	<u>(7.523)</u>	<u>55.303</u>	
<b>Deferred Tax Asset</b>				
Disallowance under the Income Tax Act	57.780	16.477	41.303	
	<u>57.780</u>	<u>16.477</u>	<u>41.303</u>	
<b>Deferred Tax Liability / (Asset) (Net)</b>	<u>(10.000)</u>	<u>(24.000)</u>	<u>14.000</u>	
<b>2.5. LONG TERM PROVISIONS</b>				
For Employee Benefits :				
- Gratuity (Refer to Note No. 2.41 (a) )	100.106		30.453	
- Leave Encashment (Refer to Note No. 2.41 (c) )	15.122		9.674	
For Central Excise Demands (Refer to Note No. 2.29)	69.158		32.289	
For Potential Statutory Liabilities (Refer to Note No. 2.29)	42.087		40.451	
	<u>226.473</u>		<u>112.867</u>	

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31-3-2016	31-3-2015
	₹ Million	₹ Million
<b>2.6. SHORT TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>Working Capital Facilities from Banks</b>		
- In Rupee	200.000	0.102
<b>Unsecured Loans</b>		
<b>Working Capital Facilities from Banks</b>		
- In Rupee	—	340.000
	<u>200.000</u>	<u>340.102</u>
<p>Working Capital Facilities from State Bank of India, ICICI Bank, Axis Bank and HDFC Bank are secured by pari-passu first charge on the current assets of the Company. Working Capital Facilities are further secured by pari-passu second charge on the specific immovable properties situated at Plant I - Perianaickenpalayam, Coimbatore District, Tamilnadu.</p> <p>Working Capital Facilities from Banks are repayable on demand and carries interest rates varying from 9.80% to 12.73% p.a.</p>		
<b>2.7. TRADE PAYABLES</b>		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	34.728	20.860
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	2,003.112	1,691.963
	<u>2,037.840</u>	<u>1,712.823</u>
<p>There are no interest amounts paid / payable to Micro Enterprises and Small Enterprises. The information in relation to dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.</p>		
<b>2.8. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debt (Refer to Note No. 2.3)	166.667	100.000
Interest Accrued but not due on loans	2.811	5.728
Unclaimed Dividend	5.146	5.894
Statutory Dues Payable	56.553	35.439
Employee Benefit Expense Payable	205.736	174.724
Other Payables *	178.169	152.218
	<u>615.082</u>	<u>474.003</u>
<p>* Other Payables includes accrued expenses and Rental Deposit payable</p>		
<b>2.9. SHORT TERM PROVISIONS</b>		
For Employee Benefits :		
- Gratuity (Refer to Note No. 2.41 (a) )	21.467	13.935
- Leave Encashment (Refer to Note No. 2.41 (c) )	0.512	0.328
For Labour Settlement (Refer to Note No. 2.29)	27.502	32.325
For Taxation (Net)	—	15.936
For Dividend	94.797	—
For Tax on Dividend	19.298	—
	<u>163.576</u>	<u>62.524</u>

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

### 2.10. FIXED ASSETS

₹ Million

	Gross Block				Balance as on 31-3-2016	Upto 31-3-2015	Depreciation / Amortisation				Net Block		
	Cost as on 1-4-2015	Additions during 2015-16	Transfer on Amalgamation	Sales / Deletions during 2015-16			For 2015-16	Transfer on Amalgamation	Transfer to Surplus	Withdrawn during 2015-16	Total upto 31-3-2016	Written down as on 31-3-2016	Value as on 31-3-2015
<b>Tangible Assets</b>													
Freehold Land	128.639 (123.553)	2.322 (7.749)	— —	— (2.663)	<b>130.961</b> <b>(128.639)</b>	— —	— —	— —	— —	— —	<b>130.961</b> <b>(128.639)</b>	128.639	
Leasehold Land	26.879 (26.879)	— —	— —	— —	<b>26.879</b> <b>(26.879)</b>	2.053 (1.782)	<b>0.271</b> <b>(0.271)</b>	— —	— —	— —	<b>2.324</b> <b>(2.053)</b>	<b>24.555</b> <b>(24.826)</b>	24.826
Buildings	1,015.667 (994.500)	5.009 (21.167)	— —	9.397 —	<b>1,011.279</b> <b>(1,015.667)</b>	380.389 (348.338)	<b>28.812</b> <b>(28.352)</b>	— —	— (3.699)	6.465 —	<b>402.736</b> <b>(380.389)</b>	<b>608.543</b> <b>(635.278)</b>	635.278
Leasehold Buildings	8.065 (8.065)	— —	— —	— —	<b>8.065</b> <b>(8.065)</b>	4.032 (2.688)	<b>1.344</b> <b>(1.344)</b>	— —	— —	— —	<b>5.376</b> <b>(4.032)</b>	<b>2.689</b> <b>(4.033)</b>	4.033
Plant & Machinery	2,789.603 (3,336.128)	253.705 (266.785)	— (0.915)	100.195 (814.225)	<b>2,943.113</b> <b>(2,789.603)</b>	2,088.083 (2,568.924)	<b>190.572</b> <b>(252.050)</b>	— (0.074)	— (39.440)	93.413 (772.405)	<b>2,185.242</b> <b>(2,088.083)</b>	<b>757.871</b> <b>(701.520)</b>	701.520
Furniture and Fittings	69.382 (63.873)	3.276 (4.371)	— (21.329)	9.347 (20.191)	<b>63.311</b> <b>(69.382)</b>	41.093 (31.209)	<b>4.516</b> <b>(4.568)</b>	— (11.165)	— (4.260)	8.667 (10.109)	<b>36.942</b> <b>(41.093)</b>	<b>26.369</b> <b>(28.289)</b>	28.289
Vehicles	30.775 (35.376)	14.896 (1.113)	— (3.247)	11.196 (8.961)	<b>34.475</b> <b>(30.775)</b>	19.125 (19.514)	<b>2.418</b> <b>(3.423)</b>	— (2.391)	— (0.924)	8.857 (7.127)	<b>12.686</b> <b>(19.125)</b>	<b>21.789</b> <b>(11.650)</b>	11.650
Office Equipments	6.074 (4.247)	0.042 (1.827)	— —	0.790 —	<b>5.326</b> <b>(6.074)</b>	3.029 (1.932)	<b>0.723</b> <b>(0.420)</b>	— —	— (0.677)	0.751 —	<b>3.001</b> <b>(3.029)</b>	<b>2.325</b> <b>(3.045)</b>	3.045
Computer Equipments	319.870 (266.300)	40.202 (51.537)	— (10.626)	127.570 (8.593)	<b>232.502</b> <b>(319.870)</b>	211.056 (168.672)	<b>33.743</b> <b>(35.289)</b>	— (9.398)	— (5.786)	121.006 (8.089)	<b>123.793</b> <b>(211.056)</b>	<b>108.709</b> <b>(108.814)</b>	108.814
<b>Total Tangible Assets</b>	<b>4,394.954</b> <b>(4,858.921)</b>	<b>319.452</b> <b>(354.549)</b>	<b>—</b> <b>(36.117)</b>	<b>258.495</b> <b>(854.633)</b>	<b>4,455.911</b> <b>(4,394.954)</b>	<b>2,748.860</b> <b>(3,143.059)</b>	<b>262.399</b> <b>(325.717)</b>	<b>—</b> <b>(23.028)</b>	<b>—</b> <b>(54.786)</b>	<b>239.159</b> <b>(797.730)</b>	<b>2,772.100</b> <b>(2,748.860)</b>	<b>1,683.811</b> <b>(1,646.094)</b>	<b>1,646.094</b>
<b>Intangible Assets</b>													
Computer Software	119.440 (159.347)	11.228 (29.569)	— —	0.145 (69.476)	<b>130.523</b> <b>(119.440)</b>	46.157 (86.533)	<b>30.493</b> <b>(25.626)</b>	— —	— —	0.133 (66.002)	<b>76.517</b> <b>(46.157)</b>	<b>54.006</b> <b>(73.283)</b>	73.283
Technical Knowhow	4.085 (6.000)	48.307 (0.292)	— —	— (2.207)	<b>52.392</b> <b>(4.085)</b>	1.312 (2.206)	<b>48.845</b> <b>(1.202)</b>	— —	— —	— (2.096)	<b>50.157</b> <b>(1.312)</b>	<b>2.235</b> <b>(2.773)</b>	2.773
<b>Total Intangible Assets</b>	<b>123.525</b> <b>(165.347)</b>	<b>59.535</b> <b>(29.861)</b>	<b>—</b> <b>—</b>	<b>0.145</b> <b>(71.683)</b>	<b>182.915</b> <b>(123.525)</b>	<b>47.469</b> <b>(88.739)</b>	<b>79.338</b> <b>(26.828)</b>	<b>—</b> <b>—</b>	<b>—</b> <b>—</b>	<b>0.133</b> <b>(68.098)</b>	<b>126.674</b> <b>(47.469)</b>	<b>56.241</b> <b>(76.056)</b>	<b>76.056</b>
<b>Total Assets</b>	<b>4,518.479</b> <b>(5,024.268)</b>	<b>378.987</b> <b>(384.410)</b>	<b>—</b> <b>(36.117)</b>	<b>258.640</b> <b>(926.316)</b>	<b>4,638.826</b> <b>(4,518.479)</b>	<b>2,796.329</b> <b>(3,231.798)</b>	<b>341.737</b> <b>(352.545)</b>	<b>—</b> <b>(23.028)</b>	<b>—</b> <b>(54.786)</b>	<b>239.292</b> <b>(865.828)</b>	<b>2,898.774</b> <b>(2,796.329)</b>	<b>1,740.052</b> <b>(1,722.150)</b>	<b>1,722.150</b>

Figures in bracket are in respect of previous year.

Note : Freehold Land includes ₹ 49.988 Million (Previous year 2014-15 - ₹ 47.666 Million) paid by the Company towards the claim for additional compensation by Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC). The claim by HSIIDC is made in instalments and the payment is made as and when the instalments become due. The said payment had been made under protest and the matter is pending before the Supreme Court. Pending disposal of the appeal by the Court, the payment of instalments are capitalised to the cost of the land.

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31-3-2016		31-3-2015		
	₹ Million		₹ Million		
<b>2.11. NON CURRENT INVESTMENTS</b>					
<b>1. Shares in Subsidiary Company - Non Trade - Unquoted :</b>					
a) 2,250,000 Equity Shares of ₹ 10/- each fully paid-up in Integral Investments Limited - (Extent of holding - 100%)	22.500		22.500		
b) 4,160,092 Equity Shares of Euro 1/- each fully paid-up in Pricol Espana S.L. Spain (Previous year - 1,803,657 Equity shares of Euro 1/- each) (Extent of holding -100%)	336.221		155.168		
<b>2. Shares in Subsidiary Company - Trade - Unquoted :</b>					
a) 37,437,500 Equity Shares of ₹ 10/- each fully paid-up in Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited) (Extent of holding - Nil) (Previous year - 100%) (Refer to Note No. 2.43)	—		387.538		
b) 5,500 Equity Shares of USD 1,000/- each fully paid-up in PT Pricol Surya Indonesia (Previous year - 3,500 Equity Shares of USD 1,000/- each) - (Extent of holding - 100%)	317.827		184.857		
c) 250,000 Equity Shares of USD 1/- each fully paid-up in Pricol Asia Pte Limited, Singapore - (Extent of holding - 100%)	15.038		15.038		
d) 100,000,000 Equity Shares of ₹ 1/- each fully paid-up in Pricol Pune Limited (Formerly, Johnson Controls Pricol Private Limited) (Extent of holding - 100%) (Previous year - 5,000,000 Equity Shares of ₹ 10/- each fully paid-up in Johnson Controls Pricol Private Limited - (Extent of holding - 50%) (Refer Note No. 2.39)	262.829		50.000		
<b>Aggregate Cost of Un-Quoted Investments</b>	<b>954.415</b>		<b>815.101</b>		
Less : Provision for Diminution in value of Investments (Refer to Note No. 2.43)	—		287.538		
	<b>954.415</b>		<b>527.563</b>		
<b>2.12. LONG TERM LOANS AND ADVANCES</b>					
Unsecured considered good					
Capital Advances	77.899		32.321		
Deposits	27.027		27.179		
Unsecured considered doubtful	2.610	1.305			
Less : Provision for Doubtful Deposits	2.610	1.305			
	<b>104.926</b>		<b>59.500</b>		
<b>2.13. OTHER NON-CURRENT ASSETS</b>					
Unsecured Considered Good					
Loans to Employees	0.037		0.160		
Balances with Government Authorities	1.126		5.060		
Tax Payments Pending Adjustment (Net)	20.421		22.445		
MAT Credit Entitlement	141.666		270.208		
	<b>163.250</b>		<b>297.873</b>		
<b>2.14. CURRENT INVESTMENTS</b>					
Sl.No.	Particulars	Amount (₹ Million)		Market Value (₹ Million)	
		31-3-2016	31-3-2015	31-3-2016	31-3-2015
<b>Investments in Mutual Funds - Non Trade - Quoted - Fully paid</b>					
1.	ICICI Prudential MIP - 25 - Regular Plan - Growth	0.700	0.700	0.721	0.702
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	0.700	0.700	0.686	0.702
3.	Birla Sun Life MIP II - Wealth 25 Plan - Growth - Regular Plan	0.700	0.700	0.718	0.702
<b>Aggregate Cost / Market Value of Quoted Investments</b>		<b>2.100</b>	<b>2.100</b>	<b>2.125</b>	<b>2.106</b>
Less : Provision for Diminution in Value of Investments		0.014	—	—	—
		<b>2.086</b>	<b>2.100</b>	<b>2.125</b>	<b>2.106</b>

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31-3-2016	31-3-2015
	₹ Million	₹ Million
<b>2.15. INVENTORIES</b>		
Raw Materials & Components (includes Goods in Transit of ₹ 109.965 Million Previous year - ₹ 130.621 Million)	786.718	732.138
Work-in-progress	84.691	114.292
Finished Goods	140.108	88.102
Land - Stock-in-Trade	88.825	88.825
Stock of Stores & Spares	27.823	29.193
Traded Goods	29.118	30.266
	<u>1,157.283</u>	<u>1,082.816</u>
<b>2.16. TRADE RECEIVABLES</b>		
a) Outstanding for a period exceeding six months		
i) Unsecured Considered Good	—	34.096
ii) Unsecured Considered Doubtful	50.478	52.250
Less : Provision for Doubtful Debts	<u>50.478</u>	<u>52.250</u>
b) Outstanding for a period less than six months		
i) Unsecured Considered Good	2,001.904	1,610.647
ii) Unsecured Considered Doubtful	41.145	31.867
Less : Provision for Doubtful Debts	<u>41.145</u>	<u>31.867</u>
	<u>2,001.904</u>	<u>1,644.743</u>
<b>2.17. CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
In Current Account	15.409	26.055
In Unclaimed Dividend Account	5.146	5.894
In Fixed Deposit Account	31.000	20.630
In Margin Money Account #	11.845	13.493
Cash on hand	1.317	1.510
	<u>64.717</u>	<u>67.582</u>
# Margin Money with banks is towards issue of Letter of credits, Buyers Credit for Imports and Bank Guarantee.		
Of the above, the balances that meet the definition of Cash and Cash equivalent as per AS 3 Cash Flow Statement is	<u>16.726</u>	<u>27.565</u>
<b>2.18. SHORT TERM LOANS AND ADVANCES</b>		
Unsecured Considered Good		
Advances to Employees	2.035	1.939
Advances to Suppliers	21.086	27.966
Balances with Government Authorities	49.348	71.555
Prepaid Expenses	29.329	37.020
Unsecured Considered Doubtful	0.844	—
Less : Provision for Doubtful Debts	<u>0.844</u>	<u>—</u>
	<u>101.798</u>	<u>138.480</u>
<b>2.19. OTHER CURRENT ASSETS</b>		
Unsecured Considered Good		
Accrued Income	4.633	10.366
	<u>4.633</u>	<u>10.366</u>

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>2.20. REVENUE FROM OPERATIONS</b>		
Sale of Products - Finished Goods		
Domestic	10,718.271	8,417.209
Export	1,005.282	1,162.545
Traded Goods	103.025	141.967
	<u>11,826.578</u>	<u>9,721.721</u>
Less : Excise Duty	<u>1,111.516</u>	<u>838.505</u>
Service Income	89.423	121.674
	<u>10,804.485</u>	<u>9,004.890</u>
<b>Details of Sale of Products :</b>		
1. Dashboard Instruments & Accessories		
a) Dashboard Instruments	3,802.206	3,730.990
b) Speedometer Cables	13.714	59.480
c) Sensors (all types)	1,505.642	1,355.650
d) Accessories & Sub-assembly Components	601.331	572.130
2. Oil Pumps	1,059.130	1,056.790
3. Chain Tensioners	364.743	333.330
4. Idle Speed Control Valve Assembly	126.297	175.230
5. Other Auto Components	1,133.995	734.450
6. Speed Limitation Device	1,585.640	82.560
7. Other Products	522.364	782.606
	<u>10,715.062</u>	<u>8,883.216</u>
<b>2.21. OTHER OPERATING REVENUE</b>		
Export Incentives	13.516	16.654
Sale of Traded Goods - Others	447.095	475.099
	<u>460.611</u>	<u>491.753</u>
<b>2.22. OTHER INCOME</b>		
Interest Received	3.212	3.094
Income from Current Investments	0.518	—
Rent Received	18.085	16.094
Profit on Sale of Assets (Net)	3.948	—
Insurance Claim	34.481	—
Miscellaneous Income	9.752	0.869
	<u>69.996</u>	<u>20.057</u>
<b>2.23. COST OF MATERIALS CONSUMED</b>		
Materials Consumed (Refer to Note No. 2.38)	<u>6,923.099</u>	<u>6,002.960</u>

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>2.24. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE (INCREASE) / DECREASE</b>		
Work-in-progress	29.601	(8.359)
Finished Goods	(52.006)	(4.720)
Traded Goods	1.148	38.145
	<u>(21.257)</u>	<u>25.066</u>
<b>2.25. EMPLOYEE BENEFITS EXPENSE</b>		
a) Pay, Allowances and Bonus	1,275.103	1,401.215
b) Contribution to Provident and other funds	196.392	115.558
c) Welfare Expenses	113.483	102.181
	<u>1,584.978</u>	<u>1,618.954</u>
<b>2.26. FINANCE COSTS</b>		
Interest on Loans	91.787	78.140
Other Borrowing Costs	1.332	0.760
	<u>93.119</u>	<u>78.900</u>
<b>2.27. DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
Depreciation (Refer to Note No. 2.10)	262.399	325.717
Amortisation (Refer to Note No. 2.10)	79.338	26.828
	<u>341.737</u>	<u>352.545</u>
<b>2.28. OTHER EXPENSES</b>		
Power & Utilities (Refer to Note No. 2.34)	182.123	198.477
Stores & Spares Consumed	8.813	4.065
Repairs and Maintenance :		
- Machinery	125.691	106.730
- Building	31.460	16.055
- Others	9.865	13.521
Printing & Stationery	13.297	11.640
Postage & Telephone	15.731	23.767
Rent	18.645	27.376
Rates, Taxes & Licence	55.286	18.303
Insurance	21.135	24.105
Bank Charges	8.155	9.141
Travelling & Conveyance	79.827	89.869
Freight & Forwarding and Selling Expenses	192.061	196.922
Advertisement & Sales Promotion	18.037	10.250

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>OTHER EXPENSES (Contd.,)</b>		
Commission & Discount on Sales	30.325	25.422
Royalty	13.432	13.717
Bad Debts written off	2.215	1.593
Less : Provision for doubtful debts written back	<u>2.215</u>	<u>2.277</u>
Provision for doubtful debts and advances	11.870	13.010
Provision for Statutory Liabilities	61.636	40.451
Provision for Diminution in Value of Current Investments	0.014	—
Commission / Sitting Fees to Non-Whole Time Directors	3.370	1.570
Auditors' Remuneration (Refer to Note No. 2.36)	6.672	6.911
Professional Charges	248.964	149.682
Exchange Fluctuation (Net)	28.920	9.055
Assets Discarded / Written off	15.028	24.614
Loss on sale of Assets (Net)	—	4.301
Miscellaneous Expenses	14.531	15.899
CSR Expenses (Refer to Note No. 2.47)	2.307	7.200
Donations	0.615	0.021
	<u>1,217.810</u>	<u>1,061.390</u>

### 2.29. PROVISIONS AS ON THE CLOSING DATE :

	₹ Million			
	Opening Balance 1-4-2015	Additions	Utilised / Reversals	Closing Balance 31-3-2016
1. Excise Duty Demands	32.289	60.000	23.131	69.158
2. Labour Settlement	32.325	—	4.823	27.502
3. Potential Statutory Liabilities	40.451	22.566	20.930	42.087
	<u>105.065</u>	<u>82.566</u>	<u>48.884</u>	<u>138.747</u>

### 2.30. CONTINGENT LIABILITIES AND COMMITMENTS AS ON THE CLOSING DATE :

	As at 31-3-2016 ₹ Million	As at 31-3-2015 ₹ Million
<b>CONTINGENT LIABILITIES</b>		
<b>a) On account of Pending Litigations :</b>		
Sales Tax Matters (excluding Interest if any)	40.752	48.147
Excise, Service Tax and Customs Matters (excluding Interest & Penalty if any)	167.930	180.596
<b>b) Others :</b>		
Corporate Guarantee to Subsidiaries / Joint Venture #	1,117.166	689.682
Letter of Credit	190.392	79.268
	<u>1,516.240</u>	<u>997.693</u>
<b>COMMITMENTS</b>		
Estimated Value of contracts remaining to be executed on Capital account	187.186	251.616



## NOTES TO FINANCIAL STATEMENTS (Contd.,)

		2015-16	2014-15
		₹ Million	₹ Million
# Details of Corporate Guarantee given to Subsidiaries / Joint Venture :			
S.No.	Name of the Subsidiary / Joint Venture	As at 31-3-2016 ₹ Million	As at 31-3-2015 ₹ Million
			Purpose
1.	Pricol do Brasil Componentes Automotivos LtdA, Brazil	420.000	—
2.	PT Pricol Surya Indonesia	322.666	315.182
3.	Pricol Pune Limited (Formerly, Johnson Controls Pricol Private Limited)	220.000	220.000
4.	Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited) *	154.500	154.500
<b>Total</b>		<b>1,117.166</b>	<b>689.682</b>

\* Necessary approvals are pending for revocation of Corporate Guarantee.

### 2.31. EARNINGS IN FOREIGN CURRENCY (FOB) :

Exports Sales	<u>968.016</u>	<u>1,110.027</u>
---------------	----------------	------------------

### 2.32. EXPENDITURE IN FOREIGN CURRENCY :

#### CIF Value of Imports :

Raw Materials & Components	1,662.980	1,613.510
Spares	11.916	8.054
Capital Goods	21.640	38.223
	<u>1,696.536</u>	<u>1,659.787</u>

#### Other Payments :

Lumpsum Know-how Fee	43.812	—
Royalty on Sales	13.432	13.717
Interest on Foreign Currency Loans	—	1.919
Other matters	30.612	66.236
	<u>87.856</u>	<u>81.872</u>

### 2.33. EARNINGS PER SHARE :

Profit / (Loss) After Tax	431.974	(179.972)
Weighted Average No. of Shares Outstanding :		
Basic & Diluted (Nos. in Million)	94.797	94.797
Basic & Diluted Earnings per share (in ₹)	4.56	(1.90)
Face Value per Equity Share (in ₹)	1.00	1.00

2.34. Power & Utilities is net of Wind Power of ₹ 5.977 Million (Previous year - ₹ 8.340 Million) representing power supplied to the grid against which equivalent consumption was made inhouse.

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2015-16	2014-15
	₹ Million	₹ Million
<b>2.35. RESEARCH AND DEVELOPMENT EXPENDITURE :</b>		
Capital	29.982	59.894
Revenue	257.379	206.891
	<u>287.361</u>	<u>266.785</u>

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

### 2.36. REMUNERATION TO AUDITORS (EXCLUSIVE OF SERVICE TAX) :

For Audit	3.000	3.000
For Taxation Matters	2.200	1.670
For Company Law Matters	0.400	1.000
For Certification and Others	0.846	0.964
Reimbursement of Expenses	0.226	0.277
	<u>6.672</u>	<u>6.911</u>

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

### 2.38. COST OF MATERIALS CONSUMED :

Value of imported and indigenous Raw Materials Consumed :

	2015-16		2014-15	
	₹ Million	%	₹ Million	%
Imported	1,411.724	20.39	1,390.100	23.16
Indigenous	5,511.375	79.61	4,612.860	76.84
	<u>6,923.099</u>	<u>100.00</u>	<u>6,002.960</u>	<u>100.00</u>

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

### 2.39. INTEREST IN JOINT VENTURES :

During the year, the company has acquired balance 50% interest in Pricol Pune Limited (Previously, Johnson Controls Pricol Private Limited), consequent to which the Pricol Pune Limited has become the wholly owned subsidiary of the Company.

2.40. Income Tax Assessments are completed upto Assessment Year 2013-14. The Company has preferred appeals against certain disallowances made in the assessments. In the opinion of the Company the provision for taxation available in the books of accounts is adequate.

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>2.41. a) Particulars regarding defined benefit plan :</b>		
The Company operates a defined benefit plan for payment of post employment benefits in the form of Gratuity. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided in the Payment of Gratuity Act, 1972. The terms of the benefits are common for all the employees of the Company.		
<b>I. Principal actuarial assumptions used as at the Balance Sheet Date :</b>		
<b>Period Covered</b>	<b>2015-16</b>	2014-15
Discount Rate	<b>7.42% p.a.</b>	7.75% p.a.
Expected Return on Plan assets	<b>8.00% p.a.</b>	8.00% p.a.
Average future working life	<b>15 yrs</b>	16 yrs
The estimates of future salary increases considered in actuarial valuation, taking into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
<b>II. Changes in the Present Value of the Obligation :</b>	<b>₹ Million</b>	₹ Million
Present Value of obligation beginning of the period	<b>184.845</b>	151.958
Interest cost	<b>12.745</b>	10.905
Current service cost	<b>18.130</b>	15.867
Past service cost	—	—
Benefits paid	<b>(26.168)</b>	(22.479)
Actuarial (Gain) / Loss on obligation	<b>104.427</b>	28.594
Present Value of obligation end of the period	<b>293.979</b>	184.845
<b>III. Changes in the Fair Value of plan assets :</b>		
Fair Value of plan assets beginning of the period	<b>140.457</b>	140.012
Expected return on plan assets	<b>12.515</b>	11.219
Contributions	<b>44.400</b>	13.000
Benefits paid	<b>(25.766)</b>	(21.172)
Actuarial Gain / (Loss) on plan assets	<b>0.800</b>	(2.602)
Fair Value of plan assets as at the end of the period	<b>172.406</b>	140.457
<b>IV. Amounts recognised in the Balance Sheet :</b>		
Present Value of obligation	<b>293.979</b>	184.845
Fair Value of plan assets	<b>(172.406)</b>	(140.457)
Liability / (Asset)	<b>121.573</b>	44.388
Unrecognised past service cost	—	—
Asset / (Liability) recognised in the Balance Sheet	<b>(121.573)</b>	(44.388)
<b>V. Expenses recognised in the Statement of Profit &amp; Loss :</b>		
Current service cost	<b>18.130</b>	15.867
Interest Cost	<b>12.745</b>	10.905
Expected return on plan assets	<b>(12.515)</b>	(11.219)
Net Actuarial (Gain) / Loss recognised in the year	<b>103.627</b>	31.196
Past service cost	—	—
Expenses recognised in the Statement of Profit & Loss	<b>121.987</b>	46.749
The expense has been included under the head "Contribution to provident and other funds" under "Employee Benefits Expense" in the Statement of Profit & Loss.		

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	₹ Million				
VI. Amount for the period :	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of obligation	293.979	184.845	151.958	144.955	138.294
Plan Assets	172.406	140.457	140.012	122.792	138.301
Surplus / (Deficit)	(121.573)	(44.388)	(11.946)	(22.163)	0.007
Experience adjustments on plan liabilities	19.864	13.568	12.697	23.553	2.440
Experience adjustments on plan assets	(0.800)	2.602	(1.103)	(1.900)	(1.356)

VII. Major Categories of plan assets (As percentage of total plan assets) :	2015-16 ₹ Million	2014-15 ₹ Million
Funds Managed by Insurance Companies	100%	100%

VIII. Enterprise's best estimate of contribution during next year **21.467** 13.935

b) Contribution of ₹ 62.543 Million (Previous year - ₹ 63.189 Million) made to defined contribution plans were charged to Statement of Profit & Loss.

c) The Company also extends defined benefit plans in the form of Compensated absences to employees. The Employee Benefits towards Compensated absences are provided based on actuarial valuation made at the end of the year.

Employee benefits towards Compensated absences recognised in the Statement of Profit & Loss are as follows :

### Actuarial Assumptions :

The Principal assumptions used in determining Company's liability towards employee benefits under Compensated absences are furnished below :

Period Covered	2015-16	2014-15
Discount Rate	7.42% p.a.	7.75% p.a.

The estimates of future salary increases considered in actuarial valuation, taking into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### I. Amounts recognised in the Balance Sheet :

Present Value of obligation	15.634	10.002
Liability recognised in the Balance Sheet	15.634	10.002

### II. Expenses recognised in the Statement of Profit & Loss :

Current Service cost	2.245	3.497
Interest Cost	0.742	0.235
Benefits Paid	—	(1.841)
Actuarial (Gain) / Loss on obligation	2.645	4.151
Expenses recognised in the Statement of Profit & Loss	5.632	6.042

The expense has been included under the head "Pay, Allowances and Bonus" under "Employee Benefits Expense" in the Statement of Profit & Loss.

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>2.42. Operating Leases :</b>		
a) <b>As Lessee :</b>		
Amortisation of premium paid for leasehold rights	0.271	0.271
Annual lease payments charged off to Statement of Profit & Loss	5.003	4.863
<b>Future Minimum Lease Payments</b>		
- Not later than one year	7.014	7.014
- Later than one year and not later than five years	6.781	13.681
- Later than five years	8.543	8.657
b) <b>As Lessor :</b>		
Annual lease receipts included as income in the Statement of Profit & Loss	11.311	9.944
<b>Future Minimum Lease Receivables</b>		
- Not later than one year	11.292	10.504
- Later than one year and not later than five years	11.875	22.977
- Later than five years	—	—
<b>2.43. Exceptional Items :</b>		
a) Profit from Sale of Land	—	(70.970)
b) Profit on Sale of Speedo Cable Business (a non core business) on a slump sale basis	—	(18.800)
c) Profit on Sale of Investment (Shares in Joint Venture - 4,900,000 Equity Shares of ₹ 10/- each with Denso Pricol India Limited)	—	(151.000)
d) Provision for Diminution in value of Investment in Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited)	—	287.538
e) Loss on Sale of Investment in Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited)	387.700	—
f) Provision for Diminution in value of Investment in Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited), Written back	(287.538)	—
	<b>100.162</b>	<b>46.768</b>

**2.44.** The Board at its meeting held on 27th January 2016 approved the draft scheme of amalgamation of Pricol Limited with Pricol Pune Limited (Wholly owned subsidiary) effective 1st April 2015, a company engaged in manufacture of auto components subject to the required approvals in the manner as required under the Companies Act and Securities and Exchange of Board of India (SEBI).

The Company had obtained the "No-objection" to the Draft Scheme from BSE Limited (Designate Stock Exchange) and National Stock Exchange of India Limited as per SEBI circulars.

The Company had filed necessary application with Honourable High Court of Madras for sanction of the scheme of amalgamation.

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

### 2.45. a) Details of Foreign Currency Exposures that are hedged by a derivative instrument or otherwise :

Particulars	Foreign Currency	2015-16	2014-15	2015-16	2014-15
		Amount of Foreign Currency in Million		Equivalent Amount in ₹ Million	
Buyers Credit	USD	2.964	2.674	202.161	167.354

### b) Details of Foreign Currency Exposures that are not hedged by a derivative instrument or otherwise :

Particulars	Foreign Currency	2015-16	2014-15	2015-16	2014-15
		Amount of Foreign Currency in Million		Equivalent Amount in ₹ Million	
Trade Payables	CHF	—	0.007	—	0.422
	EUR	0.020	0.053	1.503	3.572
	GBP	0.003	0.001	0.288	0.072
	JPY	132.850	135.330	78.461	70.520
	USD	0.705	0.953	46.781	59.634
Trade Receivables	EUR	0.448	0.701	33.625	47.303
	USD	3.050	4.249	202.324	265.934
	AUD	—	0.005	—	0.252
	GBP	0.008	0.001	0.792	0.021

### 2.46. Segment Reporting

As per Accounting Standard (AS) 17 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

### 2.47. CSR Expenditure

	2015 - 16 ₹ Million	2014-15 ₹ Million
i) Gross amount required to be spent by the company during the year	—	3.777
ii) Amount spent during the year	2.307	7.200

Particulars	Incurred	Yet to be incurred	Total
a) Construction / acquisition of any asset	—	—	—
b) On other purpose other than (a) above	2.307	—	2.307

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

2.49. All figures are in Million unless otherwise stated.

### 2.50. Related Party disclosure as per Accounting Standard 18 :

**Holding Company : Nil ; Fellow Subsidiary : Nil ; Associate : Nil ; Subsidiary Companies :** Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited) #, Pricol Pune Limited (Formerly, Johnson Controls Pricol Private Limited)\*, PT Pricol Surya Indonesia, Pricol Asia Pte Limited, Singapore, Pricol Espana S.L. Spain, Pricol Do Brasil Componentes Automotivos Ltda, Brazil (Subsidiary of Pricol Espana S.L. Spain) and Integral Investments Limited.  
**Key Management Personnel :** Mrs. Vanitha Mohan, Mr. Vikram Mohan. **Relatives of Key Management Personnel:** Mr. Vijay Mohan **Joint Venture :** Johnson Controls Pricol Private Limited \*

**Others: (Enterprise over which key management personnel are able to exercise significant influence)** Pricol Holdings Limited, PPL Enterprises Limited, Pricol Travel Limited, Pricol Technologies Limited, Pricol Properties Limited, Pricol Corporate Services Limited, Pricol Engineering Industries Limited, Target Manpower Services Limited, Prinfra Limited, M and M Enterprises (India) Limited, Bhavani Infin Services India Private Limited, Shrimay Enterprises Private Limited, Sagittarius Investments Private Limited, Libra Industries, Leo Industries, Bhavani Global Enterprises and Ellargi & Co.

# Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited) ceased to be a Subsidiary with effect from 22nd January, 2016.

\* Johnson Controls Pricol Private Limited ceased to be a Joint Venture and became a Wholly Owned Subsidiary Company with effect from 7th May 2015.

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

₹ Million

Nature of Transaction	Subsidiary Companies		Key Management Personnel and their Relatives		Others / Joint Venture	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Purchase / Labour Charges	1,197.011	862.490	—	—	206.568	297.026
Sales / Job Work Charges	109.356	37.381	—	—	2.831	389.253
Sale of Subsidiary	47.488	—	—	—	—	—
Sale of Interest in Joint venture	—	—	—	—	—	200.000
Purchase of Fixed Assets	0.350	—	—	—	1.554	0.020
Sale of Fixed Assets	—	—	—	—	1.938	85.058
Receiving of Services / Reimbursement of Expenses Paid	8.948	—	43.489	17.431	496.657	432.547
Rendering of Services / Reimbursement of Expenses Received	22.669	2.441	—	—	20.264	129.099
Loan / Advance Receivable / Deposit / Interest - Opening	—	8.252	0.048	—	6.066	28.666
Add : Amount advanced / Deposit during the year	54.147	56.400	—	2.048	61.305	7.525
Less : Amount received / converted into capital during the year	47.650	44.100	—	—	—	—
Add : Interest receivable for the year	—	—	—	—	—	—
Less : Amount received / Adjustments on Amalgamation / Subsidiary	5.408	20.552	—	2.000	1.089	30.000
Less : Rental advance received	—	—	—	—	2.325	0.125
Less : Interest received for the year	—	—	—	—	—	—
Loan / Advance Receivable / Deposit / Interest - Closing	1.089	—	0.048	0.048	63.957	6.066
Advance payable - Opening	—	—	—	—	—	—
Less : Amount repaid during the year	—	—	—	—	—	—
Advance payable - Closing	—	—	—	—	—	—
Investments - Opening	765.101	504.853	—	—	50.000	99.000
Add : Investments made / Adjustments on Subsidiary during the year	624.502	260.248	—	—	—	—
Less : Divestment / Adjustments on Subsidiary during the year	435.188	—	—	—	50.000	49.000
Investments - Closing	954.415	765.101	—	—	—	50.000
Guarantee - Opening	469.682	274.700	—	—	220.000	—
Add : Guarantee provided / Adjustments on Subsidiary during the year	647.484	194.982	—	—	—	220.000
Less : Guarantee released / Adjustments on Subsidiary during the year	—	—	—	—	220.000	—
Guarantee - Closing	1,117.166	469.682	—	—	—	220.000
Receivable - Opening	36.446	88.738	—	—	211.698	514.148
Add : Amount receivable during the year	256.267	37.506	—	—	17.656	611.104
Less : Amount received / Adjustments on Amalgamation / Subsidiary	258.998	89.798	—	—	227.117	913.554
Receivable - Closing	33.715	36.446	—	—	2.237	211.698
Payable - Opening	58.345	7.933	0.225	8.242	88.145	73.986
Add : Amount payable during the year	1,251.877	953.121	43.489	17.486	769.206	808.803
Less : Amount paid / Adjustments on Amalgamation / Subsidiary	1,271.118	902.709	17.204	25.503	745.426	794.644
Payable - Closing	39.104	58.345	26.510	0.225	111.925	88.145

As per our report of date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Regn. No. 103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328  
Coimbatore, 27th May 2016

**Vijay Mohan**  
Chairman  
(DIN: 00001843)

**S. Shrinivasan**  
Chief Financial Officer  
(ACMA No.: 17505)

For and on behalf of the Board

**Vanitha Mohan**  
Vice Chairman  
(DIN: 00002168)

**Vikram Mohan**  
Managing Director  
(DIN:00089968)

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

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

### To the Members of Pricol Limited

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Pricol Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and

plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

#### Other Matter

- a. We did not audit the financial statements of 3 subsidiaries, whose financial statements reflects total assets of ₹ 1,891.915 Million as at March 31, 2016, total revenues of ₹ 3,428.086 Million and net cash flows amounting to ₹ 130.309 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so



## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

- b. We did not audit the financial information of 1 subsidiary, whose financial statements reflects total assets of ₹ 318.481 Million as at March 31, 2016, total revenues of ₹ 10.371 Million and net cash flows amounting to ₹ 3.253 Million for the year ended on that date, as considered in the consolidated financial statements. This financial information is unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

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 information 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 Company 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 and the Consolidated Cash Flow Statement 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 Accounting Standards

specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

- e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2016 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 2.36 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 2.38 to the consolidated financial statements in respect of such items as it relates to the Group;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries companies incorporated in India.

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328

Coimbatore  
27th May 2016

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

### ANNEXURE TO THE 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 31-03-2016]**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of the Holding company and its subsidiary companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under

section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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

## INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 Holding company and its subsidiary 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, 2016, 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.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 2 subsidiary companies incorporated in India, is based on the corresponding reports issued by us.

Coimbatore  
27th May 2016

For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Registration No.103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328



## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2016

	Note No.	31-3-2016 ₹ Million	31-3-2015 ₹ Million
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	2.1	94.797	94.797
(b) Reserves and Surplus	2.2	2,568.006	2,623.878
<b>(2) Non Current Liabilities</b>			
(a) Long Term Borrowings	2.3	391.735	225.020
(b) Deferred Tax Liabilities (Net)	2.4	29.020	—
(c) Long Term Provisions	2.5	251.992	144.378
(d) Other Non Current Liabilities	2.6	82.224	79.889
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	2.7	384.573	549.920
(b) Trade Payables	2.8	2,820.805	2,571.622
(c) Other Current Liabilities	2.9	1,085.976	1,046.807
(d) Short Term Provisions	2.10	169.262	65.850
<b>Total</b>		<b>7,878.390</b>	<b>7,402.161</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets	2.11		
(i) Tangible Assets		2,640.727	2,495.244
(ii) Intangible Assets		125.177	152.455
(iii) Capital Work-in-progress		113.721	156.222
(b) Non Current Investments	2.12	—	16.620
(c) Deferred Tax Assets (Net)	2.4	—	62.744
(d) Long Term Loans and Advances	2.13	118.912	63.241
(e) Other Non-Current Assets	2.14	172.841	300.031
<b>(2) Current Assets</b>			
(a) Current Investments	2.15	22.083	22.045
(b) Inventories	2.16	1,421.160	1,388.217
(c) Trade Receivables	2.17	2,590.590	2,233.036
(d) Cash and Cash Equivalents	2.18	269.447	126.547
(e) Short Term Loans and Advances	2.19	398.357	375.393
(f) Other Current Assets	2.20	5.375	10.366
<b>Total</b>		<b>7,878.390</b>	<b>7,402.161</b>

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

As per our report of date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Regn. No. 103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328  
Coimbatore, 27th May 2016

**Vijay Mohan**  
Chairman  
(DIN: 00001843)

**S. Shrinivasan**  
Chief Financial Officer  
(ACMA No.: 17505)

For and on behalf of the Board

**Vanitha Mohan**  
Vice Chairman  
(DIN: 00002168)

**Vikram Mohan**  
Managing Director  
(DIN:00089968)

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

## CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2016

	Note No.	2015-16 ₹ Million	2014-15 ₹ Million
<b>INCOME</b>			
Revenue from Operations	2.21	14,017.993	10,941.471
Other Operating Revenue	2.22	460.611	491.753
Other Income	2.23	143.175	72.770
<b>Total Revenue</b>		<b>14,621.779</b>	<b>11,505.994</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.24	8,916.186	7,537.313
Purchases of Stock-in-Trade		493.927	555.434
Changes in inventories of Work-in-progress, Finished Goods and Stock-in-Trade	2.25	6.985	92.340
Employee Benefits Expense	2.26	2,393.314	1,932.144
Finance Costs	2.27	203.535	134.407
Depreciation & Amortisation Expense	2.28	520.704	456.786
Other Expenses	2.29	1,736.760	1,447.297
<b>Total Expenses</b>		<b>14,271.411</b>	<b>12,155.721</b>
<b>Profit / (Loss) from operations before Exceptional Items and Tax</b>		<b>350.368</b>	<b>(649.727)</b>
Less : Exceptional Items	2.30	45.306	(240.770)
<b>Profit / (Loss) Before Tax</b>		<b>305.062</b>	<b>(408.957)</b>
Less : Tax Expense			
Current Tax		172.594	13.770
Deferred Tax		(20.910)	(52.770)
MAT Credit		—	(12.903)
For earlier years		27.989	3.033
De-recognition of Deferred Tax Asset	2.41	112.674	—
<b>Profit / (Loss) for the year</b>		<b>12.715</b>	<b>(360.087)</b>
<b>Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees</b>	2.31		
Basic		0.13	(3.80)
Diluted		0.13	(3.80)

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

As per our report of date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Regn. No. 103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328  
Coimbatore, 27th May 2016

**Vijay Mohan**  
Chairman  
(DIN: 00001843)

**S. Shrinivasan**  
Chief Financial Officer  
(ACMA No.: 17505)

For and on behalf of the Board

**Vanitha Mohan**  
Vice Chairman  
(DIN: 00002168)

**Vikram Mohan**  
Managing Director  
(DIN:00089968)

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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

	2015-16 ₹ Million	2014-15 ₹ Million
<b>A. Cash Flow From Operating Activities :</b>		
Net Profit / (Loss) Before Tax	305.062	(408.957)
Adjustments for :		
Depreciation & Amortisation Expense	520.704	456.786
Bad debts written off	4.611	1.593
Provision for Doubtful debts written back	(3.458)	(2.277)
Provision for Doubtful debts and advances	14.113	46.659
Gain on Sale of Disposal of Investment in Subsidiary	(20.325)	—
Effect of change in Foreign Currency Translation Reserve	16.629	(14.377)
Adjustment relating to acquisition of interest in Subsidiary (Net)	—	(21.694)
Provision for Diminution in value of Investments	6.890	—
(Profit) / Loss on Sale of Assets (Net)	(4.712)	4.147
Assets Discarded / Written off	20.631	24.614
Profit on Sale of Undertaking / business	—	(18.800)
Profit on Sale of Land	—	(70.970)
(Profit) / Loss on Sale of Investment	2.382	(151.000)
Exchange Fluctuation (Gain) / Loss on Re-statement	5.363	(6.886)
Interest received	(7.473)	(3.415)
Finance Costs	203.535	134.407
Income from Current Investments	(1.540)	(3.411)
	<b>757.350</b>	<b>375.376</b>
Operating profit before working capital changes	<b>1,062.412</b>	<b>(33.581)</b>
Adjustments for :-		
Trade and other receivables	(339.226)	(165.660)
Inventories	22.819	51.831
Trade and other payables	341.227	282.902
	<b>24.820</b>	<b>169.073</b>
Cash generated from operations	<b>1,087.232</b>	<b>135.492</b>
Direct taxes	(90.885)	(28.022)
Net Cash flow from operating activities	<b>996.347</b>	<b>107.470</b>
<b>B. Cash Flow from Investing Activities :</b>		
Purchase of Fixed Assets	(543.337)	(449.838)
Sale of Fixed Assets	141.820	98.800
Sale of Undertaking / Business	47.488	48.895
Interest received	7.473	3.415
Purchase of Investments	(1,116.283)	(37.299)
Sale of Investments	924.743	225.836
Adjustment on Disposal of Interest in Joint Venture	—	(81.564)
Net Cash used in Investing Activities	<b>(538.096)</b>	<b>(191.755)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Secured Long Term Borrowings	82.640	349.498
Unsecured Long Term Borrowings & Deposits	(30.903)	(0.018)
Working Capital Borrowings	(166.594)	(153.235)
Dividend & Tax on Dividend paid	(0.748)	(44.338)
Finance Costs paid	(206.443)	(129.376)
Net Cash (Used in) / from financing activities	<b>(322.048)</b>	<b>22.531</b>
<b>D. Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>136.203</b>	<b>(61.754)</b>
Cash and Bank Balances as at 1.4.2015 and 1.4.2014 (Opening Balance)	<b>126.547</b>	<b>172.415</b>
Add : Pursuant to Amalgamation / Acquisition / Disposal of subsidiary and Joint Venture	<b>6.697</b>	<b>15.886</b>
Less : Bank Balances not considered as Cash and Cash Equivalents as per Accounting Standard 3	<b>61.620</b>	<b>43.882</b>
Cash and cash equivalents as at 31.3.2016 and 31.3.2015 (Closing Balance)	<b>207.827</b>	<b>82.665</b>

As per our report of date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Regn. No. 103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328  
Coimbatore, 27th May 2016

**Vijay Mohan**  
Chairman  
(DIN: 00001843)

**S. Shrinivasan**  
Chief Financial Officer  
(ACMA No.: 17505)

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

**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 2016

### 1. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

#### I. Basis of Preparation of Consolidated Financial Statements :

These consolidated financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

#### II. Principles of Consolidation :

The consolidated financial statements relate to Pricol Limited ("the Company") and its subsidiary companies and joint ventures. The Consolidated financial statements have been prepared on the following basis:

- i) The Financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- ii) Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 – "Financial Reporting of Interests in Joint Ventures".

iii) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign exchange translation reserve as per AS 11 – "Effect of Changes in Foreign Exchange Rates".

iv) The difference between the cost of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

v) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

III. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS) 13 on Accounting for Investments.

#### IV. Other Significant Accounting Policies:

These are set out under "Notes on Accounts" as given in the standalone Financials Statements of Pricol Limited.

### 2.1. SHARE CAPITAL

#### Authorised

482,000,000 Equity Shares of ₹ 1/- each

#### Issued, Subscribed and Paid-up

94,796,721 Equity Shares of ₹ 1/- each fully paid-up

31-3-2016

₹ Million

482.000

94.797

31-3-2015

₹ Million

482.000

94.797

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

#### Equity Shares

	31-3-2016		31-3-2015	
	No. of Shares Million	₹ Million	No. of Shares Million	₹ Million
At the beginning of the period	94.797	94.797	94.500	94.500
Add : Shares issued during the year	—	—	0.297	0.297
At the closing of the period	94.797	94.797	94.797	94.797

#### 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 :

Equity Shares of ₹ 1/- each fully paid	31-3-2016		31-3-2015	
	No. of Shares	% held	No. of Shares	% held
- Vijay Mohan	9,801,178	10.34%	9,828,353	10.37%
- Viren Mohan	6,545,909	6.91%	6,522,615	6.88%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

31-3-2016  
₹ Million

31-3-2015  
₹ Million

### Details of Shares held by Holding Company :

There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company.

### Details of Shares issued for consideration other than in cash :

296,721 Shares of ₹ 1/- each were allotted during the year 2014 - 15 in terms of Scheme of Amalgamation with Xenos Automotive Limited which was sanctioned by the Hon'ble High Court of Madras on 1st December 2014. There are no shares allotted by way of Bonus Shares and there have been no shares bought back in the immediately preceeding five years.

## 2.2. RESERVES & SURPLUS

### Securities Premium Account

Opening Balance	599.500		860.180	
Less : Adjustment on disposal of interest in Joint Venture	—	599.500	260.680	599.500

### General Reserve

Opening Balance	1,854.993		2,160.192	
Less : Deficit on Amalgamation	—	1,854.993	305.199	1,854.993

### Statutory Reserve

Opening Balance	9.953		9.374	
Add : Transfer from Surplus in the Statement of Profit & Loss	0.084	10.037	0.579	9.953

### Capital Reserve

Opening Balance	222.124		—	
Add : Addition on Acquisition (of Interest) in Subsidiary	45.301	267.425	222.124	222.124

### Surplus / (Deficit) in the statement of Profit & Loss

Opening Balance	(11.622)		318.217	
Add : Profit / (Loss) for the year	12.715		(360.087)	
Less : Appropriations :				
: Loss on Amalgamation	—		11.393	
: Adjustment relating to Depreciation as per Transitional Provision	—		36.603	
: Adjustment on disposal of interest in Joint Venture	—		(78.823)	
: Adjustment on acquisition of interest in Subsidiary	3.792		—	
: Dividend - 100% - ₹ 1/- per share (Previous year - Nil)	94.797		—	
: Tax on Dividend	19.298		—	
: Transfer to Statutory Reserve	0.084		0.579	
: Transfer to General Reserve	—	(116.878)	—	(11.622)

### Foreign Exchange Translation Reserve

Opening Balance	(51.070)		(17.463)	
Add : Addition during the year	3.999	(47.071)	(33.607)	(51.070)
		2,568.006		2,623.878



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2016 ₹ Million	31-3-2015 ₹ Million	
<b>2.3. LONG TERM BORROWINGS</b>			
	<b>Non-Current portion</b>	<b>Current Maturities</b>	
	<b>31-3-2016</b>	<b>31-3-2015</b>	
	<b>₹ Million</b>	<b>₹ Million</b>	
<b>Secured Loans :</b>			
a. Rupee Term Loan from Banks	133.333	218.590	
b. Foreign Currency Term Loan from Banks	258.402	6.430	
<b>Unsecured Loans :</b>			
a. Foreign Currency Loan from Others	—	—	
	<b>391.735</b>	<b>225.020</b>	
		<b>186.667</b>	
		<b>20.033</b>	
		<b>172.600</b>	
		<b>461.965</b>	
<p>Term Loan of ₹ 300 Million for Medium Term Working Capital from Bank of Bahrain and Kuwait B.S.C is repayable in 12 quarterly instalments of ₹ 25 Million each. Interest is payable on monthly basis at the rate of Bank's Base Rate plus 10 bps. The loan is secured by an exclusive charge on the specific land &amp; building of Plant III situated at Billich Village, Coimbatore District. Outstanding as on 31st March, 2016 is ₹ 150 Million (Previous year - ₹ 300 Million).</p> <p>Term Loan of ₹ 200 Million from HDFC Bank is repayable in 12 quarterly instalments of ₹ 16.667 Million each. Interest is payable on monthly basis at the rate of Bank's Base Rate plus 5 bps. The loan is secured by an exclusive charge on the specific plant and machinery and exclusive charge on immovable property situated at IMT Manesar, Gurgaon. Outstanding as on 31st March, 2016 is ₹ 150 Million (Previous year - Nil)</p> <p>Rupee Term Loan of ₹ 20 Million from Bank is secured by way of hypothecation of machineries and other fixed assets of the respective Company and the loan is repayable in four quarterly instalments after an initial holiday period of two years from the date of first availment. Interest to be serviced as and when charged. The loan have been pre closed since the date of balance sheet. Hence the same have been classified under "Other Current Liabilities".</p> <p>Term Loan of subsidiary in Indonesia is secured by way of Land and factory building and Corporate Guarantee from Holding Company.</p> <p>Term Loan of Pricol do Brasil Componentes Automotivos Ltda, Brazil is Guaranteed by Corporate Guarantee from Holding Company. The loan is repayable in May 2018.</p> <p>Interest for the above term loans varies from 6.60% to 11.70% p.a.</p>			
<b>2.4. DEFERRED TAX LIABILITIES / (ASSETS) (NET)</b>	<b>31-3-2016</b>	<b>Charged /</b>	<b>31-3-2015</b>
	<b>₹ Million</b>	<b>Reversed</b>	<b>₹ Million</b>
		<b>during</b>	
		<b>the year</b>	
<b>Deferred Tax Liability</b>			
Fixed Assets	102.148	(13.970)	116.118
A	<u>102.148</u>	<u>(13.970)</u>	<u>116.118</u>
<b>Deferred Tax Asset</b>			
Disallowance under the Income Tax Act	73.128	23.009	50.119
Unabsorbed Depreciation / Business Loss (Refer to Note No. 2.41)	—	(128.743)	128.743
B	<u>73.128</u>	<u>(105.734)</u>	<u>178.862</u>
<b>Deferred Tax Liability / (Asset) (Net)</b>	<b>29.020</b>	<b>91.764</b>	<b>(62.744)</b>
A - B			
<b>2.5. LONG TERM PROVISIONS</b>			
For Employee Benefits :			
- Gratuity (Refer to Note No. 2.37 (a))	124.949		57.538
- Leave Encashment (Refer to Note No. 2.37 (c))	15.798		10.244
For Central Excise Demands (Refer to Note No. 2.38)	69.158		32.289
For Potential Statutory Liabilities (Refer to Note No. 2.38)	42.087		44.307
	<u>251.992</u>		<u>144.378</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2016 ₹ Million	31-3-2015 ₹ Million
<b>2.6. OTHER NON CURRENT LIABILITIES</b>		
Special Instalment Programme (Payable to the State Government of Sao Paulo in 85 unequal instalments (Previous year - 97 unequal instalments) at the interest rate of 1% per month)	<u>82.224</u>	<u>79.889</u>
<b>2.7. SHORT TERM BORROWINGS</b>		
<b>Secured Loans</b>		
<b>Working Capital Facilities from Banks</b>		
- In Rupee	200.000	103.790
- In Foreign Currency	184.573	106.130
<b>Unsecured Loans</b>		
<b>Working Capital Facilities from Banks</b>		
- In Rupee	—	340.000
	<u>384.573</u>	<u>549.920</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 pari-passu second charge on the 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 carry interest rates varying from 7.50% to 12.73% p.a.		
<b>2.8. TRADE PAYABLES</b>		
Trade Payables	<u>2,820.805</u>	<u>2,571.622</u>
	<u>2,820.805</u>	<u>2,571.622</u>
<b>2.9. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debt (Refer to Note No. 2.3)	348.397	461.965
Interest Accrued but not due on loans	2.811	5.918
Interest Accrued and due on borrowings	0.199	—
Unclaimed Dividend	5.146	5.894
Statutory Dues Payable	101.648	61.995
Employee Benefit Expense Payable	265.264	174.724
Other Payables *	<u>362.511</u>	<u>336.311</u>
	<u>1,085.976</u>	<u>1,046.807</u>
* Other Payables includes accrued expenses and Rental Deposit payable		
<b>2.10. SHORT TERM PROVISIONS</b>		
For Employee Benefits :		
- Gratuity (Refer to Note No. 2.37 (a))	21.467	14.093
- Leave Encashment (Refer to Note No. 2.37 (c))	0.609	0.408
For Labour Settlement (Refer to Note No. 2.38)	27.502	32.325
For Taxation (Net)	5.589	19.024
For Dividend	94.797	—
For Tax on Dividend	<u>19.298</u>	<u>—</u>
	<u>169.262</u>	<u>65.850</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

### 2.11. FIXED ASSETS

₹ Million

	Cost as on 1-4-2015	Additions / Adjustments 2015-16	Gross Block Sales / Deletions during 2015-16	Translation Adjustment	Balance as on 31-3-2016	Upto 31-3-2015	For 2015-16	Depreciation / Amortisation Additions / Adjustments to Surplus	Withdrawn during 2015-16	Translation Adjustment	Total upto 31-3-2016	Written down as on 31-3-2016	Net Block Value as on 31-3-2015
<b>Tangible Assets</b>													
Freehold Land	296.834	99.856	1.237	2.351	397.804	—	—	—	—	—	—	397.804	296.834
Previous Year	287.445	18.563	2.663	(6.511)	296.834	—	—	—	—	—	—	296.834	—
Leasehold Land	26.879	—	—	—	26.879	2.053	0.271	—	—	—	2.324	24.555	24.826
Previous Year	26.879	—	—	—	26.879	1.782	0.271	—	—	—	2.053	24.826	—
Freehold Buildings	1,238.240	91.630	52.930	4.394	1,281.334	455.811	40.015	8.267	37.692	1.806	468.207	813.127	782.429
Previous Year	1,226.205	21.817	0.015	(9.767)	1,238.240	418.636	37.251	—	3.699	(3.656)	455.811	782.429	—
Leasehold Building	14.148	—	—	(0.322)	13.826	9.941	1.382	—	—	(0.314)	11.009	2.817	4.207
Previous Year	8.065	6.083	—	—	14.148	2.688	1.344	5.909	—	—	9.941	4.207	—
Plant & Machinery	4,332.256	476.991	416.394	(48.751)	4,344.102	3,111.367	287.681	34.187	284.657	(36.715)	3,111.863	1,232.239	1,220.889
Previous Year	3,852.635	1,354.025	861.769	(12.635)	4,332.256	2,775.652	312.431	766.408	39.813	(6.532)	3,111.367	1,220.889	—
Furniture and Fittings	82.670	4.227	11.445	(0.545)	74.907	51.724	5.161	0.239	10.692	(0.459)	45.973	28.934	30.946
Previous Year	70.538	35.993	23.861	—	82.670	33.401	4.687	19.565	4.260	10.189	51.724	30.946	—
Vehicles	35.480	16.862	15.833	(0.070)	36.439	21.855	2.732	(0.050)	11.693	0.017	12.861	23.578	13.625
Previous Year	38.978	5.673	9.171	—	35.480	21.370	3.602	3.086	0.924	7.127	21.855	13.625	—
Office Equipments	37.753	3.689	11.280	1.066	31.228	30.041	4.229	0.584	10.895	0.941	24.900	6.328	7.712
Previous Year	37.520	2.544	—	(2.311)	37.753	26.827	4.358	—	0.743	(1.837)	30.041	7.712	—
Computer Equipments	351.955	40.440	127.570	(1.532)	263.293	238.179	38.008	—	122.965	(1.274)	151.948	111.345	113.776
Previous Year	271.543	91.090	10.678	—	351.955	171.713	35.290	33.787	5.786	8.397	238.179	113.776	—
<b>Total Tangible Assets</b>	6,416.215	733.695	636.689	(43.409)	6,469.812	3,920.971	379.479	43.227	478.594	(35.998)	3,829.085	2,640.727	2,495.244
Previous Year	5,819.808	1,535.788	908.157	(31.224)	6,416.215	3,452.069	399.234	828.755	55.225	(12.025)	3,920.971	2,495.244	—
<b>Intangible Assets</b>													
Computer Software	187.173	11.708	57.333	(3.375)	138.173	109.138	31.305	0.222	57.788	1.210	84.087	54.086	78.035
Previous Year	161.255	95.457	69.476	(0.063)	187.173	87.151	26.265	61.756	66.002	(0.032)	109.138	78.035	—
Technical Knowhow	22.624	48.307	—	(0.982)	69.949	7.221	49.751	—	(0.099)	(0.348)	56.723	13.226	15.403
Previous Year	6.000	18.831	2.207	—	22.624	2.206	1.202	5.909	2.096	—	7.221	15.403	—
Business & Commercial Rights	150.423	150.425	—	—	300.848	91.406	60.169	91.408	—	—	242.983	57.865	59.017
Previous Year	403.427	—	253.004	—	150.423	86.621	30.085	—	25.300	—	91.406	59.017	—
<b>Total Intangible Assets</b>	360.220	210.440	57.333	(4.357)	508.970	207.765	141.225	91.630	57.689	0.862	383.793	125.177	152.455
Previous Year	570.682	114.288	324.687	(0.063)	360.220	175.978	57.552	67.665	93.398	(0.032)	207.765	152.455	—
<b>Total</b>	6,776.435	944.135	694.022	(47.766)	6,978.782	4,128.736	520.704	134.857	536.283	(35.136)	4,212.878	2,765.904	2,647.699
Previous year	6,390.490	1,650.076	1,232.844	(31.287)	6,776.435	3,628.047	456.786	896.420	55.225	(12.057)	4,128.736	2,647.699	—

Note : Adjustment on account of foreign exchange translation difference on opening balance and depreciation charge for the year is reflected as "Translation Adjustment". Additions / Adjustments / Deletions / Withdrawn includes adjustments on account of amalgamation, acquisition / disposal (of interest) in subsidiary and disposal of interest in Joint Ventures.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2016 ₹ Million	31-3-2015 ₹ Million			
<b>2.12. NON CURRENT INVESTMENTS</b>					
<b>Non - Trade - Unquoted :</b>					
720,000 Equity Shares of ₹ 10/- each fully paid-up in Pricol Technologies Limited - (Extent of holding - Nil ; Previous year - 5.35%)	—	7.200			
95,000 Equity Shares of USD 1/- each fully paid-up in PS Asia Wiring Systems Pte. Limited (Previous year 150,000 Equity Shares of USD 1/- each) (Extent of holding - 19% ; Previous year - 30%)	6.754	9.420			
Aggregate Cost of Un-quoted Investments	6.754	16.620			
Less : Provision for Diminution in value of Investment	6.754	—			
	—	16.620			
<b>2.13. LONG TERM LOANS AND ADVANCES</b>					
Unsecured, Considered Good					
Capital Advances	79.107	32.948			
Deposits	39.805	30.293			
Unsecured considered Doubtful	2.610	1.305			
Less : Provision for Doubtful Deposits	2.610	1.305			
	118.912	63.241			
<b>2.14. OTHER NON CURRENT ASSETS</b>					
Unsecured Considered Good					
Loans to Employees	0.037	0.160			
Balances with Government Authorities	1.126	5.060			
Tax Payments Pending Adjustment	30.012	24.603			
MAT Credit Entitlement	141.666	270.208			
	172.841	300.031			
<b>2.15. CURRENT INVESTMENTS</b>					
S.No.	Particulars	Amount (₹ Million)		Market Value (₹ Million)	
		31-3-2016	31-3-2015	31-3-2016	31-3-2015
<b>a) Investment in Equity Instruments</b>					
<b>- Non Trade - Quoted - Fully Paid</b>					
1.	Regaliaa Reality Limited	0.207	0.207	0.158	0.207
	<b>Aggregate Cost / Market Value of Quoted Investments</b>	0.207	0.207	0.158	0.207
	Less : Provision for Diminution	0.049	—	—	—
	<b>Total - A</b>	0.158	0.207	0.158	0.207
<b>b) Investment in Mutual Funds - Non Trade - Quoted - Fully paid</b>					
1.	ICICI Prudential Focussed Bluechip	—	1.500	—	1.493
2.	ICICI Prudential Balanced Advanced Fund - Regular Monthly Dividend	—	2.767	—	2.848

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

S.No.	Particulars	Amount (₹ Million)		Market Value (₹ Million)	
		31-3-2016	31-3-2015	31-3-2016	31-3-2015
<b>CURRENT INVESTMENTS (Contd.,)</b>					
3.	ICICI Prudential Value Discovery Fund - Regular Plan - Dividend	—	0.764	—	0.731
4.	Reliance Equity Opportunities Fund	—	2.000	—	2.040
5.	ICICI Focussed Blue Chip Equity Fund - Regular Growth	—	1.500	—	1.541
6.	ICICI Prudential Short Term Plan - Regular Growth	—	2.037	—	2.280
7.	Reliance Monthly Income Plan - Growth Plan - Growth option	—	6.470	—	7.330
8.	Reliance Top 200 Fund - Dividend Plan	—	2.700	—	2.683
9.	ICICI Prudential MIP - 25 - Regular Plan - Growth	<b>0.700</b>	0.700	<b>0.721</b>	0.702
10.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	<b>0.700</b>	0.700	<b>0.686</b>	0.702
11.	Birla Sun Life MIP II - Wealth 25 Plan - - Growth - Regular Plan	<b>0.700</b>	0.700	<b>0.718</b>	0.702
12.	Reliance Equity Savings Fund - Growth Plan	<b>11.853</b>	—	<b>11.724</b>	—
13.	ICICI Prudential balanced advanced - Fund - Growth	<b>8.294</b>	—	<b>8.115</b>	—
	<b>Aggregate Cost / Market Value of Quoted Investments</b>	<b>22.247</b>	21.838	<b>21.964</b>	23.052
	Less : Provision for Diminution	<b>0.322</b>	—	—	—
	<b>Total - B</b>	<b>21.925</b>	21.838	<b>21.964</b>	23.052
	<b>Total - (A + B)</b>	<b>22.083</b>	22.045	<b>22.122</b>	23.259

### 2.16. INVENTORIES

	31-3-2016 ₹ Million	31-3-2015 ₹ Million
Raw Materials & Components (includes Goods in Transit of ₹ 116.733 Million Previous Year - ₹ 140.166 Million)	<b>963.936</b>	932.769
Work-in-progress	<b>119.126</b>	141.146
Finished Goods	<b>164.900</b>	131.022
Land - Stock-in-Trade	<b>88.825</b>	88.825
Stock of Stores & Spares	<b>55.255</b>	64.189
Traded Goods	<b>29.118</b>	30.266
	<b>1,421.160</b>	1,388.217

### 2.17. TRADE RECEIVABLES

a) Outstanding for a period exceeding six months			
i) Unsecured Considered Good		—	35.583
ii) Unsecured Considered Doubtful	<b>51.207</b>	—	52.790
Less : Provision for Doubtful Debts	<b>51.207</b>	—	52.790
b) Outstanding for a period less than six months			
i) Unsecured Considered Good		<b>2,590.590</b>	2,197.453
ii) Unsecured Considered Doubtful	<b>42.659</b>	—	31.952
Less : Provision for Doubtful Debts	<b>42.659</b>	—	31.952
		<b>2,590.590</b>	2,233.036

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2016 ₹ Million	31-3-2015 ₹ Million
<b>2.18. CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
In Current Account	206.241	76.254
In Unclaimed Dividend Account	5.146	5.894
In Fixed Deposit Account	38.200	24.495
In Margin Money Account #	18.274	13.493
Cash on hand	<u>1.586</u>	<u>6.411</u>
	<u>269.447</u>	<u>126.547</u>
# Margin Money with banks is towards issue of Letter of Credits, Buyers Credit for Imports and Bank Guarantee.		
Of the above, the balances that meet the definition of Cash and Cash equivalents as per AS 3 Cash Flow statement is	<u>207.827</u>	<u>82.665</u>
<b>2.19. SHORT TERM LOANS AND ADVANCES</b>		
Unsecured Considered Good		
Advances to Employees	4.467	4.809
Advances to Suppliers	110.120	87.289
Balances with Government Authorities	243.963	237.192
Prepaid Expenses	39.807	46.103
Unsecured Considered Doubtful	0.844	—
Less : Provision for Doubtful Debts	<u>0.844</u>	<u>—</u>
	<u>398.357</u>	<u>375.393</u>
<b>2.20. OTHER CURRENT ASSETS</b>		
Unsecured Considered Good		
Accrued Income	5.375	10.366
	<u>5.375</u>	<u>10.366</u>
<b>2.21. REVENUE FROM OPERATIONS</b>		
	2015-16 ₹ Million	2014-15 ₹ Million
Sale of Products - Finished Goods		
Domestic	13,374.298	9,768.699
Export	1,716.151	1,830.289
Traded Goods	<u>103.025</u>	<u>141.967</u>
	15,193.474	11,740.955
Less : Excise Duty	<u>1,264.904</u>	<u>930.550</u>
	<u>13,928.570</u>	<u>10,810.405</u>
Service Income	89.423	131.066
	<u>14,017.993</u>	<u>10,941.471</u>
<b>2.22. OTHER OPERATING REVENUE</b>		
Export Incentives	13.516	16.654
Sale of Traded Goods - Others	<u>447.095</u>	<u>475.099</u>
	<u>460.611</u>	<u>491.753</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>2.23. OTHER INCOME</b>		
Interest Received	7.473	3.415
Income from Current Investments	1.540	3.411
Rent Received	22.705	18.404
Profit on Sale of Assets (Net)	4.712	—
Insurance Claim	34.481	—
Miscellaneous Income	72.264	47.540
	<u>143.175</u>	<u>72.770</u>
<b>2.24. COST OF MATERIALS CONSUMED</b>		
Materials Consumed	8,916.186	7,537.313
<b>2.25. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE (INCREASE) / DECREASE</b>		
Work-in-progress	22.020	48.485
Finished Goods	(33.878)	(33.408)
Traded Goods	1.148	(25.194)
	<u>(10.710)</u>	<u>(10.117)</u>
Add : Adjustment on amalgamation / acquisition of subsidiary / disposal of interest in Joint Venture (Net)		
Traded Goods	—	63.339
Work-in-progress	10.747	11.007
Finished Goods	6.948	28.111
	<u>6.985</u>	<u>92.340</u>
<b>2.26. EMPLOYEE BENEFITS EXPENSE</b>		
a) Pay, Allowances and Bonus	2,053.820	1,677.735
b) Contribution to Provident and other funds	198.623	120.366
c) Welfare Expenses	140.871	134.043
	<u>2,393.314</u>	<u>1,932.144</u>
<b>2.27. FINANCE COSTS</b>		
Interest on Loans	202.203	133.437
Other Borrowing Costs	1.332	0.970
	<u>203.535</u>	<u>134.407</u>
<b>2.28. DEPRECIATION &amp; AMORTISATION EXPENSE</b>		
Depreciation (Refer to Note No. 2.11)	379.479	399.234
Amortisation (Refer to Note No. 2.11)	141.225	57.552
	<u>520.704</u>	<u>456.786</u>
<b>2.29. OTHER EXPENSES</b>		
Power & Utilities	252.556	246.543
Stores & Spares Consumed	37.518	17.478
Repairs and Maintenance :		
- Machinery	167.942	120.209
- Building	31.460	16.534
- Others	65.146	16.687
Printing & Stationery	15.039	13.514
Postage & Telephone	19.747	29.704
Rent	56.637	27.677

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>OTHER EXPENSES (Contd.,)</b>		
Rates, Taxes & Licence	61.775	23.239
Insurance	26.080	25.046
Bank Charges	12.945	14.693
Travelling & Conveyance	95.850	103.806
Freight & Forwarding and Selling Expenses	234.126	275.509
Advertisement & Sales Promotion	21.082	12.909
Commission & Discount on Sales	30.325	25.452
Royalty	13.432	13.717
Bad Debts Written off	4.611	1.593
Less : Provision for Doubtful debts written back	<u>3.458</u>	<u>2.277</u>
Provision for doubtful debts and advances	14.113	46.659
Provision for Statutory Liabilities	62.024	42.316
Commission / Sitting Fees to Non-Whole Time Directors	3.391	1.673
Auditors' Remuneration (Refer to Note No. 2.35)	8.676	9.143
Professional Charges	309.487	228.235
Exchange Fluctuation (Net)	77.442	58.179
Assets Discarded / Written off	20.631	24.614
Loss on Sale of Assets	—	4.147
Loss on Sale of Investments	2.382	—
Provision for Diminution in value of investments	6.890	—
Miscellaneous Expenses	85.984	24.689
CSR Expenses	2.307	7.200
Donations	0.620	0.021
Prior period expenses (Net) in Subsidiary / Joint Venture	—	18.388
	<u>1,736.760</u>	<u>1,447.297</u>
<b>2.30. Exceptional Items :</b>		
a) Profit from Sale of Land	—	(70.970)
b) Profit on Sale of Speedo Cable Business (a non core business) on a slump sale basis	—	(18.800)
c) Profit on Sale of Investment (Shares in Joint Venture - 4,900,000 Equity Shares of ₹ 10/- each with Denso Pricol India Limited)	—	(151.000)
d) Gain on disposal of Investment in Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited) #	(20.325)	—
e) Consideration received from Visteon Technical Service Center Private Limited towards goodwill and transfer of technology in relation to the products manufactured for Renault Nissan	(82.500)	—
f) One time severance Cost at Pricol do Brasil Componentes Automotivos LtdA Brazil	148.131	—
	<u>45.306</u>	<u>(240.770)</u>
# Represents difference between proceeds from disposal of investments in Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited) and the carrying amount of assets less liabilities as on the date of disposal.		



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>2.31. EARNINGS PER SHARE</b>		
Profit / (Loss) After Tax	12.715	(360.087)
Weighted Average No. of Shares Outstanding :		
Basic & Diluted (Nos. in Million)	94.797	94.797
Basic and Diluted Earnings per share (in ₹)	0.13	(3.80)
Face Value per Equity Share (in ₹)	1.00	1.00

### 2.32. SUBSIDIARY COMPANIES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS :

S. No.	Name of the Company	Country of Incorporation	Subsidiary	% of Ownership
1.	Coimbatore Metal Works Limited (Formerly, Pricol Castings Limited)	India	Subsidiary	100%
2.	Integral Investments Limited	India	Subsidiary	100%
3.	PT Pricol Surya Indonesia	Indonesia	Subsidiary	100%
4.	Pricol Asia Pte. Limited	Singapore	Subsidiary	100%
5.	Pricol Pune Limited (Formerly, Johnson Controls Pricol Private Limited)	India	Subsidiary	100% (Previous year - 50%)
6.	Pricol Espana S.L.	Spain	Subsidiary	100%
7.	Pricol do Brasil Componentes Automotivos Ltda	Brazil	Subsidiary of Pricol Espana S.L.	100%

### 2.33. INTEREST IN JOINT VENTURES :

During the year, the Company has acquired the balance 50% interest in Pricol Pune Limited, (Previously, Johnson Controls Pricol Private Limited), consequent to which the Pricol Pune Limited has become the wholly owned subsidiary of the Company.

### 2.34. The Company's operations mainly relate to one segment, Automotive Components. The secondary segment disclosure in respect of the identified geographical segments is given below :

Particulars	31st March, 2016		31st March, 2015	
	Within India	Outside India	Within India	Outside India
Segment Revenue	11,363.802	3,114.802	9,031.752	2,401.472
Segment Assets	6,221.408	1,654.896	5,678.723	1,641.974
Purchase of Fixed Assets	824.008	120.127	397.634	25.778

#### Geographical Segment :

Segmentation of revenue is on the basis of geographical location of the customers.

Segmentation of assets is based on geographical location of the assets.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>2.35. REMUNERATION TO AUDITORS (EXCLUSIVE OF SERVICE TAX) :</b>		
For Audit	4.962	4.891
For Taxation Matters	2.213	1.903
For Company Law Matters	0.400	1.000
For Certification and Others	0.869	1.065
Reimbursement of Expenses	0.232	0.284
	<u>8.676</u>	<u>9.143</u>
<b>2.36. CONTINGENT LIABILITIES AND COMMITMENTS AS ON THE CLOSING DATE :</b>		
	As at 31-3-2016 ₹ Million	As at 31-3-2015 ₹ Million
<b>CONTINGENT LIABILITIES</b>		
<b>a) On account of Pending Litigations</b>		
<b>i) in respect of Joint Ventures / Subsidiary</b>		
Excise / Customs Matters *	42.615	3.320
Claims against the Company not acknowledged as debts	—	0.975
* Of which ₹ 6.643 Million has been paid under protest		
<b>ii) in respect of Holding Company</b>		
Sales Tax Matters (excluding Interest if any)	40.752	48.147
Excise, Service Tax and Customs Matters (excluding Interest & Penalty if any )	167.930	180.596
<b>b) Others</b>		
Letter of Credit	190.392	79.268
	<u>441.689</u>	<u>312.306</u>
<b>COMMITMENTS</b>		
Estimated Value of contracts remaining to be executed on Capital account		
- in respect of Joint Ventures / Subsidiary	1.174	0.350
- in respect of Holding Company	187.186	471.616
	<u>188.360</u>	<u>471.966</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2015-16 ₹ Million	2014-15 ₹ Million
<b>2.37. a) Particulars regarding defined benefit plan to the extent applicable:</b>		
The Company operates a defined benefit plan for payment of post employment benefits in the form of Gratuity. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided in the Payment of Gratuity Act, 1972. The terms of the benefits are common for all the employees of the Company.		
<b>I. Principal actuarial assumptions used as at the Balance Sheet Date :</b>		
<b>Period Covered</b>	<b>2015-16</b>	<b>2014-15</b>
Discount Rate	7.42% p.a.	7.75% p.a.
Expected Return on Plan assets	8.00% p.a.	8.00% p.a.
Average future working life	15 yrs	16 yrs
The estimates of future salary increases considered in actuarial valuation, taking into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.		
<b>II. Changes in the Present Value of the Obligation :</b>	<b>₹ Million</b>	<b>₹ Million</b>
Present Value of obligation beginning of the period	187.942	154.325
Interest cost	12.991	11.125
Current service cost	18.787	16.461
Past service cost	—	—
Benefits paid	(27.510)	(22.949)
Actuarial (Gain) / Loss on obligation	103.582	28.980
Present Value of obligation end of the period	295.792	187.942
<b>III. Changes in the Fair Value of plan assets :</b>		
Fair Value of plan assets beginning of the period	143.526	143.215
Expected return on plan assets	12.758	11.498
Contributions	44.899	13.046
Benefits paid	(27.108)	(21.642)
Actuarial Gain / (Loss) on plan assets	0.767	(2.591)
Fair Value of plan assets as at the end of the period	174.842	143.526
<b>IV. Amounts recognised in the Balance Sheet :</b>		
Present Value of obligation	295.792	187.942
Fair Value of plan assets	(174.842)	(143.526)
Liability / (Asset)	120.950	44.416
Unrecognised past service cost	—	—
Asset / (Liability) recognised in the Balance Sheet	(120.950)	(44.416)
<b>V. Expenses recognised in the Statement of Profit &amp; Loss :</b>		
Current service cost	18.787	16.461
Interest Cost	12.991	10.847
Expected return on plan assets	(12.758)	(10.845)
Net Actuarial (Gain) / Loss recognised in the year	102.815	31.196
Past service cost	—	—
Expenses recognised in the Statement of Profit & Loss	121.835	47.659
The expense has been included under the head "Contribution to provident and other funds" under "Employee Benefits Expense" in the Statement of Profit & Loss.		

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

VI. Amount for the period :	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of obligation	295.792	187.942	154.328	142.025	138.294
Plan Assets	174.842	143.526	143.212	125.182	138.301
Surplus / (Deficit)	(120.950)	(44.416)	(11.116)	(16.843)	0.007
Experience adjustments on plan liabilities	19.047	13.758	12.507	23.553	2.440
Experience adjustments on plan assets	(0.834)	2.612	(1.073)	(1.790)	(1.356)

VII. Major Categories of plan assets (As percentage of total plan assets) :	2015-16 ₹ Million	2014-15 ₹ Million
Funds Managed by Insurance Companies	100%	100%

VIII. Enterprise's best estimate of contribution during next year	2015-16	2014-15
	22.467	14.625

b) Contribution of ₹ 64.529 Million (Previous year - ₹ 65.499 Million) made to defined contribution plans were charged to Statement of Profit and Loss.

c) The Company also extends defined benefit plans in the form of Compensated absences to employees. The Employee Benefits towards Compensated absences are provided based on actuarial valuation made at the end of the year.

Employee benefits towards Compensated absences recognised in the Statement of Profit & Loss are as follows (Disclosed to the extent applicable)

### Actuarial Assumptions :

The Principal assumptions used in determining Company's liability towards employee benefits under Compensated absences are furnished below :

Period Covered	2015-16	2014-15
Discount Rate	7.42% p.a.	7.75% p.a.

The estimates of future salary increases considered in actuarial valuation, taking into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

### I. Amounts recognised in the Balance Sheet :

Present Value of obligation	16.407	11.333
Liability recognised in the Balance Sheet	16.407	11.333

### II. Expenses recognised in the Statement of Profit & Loss :

Current Service cost	3.018	4.828
Interest Cost	0.742	0.235
Benefits Paid	—	(1.841)
Actuarial (Gain) / Loss on obligation	2.645	4.151
Expenses recognised in the Statement of Profit & Loss	6.405	7.373

The expense has been included under the head "Pay, Allowances and Bonus" under "Employee Benefits Expense" in the Statement of Profit & Loss.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

### 2.38. PROVISIONS AS ON THE CLOSING DATE :

₹ Million

	Opening Balance 1-4-2015	Additions	Utilised / Reversals	Closing Balance 31-3-2016
1. Excise Duty Demands	32.289	60.000	23.131	<b>69.158</b>
2. Labour Settlement	32.325	—	4.823	<b>27.502</b>
3. Potential Statutory Liabilities	44.307	22.566	24.786	<b>42.087</b>
	108.921	82.566	52.740	<b>138.747</b>

**2.39.** The audited Financial Statements of Foreign Subsidiaries have been prepared in accordance with the generally accepted accounting principles prevailing in its country of incorporation.

**2.40.** The Board at its meeting held on 27th January 2016 approved the draft scheme of amalgamation of Pricol Limited with Pricol Pune Limited (Wholly owned subsidiary) effective 1st April 2015, a company engaged in manufacture of auto components subject to the required approvals in the manner as required under the Companies Act and Securities and Exchange of Board of India (SEBI).

The Company had obtained the "No-objection" to the Draft Scheme from BSE Limited (Designate Stock Exchange) and National Stock Exchange of India Limited as per SEBI circulars.

The Company had filed necessary application with Honourable High Court of Madras for sanction of the scheme of amalgamation.

**2.41.** The component auditors of Pricol do Brasil Componentes Automotivos Ltda, Brazil have given a modified opinion in their audit report stating that the component has recorded deferred tax assets from tax losses and other temporary differences which does not meet the criteria defined for recognition of deferred tax asset resulting in the non current assets and reserves being overstated by 6,161 (Brazilian real in thousands). Necessary adjustments have been made in the consolidated financial statements to de-recognise the deferred tax asset.

### 2.42. Other Notes forming part of Accounts

These are set out in and under "Notes to Financial Statement forming part of accounts for the year ended 31st March 2016" as given in the standalone financial statements of Pricol Limited.

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

**2.44.** All figures are in Million unless otherwise stated.

### 2.45. Related Party disclosure as per Accounting Standard 18 :

**Key Management Personnel :** Mrs.Vanitha Mohan and Mr.Vikram Mohan **Relatives of Key Management Personnel :** Mr. Vijay Mohan **Joint Venture :** Johnson Controls Pricol Private Limited (Upto 6th May, 2015)

**Others: (Enterprise over which key management personnel are able to exercise significant influence)** Pricol Holdings Limited, PPL Enterprises Limited, Pricol Travel Limited, Pricol Technologies Limited, Pricol Properties Limited, Pricol Corporate Services Limited, Pricol Engineering Industries Limited, Target Manpower Services Limited, Prinfra Limited, M and M Enterprises (India) Limited, Bhavani Infin Services India Private Limited, Shrimay Enterprises Private Limited, Sagittarius Investments Private Limited, Libra Industries, Leo Industries, Bhavani Global Enterprises and Ellargi & Co.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

₹ Million

Nature of Transaction	Key Management Personnel and their Relatives		Others / Joint Venture	
	2015-16	2014-15	2015-16	2014-15
Purchase / Labour Charges	—	—	206.568	299.509
Sales / Job Work Charges	—	—	2.831	389.253
Sale of Undertaking	—	—	—	—
Sale of Interest in Joint Venture	—	—	—	200.000
Purchase of Fixed Assets	—	—	1.554	0.020
Sale of Fixed Assets	—	—	1.938	85.058
Receiving of Services / Reimbursement of Expenses Paid	43.489	17.431	516.481	437.537
Rendering of Services / Reimbursement of Expenses Received	—	—	20.264	129.099
Loan / Advance Receivable / Deposit / Interest - Opening	0.048	—	6.066	28.666
Add : Amount advanced / Deposit during the year	—	2.048	61.305	7.525
Less : Amount received / converted into capital during the year	—	—	—	—
Add : Interest receivable for the year	—	—	—	—
Less : Amount received / Adjustments on Amalgamation	—	2.000	1.089	30.000
Less : Rental advance received	—	—	2.325	0.125
Less : Interest received for the year	—	—	—	—
Loan / Advance Receivable / Deposit / Interest - Closing	0.048	0.048	63.957	6.066
Advance payable - Opening	—	—	—	—
Less : Amount repaid during the year	—	—	—	—
Advance payable - Closing	—	—	—	—
Investments - Opening	—	—	—	—
Add : Investments made during the year	—	—	—	—
Less : Divestment made during the year	—	—	—	—
Investments - Closing	—	—	—	—
Guarantee - Opening	—	—	—	—
Add : Guarantee provided during the year	—	—	—	—
Less : Guarantee released during the year	—	—	—	—
Guarantee - Closing	—	—	—	—
Receivable - Opening	—	—	211.698	514.148
Add : Amount receivable during the year	—	—	17.656	611.104
Less : Amount received / Adjustments on Amalgamation	—	—	227.117	913.554
Receivable - Closing	—	—	2.237	211.698
Payable - Opening	0.225	8.242	88.583	74.887
Add : Amount payable during the year	43.489	17.486	789.031	816.274
Less : Amount paid / Adjustments on Amalgamation	17.204	25.503	754.037	802.578
Payable - Closing	26.510	0.225	123.577	88.583

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

As per our report of date attached  
For Haribhakti & Co. LLP  
Chartered Accountants  
ICAI Firm Regn. No. 103523W  
**C.S. Sathyanarayanan**  
Partner  
Membership No. 028328  
Coimbatore, 27th May 2016

**Vijay Mohan**  
Chairman  
(DIN: 00001843)

**S. Shrinivasan**  
Chief Financial Officer  
(ACMA No.: 17505)

For and on behalf of the Board

**Vanitha Mohan**  
Vice Chairman  
(DIN: 00002168)

**Vikram Mohan**  
Managing Director  
(DIN:00089968)

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

## Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

### Part - "A" - Subsidiaries

Particulars	PT Pricol Surya Indonesia	Pricol Asia Pte. Limited, Singapore	Pricol Espana S.L. Spain	Pricol Do Brasil Componentes Automotivos LtdA Brazil (Subsidiary of Pricol Espana)	Integral Investments Limited	Pricol Pune Limited
Reporting Period	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar
Reporting Currency	Indonesian Rupiah (IDR)	Singapore Dollar (SGD)	Euro	Brazilian Reals (BRL)	Indian Rupee (INR)	Indian Rupee (INR)
Exchange Rate for 1 reporting currency as on 31st March 2016 (INR)	0.00503	49.025	75.010	18.288	N.A.	N.A.
						₹ Million
Share Capital	315.987	15.515	312.049	1,476.848	22.500	100.000
Reserves and Surplus	(225.989)	40.728	(2.753)	(1,543.984)	4.319	472.930
Total Assets	667.546	324.131	318.481	900.238	27.234	834.975
Total Liabilities	667.546	324.131	318.481	900.238	27.234	834.975
Investments	—	—	251.111	—	19.997	—
Turnover	848.236	1,236.453	10.371	1,303.135	1.022	1,216.415
Profit / (Loss) before Tax	(27.941)	25.533	(2.964)	(455.606)	0.651	90.725
Provision for Taxation	(0.630)	3.725	—	4.076	0.400	1.300
Profit / (Loss) after Tax	(28.571)	21.808	(2.964)	(459.682)	0.251	89.425
Proposed Dividend	—	—	—	—	—	—
% of Shareholding	100%	100%	100%	100%	100%	100%

### Part - "B" - Associates and Joint Ventures

Not applicable

		For and on behalf of the Board	
	<b>Vijay Mohan</b> Chairman (DIN: 00001843)	<b>Vanitha Mohan</b> Vice Chairman (DIN: 00002168)	<b>Vikram Mohan</b> Managing Director (DIN:00089968)
Coimbatore, 27th May 2016	<b>S. Shrinivasan</b> Chief Financial Officer (ACMA No.: 17505)		<b>T.G. Thamizhanban</b> Company Secretary (FCS No.: 7897)









*PASSIONATE*

*SUSTAINABLE*

*DYNAMIC*

*EVOLVING*

***PRICOL LIMITED***

CPM Towers, 109, Race Course, Coimbatore-641 018. Tamilnadu, India.

Phone: +91 422 433 6000 Fax: +91 422 433 6299

Email: [cs@pricol.co.in](mailto:cs@pricol.co.in) Website: [www.pricol.com](http://www.pricol.com)

CIN:L33129TZ1972PLC000641