PRICOL LIMITED

Passion to Excel

Annual Report 2020

CONTENTS

MANAGEMENT REPORTS & FINANCIAL STATEMENTS

BOARD OF DIRECTORS

Mrs.	Vanitha Mohan, Chairman	(DIN: 00002168)
Mr.	Vikram Mohan, Managing Director	(DIN: 00089968)
Mr.	V. Balaji Chinnappan, Chief Operating Officer	(DIN: 08014402)
Mr.	Suresh Jagannathan	(DIN: 00011326)
Mr.	R. Vidhya Shankar	(DIN: 00002498)
Mrs.	Sriya Chari	(DIN: 07383240)
Mr.	S.K. Sundararaman	(DIN: 00002691)
Mr.	P. Shanmugasundaram	(DIN: 00119411)
Mr.	K. Ilango	(DIN: 00124115)

BOARD COMMITTEES

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

NOMINATION & REMUNERATION COMMITTEE
Mr. R. Vidhya Shankar
Mrs. Sriya Chari
Mr. P. Shanmugasundaram

STAKEHOLDERS RELATIONSHIP COMMITTEE
Mr. R. Vidhya Shankar
Mrs. Vanitha Mohan
Mr. Vikram Mohan
Mr. S.K. Sundararaman

INVESTMENT AND BORROWING COMMITTEE
Mrs. Vanitha Mohan
Mr. Vikram Mohan
Mr. R. Vidhya Shankar
Mr. P. Shanmugasundaram

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mrs. Vanitha Mohan
Mr. Vikram Mohan
Mr. K. Ilango

CHIEF FINANCIAL OFFICER
Mr. K. Ramesh

COMPANY SECRETARY
Mr. T.G. Thamizhanban

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

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

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

BANKS / FINANCIAL INSTITUTIONS
State Bank of India
ICICI Bank Limited
HDFC Bank Limited
Bank of Bahrain and Kuwait B.S.C.
The South Indian Bank Limited
IndusInd Bank Limited
Cholamandalam Investment and
Finance Company Limited

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

FACTORIES

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

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

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

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

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

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

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

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Your Directors have pleasure in presenting the Ninth Annual Report and audited accounts for the financial year ended 31st March, 2020.

FINANCIAL RESULTS

The summarised financial results are: ₹ **Lakhs**

	2019-20	2018-19
Net Sales & Services		
- Domestic	**1,05,782.13**	1,22,130.04
- Export	**8,418.29**	7,593.97
Total Sales & Services	**1,14,200.42**	1,29,724.01
Other Operating Revenue	**6,128.12**	6,825.62
Other Income	**1,263.23**	846.34
Total Revenue excluding Sale of Land held as Stock-in-Trade	**1,21,591.77**	1,37,395.97
Profit from Operations before Finance Cost, Depreciation and Amortisation Expense, Exceptional Items & Tax	**9,777.88**	9,074.62
Less : Finance Costs	**3,108.45**	1,808.74
: Depreciation and Amortisation Expense	**9,269.24**	8,019.74
Profit / (Loss) from Operations before Exceptional Items & Tax	**(2,599.81)**	(753.86)
Add : Profit on Sale of Land held as stock-in-trade	**—**	1,010.36
Less : Reversal of Provision for Impairment of Land & Building	**—**	(133.99)
Profit / (Loss) before Exceptional Items & Tax	**(2,599.81)**	390.49
Less : Exceptional Item (Net) #	**19,072.36**	23,197.75
Profit / (Loss) Before Tax	**(21,672.17)**	(22,807.26)
Less : Tax Expense		
Current Tax	**—**	95.80
Deferred Tax	**(384.20)**	(14.31)
MAT Credit	**—**	(95.80)
Profit / (Loss) for the year (A)	**(21,287.97)**	(22,792.95)
Other Comprehensive Income	**295.08**	47.79
Income tax relating to these items	**(103.11)**	(16.70)
Other Comprehensive Income for the year after tax (B)	**191.97**	31.09
Total Comprehensive Income for the year (A) + (B)	**(21,096.00)**	(22,761.86)

Exceptional Items : Details have been provided under Notes to Standalone Financial Statements, Note No: 2.45.

DIVIDEND & RESERVES

In view of loss in this financial year, your Directors do not recommend any dividend and not transferred any amount to reserves for the year 2019-20.

AUTO INDUSTRY

During the year, the Auto Industry's domestic market de-growth by 18 % and exports grew by 3 %. The overall Auto Industry de-growth by 15% as against growth of 6% in the previous financial year.

Segment	Vehicle Production *			Pricol Sale to OEM
	2019-20	2018-19	Growth %	Growth %
2 Wheeler / 3 Wheeler	**2,21,70,152**	2,57,71,809	(14) %	(8) %
Commercial Vehicle	**7,52,022**	11,12,176	(32) %	(41) %
Tractors	**6,94,600**	7,82,350	(11) %	(5) %
4 Wheeler	**34,34,015**	40,26,047	(15) %	(41) %
Total	**2,70,50,789**	3,16,92,382	**(15) %**	**(13) %**

* As per Society of Indian Automobile Manufacturers (SIAM)

OPERATIONS

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

The Company's domestic sales was down by 13% and overall Company's sales by 12% compared to the previous year.

The profit from operations before Finance cost, Depreciation and Amortisation expense, Exceptional Items & tax has increased from ₹ 9,075 Lakhs to ₹ 9,778 Lakhs. The operational performance of the company has improved due to better control on costs. Profit before Exceptional Items & Tax decreased from ₹ 390 Lakhs to Loss of ₹ 2,600 Lakhs mainly due to increase in finance cost and Depreciation and Amortisation, after considering sale of land held as stock-in-trade in previous year.

SUBSIDIARY COMPANIES

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.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

In the financial year 2019-20, the Company achieved sales of USD 270.68 Lakhs (₹ 19,598.19 Lakhs) as against the previous year sales of USD 313.27 Lakhs (₹ 21,086.83 Lakhs). The company made a profit after tax of USD 550,585 (₹ 398.65 Lakhs) during the year 2019-20 as against USD 515,948 (₹ 347.30 Lakhs) in 2018-19.

Pricol Espana Sociedad Limitada,Spain

It is an investment arm of Pricol to acquire companies in Europe and the Americas. During the financial year, the company has incurred a loss of EURO 420.79 Lakhs (INR 33,928.03 Lakhs) as against loss of EURO 14.92 Lakhs (INR 1,179.86 Lakhs) in 2018-19, which is mainly due to disinvestment of its investment in Pricol do Brasil and Pricol Wiping Systems, Mexico amounting to EURO 406.48 Lakhs. The Company's wholly owned subsidiary companies are 1) Pricol Wiping Systems Czech s.r.o 2) Pricol do Brasil Components Automotives LtdA (upto 11th February 2020), and 3) Pricol Wiping Systems Mexico S.A. de C.V. (upto 11th February 2020).

At the Board Meeting held on 29th July, 2020, the Board approved the proposed sale of 100% shareholding held by Pricol Limited in its Wholly Owned Subsidiary Company 'Pricol Espana Sociedad Limitada, Spain' (Pricol Espana), along with its Wholly Owned subsidiary company, 'Pricol Wiping Systems Czech s.r.o' (Pricol Czech).

Pricol Wiping Systems Czech s.r.o.

During the financial year 2019-20, Pricol Czech has achieved a sales of CZK 11,786.81 Lakhs (INR 35,790.55 Lakhs) as against sales of CZK 12,480.54 Lakhs (INR 38,625.67 Lakhs) in 2018-19 and registered losses before taxes of CZK 321.86 Lakhs (INR 977.33 Lakhs) in 2019-20 as against loss of CZK 948.68 Lakhs (INR 2,936.04 Lakhs) in 2018-19.

Pricol Czech being an unlisted material subsidiary of the Pricol Limited, as per Regulation 24 of the SEBI (LODR) Regulation 2015, an Independent Director of Pricol Limited is to be appointed in that Board of Pricol Czech. The Board of Directors of Pricol Limited at their meeting held on 12th February 2020 recommended the appointment of Mr.K.Ilango, Independent Director as a Director of Pricol Wiping Systems Czech s.r.o. Steps were taken for the said appointment, but due to COVID 19 outbreak, we are unable to complete the appointment.

Pricol Wiping Systems India Limited

During the financial year 2019-20, the company has achieved sales of INR 2851.33 Lakhs as against sales of INR 3,142.69 Lakhs in 2018-19. The company incurred losses to the extent of INR 323.73 Lakhs in 2019-20 as against loss of INR 554.47 Lakhs in 2018-19.

PT Pricol Surya Indonesia

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

In the financial year 2019-20, the company has achieved a sales of Indonesian Rupiah 4,53,879 Lakhs (₹ 2,155.92 Lakhs) as against the previous year sales of Indonesian Rupiah 5,94,134 Lakhs (₹ 2,860.75 Lakhs) a decrease of 23.61% in Indonesian Rupiah & 24.64% in INR terms.

The decrease in sales is mainly on account of phasing out of vehicle models for which the company is supplying. The Company had a loss before tax of Indonesian Rupiah 52,367 Lakhs (₹ 248.74 Lakhs) as against the profit before tax of Indonesian Rupiah 55,603 Lakhs (₹ 267.73 Lakhs) of previous year.

PT Sripri Wiring Systems, Indonesia

The Company, a Wholly Owned Subsidiary Company of PT Pricol Surya Indonesia, during the financial year 2019-20, has achieved sales of IDR 61,165 Lakhs (INR 290.53 Lakhs) as against sales of IDR 1,07,587 Lakhs (INR 518.03 Lakhs) in 2018-19. The Company incurred profit before tax of IDR 2,951.07 Lakhs (INR 14.02 Lakhs) in 2019-20 as against loss of IDR 32,456 Lakhs (INR 156.28 Lakhs) in 2018-19.

Pricol do Brasil Componentes Automotivos LtdA

Pricol do Brasil Componentes Automotivos LtdA (PdB) manufactures and sells Pumps & Mechanical products to wide range of Domestic and International customers such as Volkswagen, Fiat, Fiat Power train, General Motors, Mack Trucks etc. The company was sold on 11th February 2020. The details about the sale was given under the heading 'Sale of step down Subsidiary Company(s)'.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

During the period from 1st April 2019 to 11th February 2020, PdB has achieved a sales of BRL 501.86 Lakhs (INR 8,871.64 Lakhs) as against the previous year sales of BRL 533.56 Lakhs (INR 9,990.00 Lakhs). PdB incurred a loss of BRL 387.22 Lakhs (INR 6,845.20 Lakhs) during the year 2019-20 as against loss of BRL 391.10 Lakhs (INR 7,322.74 Lakhs) in 2018-19.

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

The Company was sold on 11th February 2020. The details about the sale was given under the heading ‘Sale of step down Subsidiary Companies’.

During the period from 1st April 2019 to 11th February 2020, PWS Mexico had revenue of MXN 550.27 Lakhs (INR 2102.62 Lakhs) as against revenue of MXN 344.64 Lakhs (INR1,234.75 Lakhs) in 2018-19 and incurred loss of MXN 282.91 Lakhs (INR 1,081.01 Lakhs) as against loss of MXN 87.78 Lakhs (INR 314.48 Lakhs) in 2018-19.

SALE OF STEP DOWN SUBSIDIARY COMPANIES

As stated in our earlier Directors’ Report-2019, with regard to the dilution of shareholding in the following Wholly Owned Subsidiary Companies,

a) Sale of 80.5% shareholding held by Pricol Limited in its Wholly Owned Subsidiary, Pricol Espana Sociedad Limitada, (Pricol Espana) which have the following subsidiaries namely

   (i) Pricol Do Brasil Componentes Automotivos LtdA (PdB)

   (ii) Pricol Wiping Systems Mexico S.A.de C.V (PWS-M)

   (iii) Pricol Wiping Systems Czech s.r.o (PWS-C)

b) Sale of 74% shareholding held by Pricol Limited in its Wholly Owned Subsidiary, Pricol Wiping Systems India Limited (PWSIL)

to ‘Chroma GP LLC, Delaware, USA’ or its affiliates (Purchaser), and at the consideration of Euro 100,000 net of specified loans.

On 21st June 2019, a Share Purchase Agreement was entered with Chroma GP LLC, some amendments were carried out thereto including identifying the designated purchaser entity. However, the Conditions Precedent to Closing have not been complied with and time for performance was extended from time to time. In the meanwhile, the PWS-C operations have shown stability.

After several round of discussions with Chroma GP LLC, they have shown inclination to takeover PdB and PWS-M alone to the exclusion of PWS-C & PWSIL, with approval of Board of Directors.

The entire shareholding held by Pricol Espana Sociedad Limitada, Spain, in the following Companies:

(a) Pricol do Brasil Componentes Automotivos LtdA (PdB)

(b) Pricol Wiping Systems Mexico S.A.de C.V (PWS-M)

shall be sold to ‘2NDM LLC’ and / or ‘NELP FOUR LP’, nominated purchaser entity/s of ‘Chroma GP LLC, Delaware, USA, for a Gross Consideration of USD 2,000 Net of liabilities. They have also taken over PdB and PWS-M along with its liabilities and assets on the date of sale. The liabilities in PdB was more than the assets transferred which is reflected in our consolidated profit and loss account (Refer Note No. 2.42 to the Consolidated Financial Statement).

Sale of entire shareholding held by Pricol Espana in (i) Pricol Do Brasil Componentes Automotivos LtdA and (ii) Pricol Wiping Systems Mexico S.A.de C.V, was completed. Further to the above, PWSIL and Pricol Espana along with PWS-C continues as Subsidiary of the company.

SALE OF SUBSIDIARY COMPANIES

Pricol Wiping Systems Czech s.r.o was acquired in September 2017 to develop a fourth vertical of business for the company. Since taking over the business we have undertaken many operational excellence programs and this resulted in improved efficiencies and customer ratings. For over 15 months now, the business has been managing its cash flows. Nevertheless, the onset of COVID-19 has had a debilitating impact on the operations and outlook of the business of Pricol Wiping Systems Czech s.r.o. Over 80% of the sales for the operations in Czech are made to our key customers like Volkswagen, Audi, Seat, and Fiat who are located in countries like Germany, Italy and Spain. These three countries are badly affected by the COVID-19 pandemic and vehicle production has contracted very sharply.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

The management teams in the Czech Republic and India have been in constant touch with the key customers to understand the business outlook and workout the cash flows but none of the European customers are willing to commit to any sort of committed production numbers. Under these circumstances, it is expected to have cash losses in the Czech Republic which will also result in breaching all the banking covenants and the bank in Czech Republic, Unicredit s.r.o, have advised us to further infuse capital into the company. Under the stiff economic downturn due to the COVID-19 pandemic in India, it would be impractical for the parent company, Pricol Limited, to allocate financial resources to the operations in Czech Republic. Hence, it was decided by the Board of Directors to explore 100% divestment of the operations in Czech Republic along with its holding company Pricol Espana located in Spain.

After negotiations with multiple potential buyers, we have identified a particular Private Equity investor, "Certina Automotive Solutions AG", a German Stock Corporation, (Purchaser) with extensive interests in the European automotive industry and have met the key customers and bankers along with this potential buyer and finalised the terms of the 100% divestment. Purchaser has agreed to take the Pricol Espana along with its subsidiary company Pricol Czech, with bank loans amounting to INR 6,402 Lakhs, and all liabilities and assets as on the date sale and pay a consideration of EURO 50,000. The loan granted by Pricol Limited to Pricol Espana will be converted into equity. The entire investment and the loan to be converted into equity has been provided for in the March 2020 year ending financials. Based on further discussions the board decided to hive off Pricol Espana to stop further cash drain from the parent company.

At the meeting of Board of Directors of Pricol Limited held on 29th July 2020, the Board has approved the terms of the Share Purchase Agreement for the complete divestment of Pricol Limited's interest in Pricol Espana along with its subsidiary company, Pricol Wiping Systems Czech s.r.o. The deal will be completed subject to statutory and regulatory approvals and is expected to be completed on or before 31st August 2020.

OUTLOOK, OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

India

The automotive industry ended up with degrowth of 15% in 2019-20 compared to 2018-19. The major reason for the degrowth was the outbreak of COVID-19 during Q4 for 2019-20. There was shortage of imported parts from China during Jan, Feb followed by lock down in Mar in India thus affecting the auto manufacturing during Q4 of 2019-20. However in Q4 all the manufacturers have transformed all their models from BS-IV to BS-VI emissions.

The outlook for 2020-21 is expected to be negative with a de-growth anticipated at 35% to 45% across various segments of the industry due to COVID-19 impact. The two wheelers are expected to recover faster compared to Commercial vehicle industry.

Pricol has won many new business across various segments in the BS VI platform and around 40% of the revenue of 2020-21 would be from new business.

International

2019-20 witnessed a robust growth compared to 2018-19 both in the US and Europe markets. With Pricol winning new business in export at both US and Europe, the outlook for 2020-21 is expected to see a positive growth compared to 2019-20.

COVID -19 IMPACT

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

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

RISK MANAGEMENT

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

The Risk Management policy has been placed on the website of the Company and the web link thereto is https://www.pricol.com/Data/Policy/Risk-Management-Policy_20.pdf.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

FINANCE

During the year the Company has not accepted / renewed any fixed deposit from public. The total deposits remained unpaid or unclaimed as at 31st March, 2020 is Nil. There is no default in repayment of deposits or payment of interest thereon during the year. The Company undertook several steps to keep a control over borrowings and cost of borrowings. ICRA has revised credit rating for Long term fund based facilities to ‘BB+’ and for short term fund based & non fund based facilities to ‘A4+’. Previous year 2018-19 credit rating for long term fund based facilities ‘BBB (Negative)’ and for short term fund based & non fund based facilities ‘A3+’.

RELATED PARTY TRANSACTIONS

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

DIRECTORS

Independent Director

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

Name of Independent Director	Period of Appointment
Mrs.Sriya Chari	Upto 26th May 2021
Mr.S.K.Sundararaman	Upto 29th May 2023
Mr.P.Shanmugasundaram	Upto 14th June 2024
Mr.K.Ilango	Upto 14th June 2024
Mr. Suresh Jagannathan	Upto 31st July 2024
Mr. R.Vidhya Shankar	Upto 31st July 2024

During the year 2019-20, Mr.R.Vidhya Shankar and Mr.Suresh Jagannathan, Independent Directors were re-appointed as Independent Director, for the second term of 5 years, from 1st August 2019 to 31st July 2024, with the approval of shareholders through postal ballot. Mr.P.Shanmugasundaram and Mr.K.Ilango were appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 15th June 2019 to 14th June 2024, with the approval of shareholder at Annual General Meeting held on 29th August 2019.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

Mrs.Sriya Chari, Independent Director has given her consent for re-appointment as Independent Director, for the second term of 5 years, from 27th May 2021 to 26th May 2026. The Board recommends her re-appointment as Independent Director, for the aforesaid period and suitable resolution is included in the AGM notice.

Executive Director / Non Independent Director

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

Name of Director	Period of Appointment
Mrs.Vanitha Mohan	Upto 31st March 2021
Mr.Vikram Mohan	Upto 31st March 2022
Mr.V.Balaji Chinnappan	Upto 31st March 2022

During the year 2019-20, Mr.Vikram Mohan was appointed as Managing Director for a period of three years with effect from 1st April 2019 to 31st March 2022. Mr.V.Balaji Chinnappan was appointed as Chief Operating Officer (Whole Time Director) for a period with effect from 15th June 2019 to 31st March 2022.

Mrs. Vanitha Mohan, a Non-Independent Director retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

EVALUATION BY THE BOARD

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

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

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

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

KEY MANAGERIAL PERSONNEL

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

STATUTORY AUDITORS

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

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

COST AUDITOR

The Board of Directors at their meeting held on 29th June 2020 appointed Mr.G.Sivagurunathan, Cost Accountant, as the Cost Auditor for conducting the Cost Audit for the financial year 2020-21. A resolution seeking members' ratification of the remuneration payable to Cost Auditor is included in the AGM notice. The Cost Audit Report will be filed within the stipulated period. The Company is maintaining the Cost Records as per Section 148(1) of the Companies Act, 2013.

SECRETARIAL AUDITOR

The Company appointed M/s.P.Eswaramoorthy and Company, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report for the financial year 2019-20, as per regulation 24 A of SEBI LODR, is annexed herewith as "**Annexure A**".

SECRETARIAL STANDARDS

The company had complied with the applicable Secretarial Standards.

CSR INITIATIVES

Pricol's Corporate Social Responsibility (CSR) activities reflect its philosophy of enhancing value to the society and the environment around us. CSR activities are carried out through registered trust (ND Foundation) and a Section 8 Company (Yashaswi Academy for Skills), in addition to the CSR activities directly undertaken by the

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

Company. The Annual Report on CSR activities is annexed herewith as "**Annexure B**".

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Continuous interactions with the line operators had resulted in cordial and conducive Industrial Relations atmosphere. A long-term wage agreement was signed with the workmen of Plant-I and Plant-III for a period of five years from July 2019. About 90% of the workmen have agreed for this settlement. Similarly, a long-term wage agreement was signed with the workmen of Plant -II for a period of five years from Jan 2020. 100% of the workmen have agreed for this settlement. Periodical interactions with the Union Office bearers is paving way for smooth operations inside the Plants. Monthly Goodwill Meeting with the operators are continuing to redress the shop floor issues. The number of people employed as on 31st March 2020 is 5,185.

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of annual accounts for the financial year ended 31st March 2020, 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 2020, 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.

DISCLOSURES :

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

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

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

4. The particulars of Loans, Guarantees and Investments made by the Company under Section186 of the Companies Act, 2013 are given in Note No. 2.69 to the Standalone Financial Statements.

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

   All the related party transactions entered by the Company during the financial year 2019-20 are in the ordinary course of business and at arm's length. There is no material contract or arrangement.

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

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

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

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

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

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

9. Extract of the Annual Return :

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

10. Particulars of Employees :

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

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

Details are given in Note No. 2.69 to the Standalone Financial Statements.

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

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

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

There is no resignation by any of the Independent Directors during the year 2019-20.

14. Business Responsibility Reporting :

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

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

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

16. Key Financial Ratios (Explanations for significant change i.e. change of 25% or more as compared to the immediately previous financial year) :

	Key Financial Ratios	2019-20	2018-19	% Change	Explanations, if any
i)	Debtors Turnover	**6.32**	6.52	(3)	NA
ii)	Inventory Turnover	**4.82**	5.20	(7)	NA
iii)	Current Ratio	**0.81**	0.95	(14)	NA
iv)	Interest Coverage Ratio	**3.15**	5.65	(44)	i. Due to de-growth in Market coupled with increase in borrowings and finance costs. ii. Provision for impairment of non-current investment and loans.
v)	Debt Equity Ratio	**0.80**	0.41	97	
vi)	Operating Profit Margin (%)	**0.11**	2.23	(95)	
vii)	Net Profit Margin (%) or sector-specific equivalent ratios, as applicable.	**(18.64)**	(17.57)	(6)	

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

Particulars	2019-20	2018-19	% Change	Explanations, if any
Return on Net Worth	(39.81)	(30.00)	(33)	i. Due to de-growth in Market coupled with increase in borrowings and finance costs. ii. Provision for impairment of non-current investment and loans.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

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

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

CORPORATE GOVERNANCE

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

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

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

Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance, is made a part of this Directors' Report. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the year 2019-20.

CAUTIONARY STATEMENT

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Vanitha Mohan
Chairman
DIN: 00002168

Coimbatore
29th July, 2020

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ANNEXURE "A" TO DIRECTOR'S REPORT

Form No. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended 31st March, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable as the Company does not raise capital during the financial year under review);

d. The Securities and Exchange Board of India (Share based Employee benefits) Regulations, 2014 [Not applicable as the Company does not have any Scheme for share based employee benefits during the financial year under review];

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not applicable as the Company has not issued and listed any debt securities during the financial year under review];

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client [Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review];

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the Equity Shares of the Company have not been delisted during the financial year under review];

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 [Not applicable as the Company has not bought back / proposed to buy back any of its securities during the financial year under review];

i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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

ANNEXURE "A" TO DIRECTOR'S REPORT

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

(a) The Company has filed e-forms IEPF-1 & IEPF-4 with Registrar of Companies which are required to be filed under sub - rule (1) of rule 5 and sub rule (5) of rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 during July 2020, for the financial year to which the amount & shares relates to 2010-11 & 2011-12. According to the information and explanation given to me, this delay was due to technical issues in the MCA Portal.

(b) The Company has not appointed Independent Director on the Board of Directors of "Pricol Wiping Systems Czech s.r.o" Foreign unlisted material Wholly Owned Subsidiary of the Company as required under Regulation 24 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. According to the information and explanation given to me, the Company in its Board of Directors meeting held on 12th February 2020 has recommended the name of Mr.K.Ilango, Independent Director of the Company for being appointed on the Board of Directors of "Pricol Wiping Systems Czech s.r.o" Foreign unlisted material Wholly Owned Subsidiary of the Company as required under Regulation 24 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, however, in the light of the global impact of the pandemic COVID - 19 outbreak, despite of all their efforts made, it was impracticable for the Company to appoint the Independent Director and to comply with the said Regulations.

(c) Financial results for the quarter and year ended 31st March 2019 has not been submitted to the Stock Exchanges (NSE & BSE) with in the period as stated in the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There was a delay in submission and fine of Rs.80,000/- was paid to each Stock Exchange by the company.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the period covered under the Audit, the Company has not made any specific events / actions having a major bearing on the Company's affairs in pursuance of laws, rules, regulations and guidelines referred to above except sale of entire shareholding held by Pricol Espana Sociedad Limitada, Wholly Owned Subsidiary of the Company, in its subsidiaries namely (a) Pricol Do Brasil Componentes Automotivos Ltda and (b) Pricol Wiping Systems Mexico S.A.de C.V.

P. ESWARAMOORTHY AND COMPANY
Company Secretaries
P. Eswaramoorthy
Proprietor
FCS No. : 6510
CP No. : 7069
UDIN : F006510B000519541

Place : Coimbatore
Date : 29th July 2020

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To

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

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

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

P. ESWARAMOORTHY AND COMPANY
Company Secretaries
P. Eswaramoorthy
Proprietor
FCS No. : 6510
CP No. : 7069

Place : Coimbatore
Date : 29th July 2020

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ANNEXURE "B" TO DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

   We work with the primary objective of contributing to the sustainable development of the society and creating a greener and cleaner environment around us. Towards achieving these objectives, Pricol has initiated "We Care", a program which executes various social and environmental development activities in and around its operation all 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:
   https://www.pricol.com/Data/Policy/CSR-Policy_20.pdf.
2. **CSR Committee has Mrs.Vanitha Mohan, Mr.Vikram Mohan and Mr.K.Ilango as its members.**
3. **Average net profit / (Loss) of the Company for last three financial years** — ₹ **5,378.41 Lakhs**
4. **Prescribed CSR Expenditure (two per cent of the amount** as in item 3 above) — ₹ **107.57 Lakhs**
5. **Details of CSR spent during the financial year**
   a) Total amount spent for the financial year — ₹ **110.80 Lakhs**
   b) Amount unspent, if any; — **N A**

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

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

in ₹

S. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or program wise	Amount Spent on the projects or programs	Cumulative expenditure for 01.04.2014 to 31.03.2020	Amount Spent : Direct or through implementing agency
1	Women Empowerment - Stipend to NEEM Trainees (Employment Enhancing Vocational Skills)	Education	Coimbatore, Tamilnadu Pantnagar, Uttarakhand Sricity, Andhra Pradesh Gurugram, Harayana	1,10,00,000	1,09,96,142 *	1,09,96,142	Yashaswi Academy for Skills
2	Eye & Medical Camps (Government School & Public)	Health	Coimbatore, Tamilnadu	1,50,000	1,60,238	8,35,551	ND Foundation
3	Water Purifiers and AMC Charges	Health	Coimbatore & Tirupur, Tamilnadu	—	—	11,17,009	
4	Fire Safety and First Aid Training - To School Students	Education	Coimbatore, Tamilnadu	—	—	136,790	
5	Facilities for Government Schools	Education	Tirupur, Tamilnadu	12,50,000	12,35,552	27,89,096	
6	Construction of Maternity ward at Primary Health Centre	Health and Sanitation	Tirupur, Tamilnadu	—	—	20,41,634	
7	Renovation of Crematorium / Swachh Bharat / Construction of Public toilet / Dustbin	Environment	Coimbatore, Tamilnadu	8,00,000	7,95,000	9,95,000	
8	Tree Park Construction / Tree plantations	Environment	Coimbatore, Tamilnadu	—	—	10,36,568	
9	De-silting and repair of check dam / Rain water harvesting	Environment	Coimbatore, Tamilnadu	—	—	6,90,000	
10	Contribution to Wildlife SOS	Environment	Delhi	6,00,000	6,00,000	32,30,000	
11	Contribution to Siruthuli	Environment	Coimbatore, Tamilnadu	5,00,000	4,63,000	22,63,000	
12	Contribution to UYIR Foundation	Safety	Coimbatore, Tamilnadu	—	—	10,00,000	
13	Supply of Medical Equipments To Rapid Action Force	Health	Coimbatore, Tamilnadu	—	—	67,500	
14	Contribution towards Natural Disaster Management / Flood Relief	Health / Environment	Nilgiris, Tamilnadu	5,00,000	5,00,000	5,00,000	
15	Construction of library building - Government School	Education	Tirupur, Tamilnadu	3,00,000	2,97,852	2,97,852	
16	Supply of Medical Equipments To Government Hospital	Health	Pantnagar, Uttarakhand	—	—	2,65,737	Pricol Limited
17	Construction of Toilets to Police / facilities at old age home	Health	Pantnagar, Uttarakhand	70,000	59,000 *	2,36,000	
18	Contribution to Sankara Eye Hospital	Health	Coimbatore, Tamilnadu	—	—	5,00,000	
19	Supply of Safety related materials to City Police	Safety	Coimbatore, Tamilnadu	—	—	2,40,250	
20	Supply of materials to Siruthuli / Coimbatore Corporation	Health / Environment	Coimbatore, Tamilnadu	30,000	24,988 *	1,25,788	
21	Flood Relief Chennai	Health / Environment	Cuddalore, Tamilnadu	—	—	23,07,168	
	Total			**1,52,00,000**	**1,51,31,772**	**3,16,71,085**	

* Amount spent by Pricol Limited during the year - ₹ 1,10,80,130 /-

Note : (i) **CSR Implementing Agency:** a) ND Foundation b) Yashaswi Academy for Skills

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

ii) The Company has dropped the project "Trauma Care Center". The amount of ₹ 32 Lakhs kept as corpus with ND Foundation has been utilised for other CSR activities during 2019-20.

iii) During the year 2019-20, the company had not made any contribution for CSR activities to ND Foundation. ND Foundation had spent ₹ 40,51,642 received from Pricol Limited, during previous years (including contribution for trauma care center). With that it had spent entire amount received from Pricol Limited over the years.

6. Incase the Company has failed to spend the two percent of the average net profit of the last three financial years or any part there of, 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.

Vikram Mohan
Managing Director
(DIN : 00089968)

Vanitha Mohan
Chairman - CSR Committee
(DIN : 00002168)

Coimbatore
18th May, 2020

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ANNEXURE "C" TO DIRECTORS' REPORT

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

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

A. CONSERVATION OF ENERGY :

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

The following steps were taken on the energy conservation :

a) An Energy saving product "Artic Master" installed for 24Tr chiller Air conditioners.

b) Continuous running Split Air Conditioners are connected through energy saver "Eco Plug”

c) Conventional lights are being replaced with LED light when the bulbs are due for replacement.

d) Real time based timers, occupancy sensors are introduced for plant equipments, which saves power by cutting off its circuits.

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

a) Roof top solar modules of 1.10 MW installed additionally through OPEX model hence the total Solar power capacity of Pricol is now 2.62 MW.

b) To save and utilise rain water, roof top water pipes are connected to open well and rain water percolating pits are increased considerably.

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

a) Energy saving products : ₹ 9 Lakhs

B. TECHNOLOGY ABSORPTION:

i. Research and Development (R&D)

i) Specific areas of R&D

- The Company has two R & D centres, which are approved by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India, New Delhi.

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

- Engineering to cater existing and new customers.
- The new technologies are developed with high degree of localisation content for competitiveness and deployed horizontally for retention & growth to attain market leadership.
- There are 23 inventions filed at various jurisdictions in India and Abroad. Out of which 9 were granted and remaining are under review. The Company continues to foster innovation for growth, across all product development functions.
- Technology road maps are evolved across all business verticals to meet the future needs.
- Developed TFT technologies to protect from disruption with current LCD technology used on Instrument Cluster.
- Instrument cluster with TFT display is developed as a platform product. Initially, Genesis platform is developed & subsequently, Bluebell platform also made ready to execute high end graphics requirements from customers.
- Developed advanced engineering display system called connected cluster with Bluetooth, which has been integrated with Telematics & Body Control Module. Bluetooth integrated cluster is compatible for both Android & IOS connectivity.
- Aggressive, systematic, and structured value engineering initiatives taken to minimize wastages and to improve Productivity & Quality to sustain.
- Teardown and Benchmarking process established for learning & delivery with adopt adapt-improvement approach for institutionalisation across all products as applicable.
- Operationalised Hardware in Loop (HIL) test system with reusable test cases to improve the functional quality of instrument cluster.
- Installed Software in Loop (SIL) system to improve software quality.
- Next Generation Telematics platform with 4G / LTE, Wi-Fi & Bluetooth is under final phase of development.
- Obtained AIS-140 certification from ARAI for Telematics product with Independent Regional Navigation Satellite System (IRNSS) GPS solution.
- Second Generation (GEN 2) Oxygen Sensor which has improved performance & easy manufactureability has been designed & developed. This is currently under testing with leading Electronic Control Unit (ECU) manufacturer.
- Developed Fuel pump module which is required for supply of fuel from fuel tank to engine in fuel injection system required to comply for BS VI emission requirements. Implemented in mass production for TVSM & HMCMM customers.
- Developed Tilt sensor to be used on two wheelers to cut off fuel supply to engine when vehicle falls down. This is to avoid dragging of the vehicle after falling down.

ii) Benefits derived from R&D

- Gained Car cluster business in domestic market.
- Attained market leadership in Two-wheeler, Commercial & Off-road vehicle segments with high end technology products with more features replacing legacy technology.
- Products with new high-end technology helped to achieve stiff target quality PPM with enhanced reliability goals.
- New design released with more value analysis to optimize cost for sustenance and growth.
- Tear down and Bench marking study helped to learn emerging technology, new process, new features & cost optimization.
- Prompted for Intellectual Property Rights (IPR) and triggered innovation to adopt with acceleration.

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

- Continuously evolving Technology for 3rd generation across all business verticals like Driver Information System (DIS), Switches and

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

Sensors (SAS), Telematics, Pumps, Valves & Mechanical Products and Wiper system.

- We are developing advanced Telematics & Analytics to enhance user experience and compliance, to meet safety regulations.
- Developing Body Control Module for safety, security, comfort and convenience for all segments to control various electrical load of vehicle.

Expenditure on R & D 2019-20		**(₹ Lakhs)**
Capital		**483.19**
Revenue		**4,292.87**
	Total	**4,776.06**
R & D expenditure as a percentage of sales		**4.18 %**

II. Technology Absorption, Adaptation and Innovation

Imported Technology

a) The Company had entered into a technology licensing agreement with Kerdea Technologies Inc, USA in 2017-18 for the manufacture of Oxygen Sensor meant for Internal Combustion Engines. The absorption of said technology subsequently led to development of 2nd Generation Oxygen sensor with improved performance & ease of manufacturing. The GEN-2 sensors successfully completed all Reliability & Endurance tests. Now the sensor is currently under testing with global leader in Electronic Control Unit (ECU).

b) The Company had entered into an exclusive agreement with Wenzhou Huirun Electrical Machinery Co. Ltd., (ACHR), China, in 2017-18 for technical collaboration and supply of Fuel Pump & Pressure Regulator as products & child parts. ACHR further support to Pricol for the supply of assembly lines meant for assembly of Fuel Pumps and Pressure Regulators in India. Fuel Pump Module using these Pumps and Regulators for designed, developed and commenced production.

c) The Company had entered into a technology partnership with Dongguan Shenpeng Electronics Co. Ltd., China for introduction of Electric Coolant Pump (ECP) in India in 2017-18. These pumps are used for all Electric Vehicle (EV), Hybrids and ICEs. These pumps have been offered to OEMs for their new projects for vehicle level testing. The absorption of said technology is under progress. Introduction of these pumps will take time due to long lead time testing on vehicles.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the Company's foreign exchange earnings were ₹ 8,152.18 Lakhs (₹ 7,216.52 Lakhs in 2018-19). The revenue expenditure in foreign currency was ₹ 21,486.36 Lakhs (₹ 26,196.63 Lakhs in 2018-19) and the capital expenditure was ₹ 816.48 Lakhs (₹ 594.52 Lakhs in 2018-19).

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

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ANNEXURE "D" TO DIRECTORS' REPORT

Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS :

i) **CIN:** L34200TZ2011PLC022194

ii) **Registration Date :** 18th May 2011

iii) **Name of the Company :** Pricol Limited

iv) **Category / Sub-Category of the Company:**
Company limited by shares / Indian Non – Government Company

v) **Address of the Registered office and contact details:**
109, Race Course, Coimbatore – 641 018, India
Phone : +91 422 4336000
E-mail : cs@pricol.co.in

vi) **Whether Listed Company :** Yes / ~~No~~

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any :**
Integrated Registry Management Services (P) 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

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	27 %
2	Auto Components - Motor Vehicles	29301 & 29304	20 %
3	Auto Components - Motor Cycles and Three Wheelers	30913	53 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Name, Address & CIN / GLN of the Company	% of shares held	Applicable Section
I. Subsidiary Company		
1. Pricol Asia Pte. Limited 17 Phillip Street, #05-01 Grand Building Singapore 048695. Regn No - 201221194R	100%	2(87)
2. PT Pricol Surya Indonesia J 1, Permata Raya Lott FF-2, Industri KIIC, Desa Paseurjaya Kecamatan Teluk Jambe Timur Karawang Barat, Indonesia Regn No : C-34667HT.01.01.TH.2005	100%	2(87)
3. PT Sripri Wiring Systems, Indonesia Kawasan Industri Sumber Kerja International Jl., Purwakarta Bandung No 8 Kp. Citapen, Ds. Sukajaya, Purwakarta, Indonesia. Regn No - AHU-11511.10.40.2014	100% Subsidiary of PT Pricol Surya Indonesia	2(87)
4. Pricol Espana Sociedad Limitada Calle Pensamirnto, 27 Escalera Izquierda, 3A Planta, Puerta 3, 28020 Madrid, Spain. Numero De Identificacion Fiscal (C.I.F) / Fiscal Number: B87162566	100%	2(87)
5. Pricol Wiping Systems Czech s.r.o Zdibsko 613 25067 Klecany, Czech Republic Regn No - 060 24 335	100% Subsidiary of Pricol Espana Sociedad Limitada	2(87)
6. Pricol Do Brasil Componentes Automotivos LtdA Estrada Municipal Alberto Tofanin, No. 0, KM 5,5 Galpões 18, 19 e 20 Bairro Pinhal Município de Jarinu Sao Paulo - CEP 13240-000 CNPJ - 07.765.200/0002-65.	100% Subsidiary of Pricol Espana Sociedad Limitada (Upto11th February 2020)	2(87)
7. Pricol Wiping Systems Mexico S.A.de.C.V Calle Aristeo Lote 8 Parque Industrial Bralemex Cuaultancingo, Puebla Mexico CP72710 Numero De Identificacion Fiscal (N.I.F) / Fiscal Number : - PAM141110HP2	100% Subsidiary of Pricol Espana Sociedad Limitada (Upto11th February 2020)	2(87)
8. Pricol Wiping Systems India Limited 109, Race Course, Coimbatore - 641018, India. CIN: U35999TZ2017PLC029193	100%	2(87)
II. Holding and Associate Company	—	—

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

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

i) Category - wise Shareholding

Category of share holders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters includes Promoter group (Promoter group as per SEBI (LODR) and SEBI (SAST)									
1) Indian									
a) Individual/HUF	2,40,38,825	—	2,40,38,825	25.36	2,40,38,825	—	2,40,38,825	25.36	—
b) Central Government	—	—	—	—	—	—	—	—	—
c) State Government(s)	—	—	—	—	—	—	—	—	—
Bodies Corporate	1,05,87,051	—	1,05,87,051	11.17	1,05,87,051	—	1,05,87,051	11.17	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	**3,46,25,876**	**—**	**3,46,25,876**	**36.53**	**3,46,25,876**	**—**	**3,46,25,876**	**36.53**	**—**
(2) Foreign									
a) NRIs-Individuals	—	—	—	—	—	—	—	—	—
b) Other-Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total shareholding of Promoter(A) = (A)(1)+(A)(2)	**3,46,25,876**	**—**	**3,46,25,876**	**36.53**	**3,46,25,876**	**—**	**3,46,25,876**	**36.53**	**—**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	25,80,419	—	25,80,419	2.72	—	—	—	—	(2.72)
b) Banks / FI	65,063	125	65,188	0.07	148,711	125	148,836	0.15	0.08
c) Central Government	—	—	—	—	—	—	—	—	—
d) State Government(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	2,68,966	—	2,68,966	0.28	2,68,966	—	2,68,966	0.28	—
g) FIIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds-Portfolio investors	—	—	—	—	40,05,256	—	40,05,256	4.22	4.22
i) Others									
i) Alternate Investment Funds	11,02,594	—	11,02,594	1.16	—	—	—	—	(1.16)
Sub-total (B)(1):-	**40,17,042**	**125**	**40,17,167**	**4.23**	**44,22,933**	**125**	**44,23,058**	**4.65**	**0.42**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	93,23,170	13,065	93,36,235	9.85	1,02,29,941	8,295	1,02,38,236	10.80	0.95
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,05,69,971	17,23,895	3,22,93,866	34.07	2,71,45,901	1,457,130	2,86,03,031	30.17	(3.90)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	66,61,391	—	66,61,391	7.03	90,39,662	—	90,39,662	9.54	2.51
c) Others (specify)									
i) Non Resident Indians	19,09,692	—	19,09,692	2.01	18,11,134	—	18,11,134	1.91	(0.10)
ii) Trust	130	—	130	—	130	—	130	—	—
iii) Clearing Member	2,02,074	—	2,02,074	0.21	1,47,278	—	1,47,278	0.16	(0.05)
iv) Association of Persons	10	—	10	—	10	—	10	—	—
v) IEPF	6,62,678	—	6,62,678	0.70	8,83,071	—	8,83,071	0.93	0.23
vi) Foreign Portfolio Investors-Category III	20,000	—	20,000	0.02	—	—	—	—	(0.02)
vii) Foreign Portfolio Investors-Individuals	—	—	—	—	—	—	—	—	—
viii) LLP	45,08,835	—	45,08,835	4.76	45,09,120	—	45,09,120	4.76	—
ix) Unclaimed Shares Suspense Account	5,18,100	—	5,18,100	0.55	3,67,780	—	3,67,780	0.39	(0.16)
x) NBFC	13,682	—	13,682	0.01	—	—	—	—	(0.01)
xi) Director or Director's relatives	26,985	—	26,985	0.03	148,335	—	148,335	0.16	0.13
Sub-total (B)(2):-	**5,44,16,718**	**17,36,960**	**5,61,53,678**	**59.24**	**5,42,82,362**	**14,65,425**	**5,57,47,787**	**58.82**	**(0.42)**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**5,84,33,760**	**17,37,085**	**6,01,70,845**	**63.47**	**5,87,05,295**	**14,65,550**	**6,01,70,845**	**63.47**	—
C. Shares held by Custodian for GDRs & ADRs	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Grand Total (A+B+C)	**9,30,59,636**	**17,37,085**	**9,47,96,721**	**100.00**	**9,33,31,171**	**14,65,550**	**9,47,96,721**	**100.00**	**—**

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

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	
1	Vijay Mohan	91,40,278	9.64	—	91,40,278	9.64	—	—
2	Pricol Holdings Limited	85,56,926	9.03	—	85,56,926	9.03	—	—
3	Viren Mohan	66,58,409	7.02	—	66,58,409	7.02	—	—
4	Vanitha Mohan	37,26,488	3.93	—	37,26,488	3.93	—	—
5	Vikram Mohan	35,21,175	3.72	—	35,21,175	3.72	—	—
6	Bhavani Infin Services India Private Limited	14,98,790	1.58	—	14,98,790	1.58	—	—
7	Vijay Mohan (BHUF)	6,60,900	0.70	—	6,60,900	0.70	—	—
8	Sagittarius Investments Private Limited	3,40,935	0.36	—	3,40,935	0.36	—	—
9	Shrimay Enterprises Private Limited	1,90,400	0.20	—	1,90,400	0.20	—	—
10	Madhura Mohan	1,81,575	0.19	—	1,81,575	0.19	—	—
11	Manasa Mohan	1,50,000	0.16	—	1,50,000	0.16	—	—
	Total	**3,46,25,876**	**36.53**	**—**	**3,46,25,876**	**36.53**	**—**	**—**

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
1 VIJAY MOHAN				
PAN : AATPM1202F				
As on 01-04-2019	91,40,278	9.64		
As on 31-03-2020			91,40,278	9.64
2 PRICOL HOLDINGS LIMITED				
PAN : AABCP7486R				
As on 01-04-2019	85,56,926	9.03		
As on 31-03-2020			85,56,926	9.03
3 VIREN MOHAN				
PAN : AERPM3690K				
As on 01-04-2019	66,58,409	7.02		
As on 31-03-2020			66,58,409	7.02
4 VANITHA MOHAN				
PAN : ADJPM0478J				
As on 01-04-2019	37,26,488	3.93		
As on 31-03-2020			37,26,488	3.93
5 VIKRAM MOHAN				
PAN : ADJPM0476G				
As on 01-04-2019	35,21,175	3.72		
As on 31-03-2020			35,21,175	3.72
6 BHAVANI INFIN SERVICES INDIA PRIVATE LIMITED				
PAN : AABCB1164A				
As on 01-04-2019	14,98,790	1.58		
As on 31-03-2020			14,98,790	1.58
7 VIJAY MOHAN (BHUF)				
PAN : AABHV0239F				
As on 01-04-2019	6,60,900	0.70		
As on 31-03-2020			6,60,900	0.70
8 SAGITTARIUS INVESTMENTS PRIVATE LIMITED				
PAN : AADCS0626C				
As on 01-04-2019	3,40,935	0.36		
As on 31-03-2020			3,40,935	0.36
9 SHRIMAY ENTERPRISES PRIVATE LIMITED				
PAN : AADCS0648A				
As on 01-04-2019	1,90,400	0.20		
As on 31-03-2020			1,90,400	0.20
10 MADHURA MOHAN				
PAN : BNGPM5200E				
As on 01-04-2019	1,81,575	0.19		
As on 31-03-2020			1,81,575	0.19
11 MANASA MOHAN				
PAN : BNGPM5199A				
As on 01-04-2019	1,50,000	0.16		
As on 31-03-2020			1,50,000	0.16

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
1 PHI CAPITAL SOLUTIONS LLP				
PAN : AAMFP6305R				
As on 01-04-2019	44,99,000	4.75		
As on 31-03-2020			44,99,000	4.75
2 VRAMATH FINANCIAL SERVICES PRIVATE LIMITED				
PAN : AAECV1452G				
As on 01-04-2019	42,72,801	4.51		
As on 31-03-2020			42,72,801	4.51
3 SUNITA BHAGCHANDKA				
PAN : AAHPB7159E				
As on 01-04-2019	59,833	0.06		
Purchase 09-08-2019	2,43,303	0.26	3,03,136	0.32
Purchase 16-08-2019	50,000	0.05	3,53,136	0.37
Purchase 30-08-2019	1,21,625	0.13	4,74,761	0.50
Purchase 06-09-2019	94,294	0.10	5,69,055	0.60
Purchase 13-09-2019	76,666	0.08	6,45,721	0.68
Purchase 20-09-2019	4,93,229	0.52	11,38,950	1.20
Purchase 15-11-2019	2,810	0.00	11,41,760	1.20
Purchase 22-11-2019	19,285	0.03	11,61,045	1.23
Purchase 29-11-2019	87,876	0.09	12,48,921	1.32
Purchase 06-12-2019	2,16,942	0.23	14,65,863	1.55
Purchase 13-12-2019	87,715	0.09	15,53,578	1.64
Purchase 03-01-2020	81,100	0.09	16,34,678	1.72
Purchase 10-01-2020	1,08,352	0.11	17,43,030	1.84
Purchase 17-01-2020	92,581	0.10	18,35,611	1.94
Purchase 24-01-2020	1,74,113	0.18	20,09,724	2.12
Purchase 31-01-2020	60,468	0.06	20,70,192	2.18
As on 31-03-2020			20,70,192	2.18
4 RAJESH MADHAVAN UNNI (HUF)				
PAN : AAPHR9418E				
As on 01-04-2019	19,31,501	2.04		
Sale 19-07-2019	-5,000	-0.01	19,26,501	2.03
As on 31-03-2020			19,26,501	2.03
5 NEGOLICE INDIA LIMITED				
PAN : AABCN6556A				
As on 01-04-2019	—	—		
Purchase 27-09-2019	1,00,287	0.11	1,00,287	0.11
Purchase 30-09-2019	22,540	0.02	1,22,827	0.13
Purchase 04-10-2019	1,45,000	0.15	2,67,827	0.28
Purchase 11-10-2019	2,44,066	0.26	5,11,893	0.54
Purchase 18-10-2019	2,08,243	0.22	7,20,136	0.76
Purchase 25-10-2019	2,95,600	0.31	10,15,736	1.07
Purchase 01-11-2019	4,30,000	0.46	14,45,736	1.53

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 08-11-2019	30,000	0.03	14,75,736	1.56
Purchase 31-01-2020	83,000	0.09	15,58,736	1.64
Purchase 07-02-2020	2,49,052	0.27	18,07,788	1.91
Purchase 14-02-2020	2,30,963	0.24	20,38,751	2.15
Purchase21-02-2020	8,140	0.01	20,46,891	2.16
Sale 20-03-2020	-1,00,000	-0.11	19,46,891	2.05
Sale 27-03-2020	-1,40,000	-0.14	18,06,891	1.91
Sale 31-03-2020	-50,000	-0.06	17,56,891	1.85
As on 31-03-2020			17,56,891	1.85
6 HESHIKA GROWTH FUND				
PAN : AAHFH7500B				
As on 01-04-2019	—	—		
Purchase 27-12-2019	1,19,373	0.13	1,19,373	0.13
Purchase 03-01-2020	9,056	0.01	1,28,429	0.14
Purchase 10-01-2020	72,347	0.08	2,00,776	0.22
Purchase 17-01-2020	60,288	0.06	2,61,064	0.28
Purchase 24-01-2020	3,21,224	0.33	5,82,288	0.61
Purchase 31-01-2020	3,31,286	0.35	9,13,574	0.96
Purchase 07-02-2020	2,72,019	0.29	11,85,593	1.25
Purchase 14-02-2020	4,38,910	0.46	16,24,503	1.71
As on 31-03-2020			16,24,503	1.71
7 ANTARA INDIA EVERGREEN FUND LIMITED				
PAN : AABCI6920P				
As on 01-04-2019	—	—		
Purchase 01-11-2019	5,60,805	0.59	5,60,805	0.59
Purchase 15-11-2019	53,309	0.06	6,14,114	0.65
Purchase 22-11-2019	63,072	0.06	6,77,186	0.71
Purchase 29-11-2019	2,16,969	0.23	8,94,155	0.94
Purchase 13-12-2019	3,94,982	0.42	12,89,137	1.36
Purchase 20-12-2019	1,04,669	0.11	13,93,806	1.47
As on 31-03-2020			13,93,806	1.47
8 AKG FINVEST LIMITED				
PAN : AADCA8306P				
As on 01-04-2019	57,303	0.06		
Purchase 12-04-2019	9,89,197	1.04	10,46,500	1.10
Sale 03-05-2019	-6,000	—	10,40,500	1.10
Purchase 17-05-2019	39,546	0.04	10,80,046	1.14
Purchase 24-05-2019	1,22,972	0.13	12,03,018	1.27
Purchase 28-06-2019	4,982	—	12,08,000	1.27
Purchase 26-07-2019	20,000	0.02	12,28,000	1.29
Purchase 02-08-2019	36,000	0.04	12,64,000	1.33
Purchase 09-08-2019	18,000	0.02	12,82,000	1.35
Purchase 30-08-2019	755	—	12,82,755	1.35
Purchase 13-09-2019	245	—	12,83,000	1.35
Purchase 27-12-2019	20,000	0.02	13,03,000	1.37
Sale 31-01-2020	-3,00,000	-0.32	10,03,000	1.05

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 20-03-2020	1,49,000	0.16	11,52,000	1.21
As on 31-03-2020			11,52,000	1.21
9 VRAMATH INVESTMENT CONSULTANCY PRIVATE LIMITED				
PAN : AAECV1088J				
As on 01-04-2019	7,71,572	0.81		
Sale 19-04-2019	-20,000	-0.02	7,51,572	0.79
Purchase 10-05-2019	10,900	0.01	7,62,472	0.80
Sale 31-05-2019	-5,900	—	7,56,572	0.80
As on 31-03-2020			7,56,572	0.80
10 RAJESH GOENKA				
PAN : ADQPG1096D				
As on 01-04-2019	4,60,000	0.49		
Purchase 03-05-2019	1,90,000	0.20	6,50,000	0.69
Sale 27-12-2019	-20,000	-0.02	6,30,000	0.67
Purchase 20-03-2020	1,00,000	0.10	7,30,000	0.77
As on 31-03-2020			7,30,000	0.77
11 ASHOK KUMAR GOENKA				
PAN : ADOPG1436B				
As on 01-04-2019	3,40,000	0.36		
Purchase 03-05-2019	1,60,000	0.17	5,00,000	0.53
Purchase 13-09-2019	2,00,000	0.21	7,00,000	0.74
As on 31-03-2020			7,00,000	0.74
12 AIDOS INDIA FUND LIMITED				
PAN :AANCA1923E				
As on 01-04-2019	—	—		
Purchase 28-02-2020	70,159	0.07	70,159	0.07
Purchase 06-03-2020	11,497	0.01	81,656	0.08
Purchase 13-03-2020	1,46,750	0.16	2,28,406	0.24
Purchase 20-03-2020	2,66,298	0.28	4,94,704	0.52
Purchase 27-03-2020	44,200	0.05	5,38,904	0.57
Purchase 31-03-2020	1,01,800	0.11	6,40,704	0.68
As on 31-03-2020			6,40,704	0.68
13 SAVITA SURENDRA PAI				
PAN : AFIPP8322D				
As on 01-04-2019	5,00,000	0.53		
As on 31-03-2020			5,00,000	0.53
14 MOTILAL OSWAL FINANCIAL SERVICES LIMITED				
PAN : AAECM2876P				
As on 01-04-2019	4,85,273	0.51		
Sale 05-04-2019	-27,164	-0.03	4,58,109	0.48
Purchase 12-04-2019	2,690	—	4,60,799	0.48
Purchase 19-04-2019	6,919	0.01	4,67,718	0.49
Sale 26-04-2019	-4,706	—	4,63,012	0.49

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
Sale 03-05-2019	-908	—	4,62,104	0.49
Sale 10-05-2019	-6,181	-0.01	4,55,923	0.48
Purchase 17-05-2019	6,078	0.01	4,62,001	0.49
Sale 24-05-2019	-77,770	-0.08	3,84,231	0.41
Purchase 31-05-2019	83,129	0.09	4,67,360	0.49
Sale 07-06-2019	-16,713	-0.02	4,50,647	0.48
Purchase 14-06-2019	18,221	0.02	4,68,868	0.50
Sale 21-06-2019	-12,896	-0.01	4,55,972	0.48
Purchase 28-06-2019	9,859	0.01	4,65,831	0.49
Sale 05-07-2019	-3,647	—	4,62,184	0.49
Sale 12-07-2019	-81,195	-0.09	3,80,989	0.40
Sale 19-07-2019	-245	—	3,80,744	0.40
Purchase 26-07-2019	14,288	0.02	3,95,032	0.42
Sale 02-08-2019	-914	—	3,94,118	0.42
Sale 09-08-2019	-1,71,717	-0.18	2,22,401	0.24
Purchase 16-08-2019	5,026	0.01	2,27,427	0.24
Sale 23-08-2019	-5,778	-0.01	2,21,649	0.23
Purchase 30-08-2019	84,338	0.09	3,05,987	0.32
Purchase 06-09-2019	8,077	0.01	3,14,064	0.33
Purchase 13-09-2019	95,704	0.10	4,09,768	0.43
Sale 20-09-2019	-96,059	-0.10	3,13,709	0.33
Purchase 27-09-2019	63,631	0.07	3,77,340	0.40
Sale 30-09-2019	-421	—	3,76,919	0.40
Purchase 04-10-2019	65,443	0.07	4,42,362	0.47
Sale 11-10-2019	-6,669	-0.01	4,35,693	0.46
Sale 18-10-2019	-40,485	-0.04	3,95,208	0.42
Purchase 25-10-2019	1,749	—	3,96,957	0.42
Purchase 01-11-2019	23,049	0.02	4,20,006	0.44
Sale 08-11-2019	-88,102	-0.09	3,31,904	0.35
Purchase 15-11-2019	1,08,312	0.11	4,40,216	0.46
Sale 22-11-2019	-1,19,781	-0.13	3,20,435	0.34
Sale 29-11-2019	-28,309	-0.03	2,92,126	0.31
Purchase 06-12-2019	21,882	0.02	3,14,008	0.33
Sale 13-12-2019	-63,526	-0.07	2,50,482	0.26
Purchase 20-12-2019	11,668	0.01	2,62,150	0.28
Sale 27-12-2019	-9,941	-0.01	2,52,209	0.27
Sale 31-12-2019	-22,134	-0.02	2,30,075	0.24

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 03-01-2020	7,089	0.01	2,37,164	0.25
Purchase 10-01-2020	9,475	0.01	2,46,639	0.26
Purchase 17-01-2020	15,496	0.02	2,62,135	0.28
Sale 24-01-2020	-86,828	-0.09	1,75,307	0.19
Sale 31-01-2020	-1,541	—	1,73,766	0.19
Purchase 07-02-2020	6,389	0.01	1,80,155	0.19
Purchase 14-02-2020	39,101	0.04	2,19,256	0.23
Purchase 21-02-2020	2,329	—	2,21,585	0.23
Purchase 28-02-2020	333	—	2,21,918	0.23
Sale 06-03-2020	-13,331	-0.01	2,08,587	0.22
Sale 13-03-2020	-5,147	—	2,03,440	0.22
Sale 20-03-2020	-5,651	-0.01	1,97,789	0.21
Purchase 27-03-2020	3,297	—	2,01,086	0.21
Purchase 31-03-2020	1,644	—	2,02,730	0.21
As on 31-03-2020			2,02,730	0.21
15 UNO METALS LIMITED				
PAN : AAACU3053E				
As on 01-04-2019	8,95,000	0.94		
Sale 14-02-2020	-5,45,000	-0.58	3,50,000	0.36
Purchase 06-03-2020	6,000	0.01	3,56,000	0.37
Sale 13-03-2020	-3,43,521	-0.36	12,479	0.01
Purchase 20-03-2020	1,521	—	14,000	0.01
Purchase 27-03-2020	5,000	0.01	19,000	0.02
As on 31-03-2020			19,000	0.02
16 UTI MID CAP FUND				
PAN : AAATU1088L				
As on 01-04-2019	25,80,419	2.72		
Sale 17-05-2019	-4,75,318	-0.50	21,05,101	2.22
Sale 24-05-2019	-2,54,911	-0.27	18,50,190	1.95
Sale 31-05-2019	-10	—	18,50,180	1.95
Sale 04-10-2019	-48,137	-0.05	18,02,043	1.90
Sale 11-10-2019	-1,73,456	-0.18	16,28,587	1.72
Sale 18-10-2019	-1,81,776	-0.19	14,46,811	1.53
Sale 25-10-2019	-5,36,645	-0.57	9,10,166	0.96
Sale 01-11-2019	-7,94,083	-0.84	1,16,083	0.12
Sale 13-12-2019	-1,16,083	-0.12	—	—
As on 31-03-2020			—	—
17 ASHMORE INDIA OPPORTUNITIES FUND				
PAN : AAFTA7838K				
As on 01-04-2019	11,02,594	1.16		
Sale 12-04-2019	-11,02,594	-1.16	—	—
As on 31-03-2020			—	—

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

v) Shareholding of Directors and Key Managerial Personnel:

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
1 Mrs.Vanitha Mohan - Chairman				
As on 01-04-2019	3,726,488	3.93		
As on 31-03-2020			3,726,488	3.93
2 Mr. Vikram Mohan - Managing Director				
As on 01-04-2019	3,521,175	3.72		
As on 31-03-2020			3,521,175	3.72
3 Mr.Suresh Jagannathan - Independent Director				
As on 01-04-2019	26,985	0.03		
As on 31-03-2020			26,985	0.03
4 Mr.R.Vidhya Shankar - Independent Director				
As on 01-04-2019	—	—	—	—
As on 31-03-2020			—	—
5 Mr.G.Soundararajan - Independent Director (Upto 31-07-2019)				
As on 01-04-2019	—	—	—	—
As on 31-07-2019			—	—
6 Mrs.Sriya Chari - Independent Director				
As on 01-04-2019	—	—	—	—
As on 31-03-2020			—	—
7 Mr.S.K.Sundararaman - Independent Director				
As on 01-04-2019	—	—	—	—
As on 31-03-2020			—	—
8 Mr. P.Shanmugasundaram - Independent Director (From 15-06-2019)				
As on 15-06-2019	—	—	—	—
As on 31-03-2020			—	—
9 Mr.K.Ilango - Independent Director (From 15-06-2019)				
As on 15-06-2019	5,000	0.005		
As on 31-03-2020			5,000	0.005
10 Mr.V.Balaji Chinnappan - Whole Time Director (From 15-06-2019)				
As on 15-06-2019	—	—	—	—
As on 31-03-2020			—	—
11 Mr. K.Ramesh - Chief Financial Officer				
As on 01-04-2019	—	—	—	—
As on 31-03-2020			—	—
12 Mr.T.G.Thamizhanban - Company Secretary				
As on 01-04-2019	—	—	—	—
As on 31-03-2020			—	—

V. INDEBTEDNESS

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

₹ Lakhs

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total
As at 01-04-2019				
i) Principal Amount	21,302.23	4,984.90	—	26,287.13
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	66.33	20.81	—	87.14
Total (i + ii + iii)	**21,368.56**	**5,005.71**	**—**	**26,374.27**
Change during the financial year				
i) Addition	18,167.99	—	—	18,167.99
ii) Reduction	5,344.45	4,211.49	—	9,555.94
Net Change (i - ii)	**12,823.54**	**(4,211.49)**	**—**	**8,612.05**
As at 31-03-2020				
i) Principal Amount	33,957.78	794.22	—	34,752.00
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	234.32	—	—	234.32
Total (i + ii + iii)	**34,192.10**	**794.22**	**—**	**34,986.32**

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ Lakhs

Particulars of Remuneration	Name of MD / WTD / Manager			Total Amount
	Mr. Vikram Mohan (Managing Director)	Mrs. Vanitha Mohan (Chairman)	Mr.V.Balaji Chinnappan (Chief Operating Officer) (wef 15-June-2019)	
1. Gross salary				
a) Salary as per provisions contained u/s 17(1) of the Income-Tax Act, 1961	138.24	76.03	40.35	254.62
b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	44.70	25.26	–	69.96
c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961	—	—	—	—
2. Stock Option	—	—	—	—
3. Sweat Equity	—	—	—	—
4. Commission				
- as % of profit	—	—	—	—
- others	—	—	—	—
5. Others (Contribution to PF, Gratuity and Superannuation Fund)	10.37	5.70	6.57	22.64
Total (A)	**193.31**	**106.99**	**46.92**	**347.22**
Ceiling as per the Act	NA	NA	NA	NA
1. In case of adequate profit	(5% of the Net Profit)	(5% of the Net Profit)	(5% of the Net Profit)	(10% of the Net Profit)
2. In case of no profit or inadequate profit	As approved by the Shareholders			

B. Remuneration to other directors :

₹ Lakhs

Particulars of Remuneration	Mr. Suresh Jagannathan	Mr. R. Vidhya Shankar	Mr.G.Soundara rajan	Mrs. Sriya Chari	Mr.S.K.Sundara raman	Mr. P. Shanmuga Sundaram	Mr. K. Ilango	Total Amount
1. Independent Directors								
Fee for attending board / committee meetings	1.45	3.20	0.15	2.70	2.35	2.60	0.90	13.35
Commission	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—
Total (1)	**1.45**	**3.20**	**0.15**	**2.70**	**2.35**	**2.60**	**0.90**	**13.35**
2. Other Non-Executive Directors								
Fee for attending board / committee meetings	—	—	—	—	—	—	—	—
Commission	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—
Total (2)	—	—	—	—	—	—	—	—
Total (B) = (1 + 2)	**1.45**	**3.20**	**0.15**	**2.70**	**2.35**	**2.60**	**0.90**	**13.35**

C. Total Managerial Remuneration (A+B) : ₹ 360.57 Lakhs

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

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

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

₹ Lakhs

Particulars of Remuneration	Key Managerial Personnel		Total
	Mr. K. Ramesh (CFO)	Mr. T.G. Thamizhanban (CS)	
1. Gross salary			
a) Salary as per provisions contained u/s 17(1) of the Income-Tax Act, 1961	39.90	28.12	68.02
b) Value of perquisites u/s 17(2) of the Income-Tax Act,1961	—	—	—
c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act,1961	—	—	—
2. Stock Option	—	—	—
3. Sweat Equity	—	—	—
4. Commission			
- as % of profit	—	—	—
- others			
5. Others (Contribution to PF, Gratuity, Superannuation and Service weightage)	5.73	2.56	8.29
Total	**45.63**	**30.68**	**76.31**

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

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ANNEXURE "E" TO DIRECTORS' REPORT

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

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

S.No.	Name of the Director	No. of Meetings attended	Ratio
1	Mr. Suresh Jagannathan	8	0.26
2	Mr. R.Vidhya Shankar	25	0.57
3	Mr. G. Soundararajan (upto 31st July, 2019)	3	0.03
4	Mrs. Sriya Chari	18	0.48
5	Mr. S.K. Sundararaman	14	0.42
6	Mr. P. Shanmugasundaram (from 15 June, 2019)	16	0.46
7	Mr. K. Ilango (from 15 June, 2019)	6	0.16

S.No.	Name of Whole Time Director	Ratio
1	Mrs.Vanitha Mohan, Chairman	19.07
2	Mr.Vikram Mohan, Managing Director	34.46
3	Mr.V.Balaji Chinnappan, Chief Operating Officer (From 15th June, 2019)	8.36

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

S. No.	Name of Non Whole Time Director	No. of meeting attended		% Increase / (Decrease) in remuneration
		2019-20	2018-19	
1	Mr. Suresh Jagannathan	8	1	625
2	Mr.R.Vidhya Shankar	25	28	—
3	Mr.G.Soundararajan (upto 31st July, 2019)	3	10	NA
4	Mrs.Sriya Chari	18	15	20
5	Mr.S.K.Sundararaman	14	12	4
6	Mr.P.Shanmugasundaram (From 15th June, 2019)	16	NA	NA
7	Mr.K.Ilango (From 15th June, 2019)	6	NA	NA

S. No.	Name of Whole Time Director / CFO / CEO / CS	% Increase / (Decrease) in remuneration
1	Mrs. Vanitha Mohan, Chairman	5
2	Mr. Vikram Mohan, Managing Director	44
3	Mr. V. Balaji Chinnappan, (COO) (From 15th June, 2019)	NA
4	Mr. K. Ramesh, (CFO) (From 7th Feb 2019)	NA
5	Mr. T.G. Thamizhanban (CS)	NIL

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

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

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

iv) The number of permanent employees (Staff) on the rolls of Company 851

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

KMP's Name & Designation	CTC for 2019-20 ₹ Lakhs	% Increase / (Decrease) in CTC (2019-20 against 2018-19)	Revenue for 2019-20 ₹ Lakhs	% Increase in revenue (2019-20 against 2018-19)
Mr.Vikram Mohan, Managing Director	193.31	44	1,21,591.77	(12.25)
Mr.K.Ramesh, Chief Financial Officer (From 7th Feb 2019)	45.63	NA		
Mr.T.G.Thamizhanban, Company Secretary	30.68	NIL		
Total	**269.62**	**NA**		

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

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

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

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

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

Name & (Age)	Designation (Nature of Duties)	Gross Remuneration (₹ Lakhs)	Qualification & Experience (Years)	Date of Commencement of Employment	Last Employment
Mrs. Vanitha Mohan (67)	Chairman (Internal Audit and Corporate Social Responsibilities)	106.99	Commerce Graduate with PG Diploma in Business Management (34)	1st June,1999	—-
Mr. Vikram Mohan (45)	Managing Director (Strategy, Finance, Customer Relationship Management and Public Relations)	193.31	Bachelor of Engineering (Production Engineering) (24)	7th November, 2011	Pricol Corporate Services Limited
Mr. PM Ganesh (51)	Chief Marketing Officer (Responsible for Business Development)	63.95	BE, MBA (32)	17th January 2013	Lucas TVS Limited
Mr. Tarun Tandon (47)	Senior General Manager (Responsible for Operations - Plant II, Plant VII & Plant IX)	61.54	BE.,SMP, DMM (26)	16th October 2009	Mahle Filter Systems India Ltd.
Mr. V. Balaji Chinnappan (55)	Chief Operating Officer (Responsible for Operations of all Plants)	57.39	BE, MBA (33)	9th April 2007	Roots Industries Limited
Mr. Sriram. R (49)	Chief Quality Officer (Responsible for Corporate Quality)	47.50	MS (27)	8th March 2018	Salcomp Manufacturing India Private Limited
Mr. K. Ramesh (59)	Chief Finance Officer (Responsible for Finance)	45.63	B.Com., ICWA (39)	18th January 2019	Yazaki India (P) Limited
Mr. Prem Ramesh (49)	General Manager (Corporate Manufacturing Engineering & Corporate Plant Maintenance)	45.45	BE (Mech) (27)	8th September 2016	Tractors & Farm Equipment Limited
Mr. Malarvannan R (49)*	Chief People Officer (Responsible for Human Resources) upto 30th Dec 2019.	43.48	PGDPM & MHRM, PGDBM (24)	15th July 2015	Yound Brand Apprarel(P) Limited
Mr. Suresh Mariappan (45)*	General Manager - Head R & D upto 21st Feb 2020.	39.14	BE (E & E) (26)	8th April 2015	Mahindra & Mahindra Limited
Mr. G. Sethu Ramalingam (49)	General Manager - Head Aftermarket & Accessories Business	38.67	BE (Automobile) (29)	16th September 2015	Minda Distribution & Services Limited
Mr. Ravi Raja Singh (52)	General Manager - Tool Room	35.99	PD-PMD (29)	1st June 2007	Fon Fischer Singapore

* Worked for part of the year.

1. Mrs.Vanitha Mohan and Mr.Vikram Mohan are related to each other. Mrs.Vanitha Mohan is Mr.Vikram Mohan's Mother.
2. Mrs.Vanitha Mohan and Mr.Vikram Mohan owns more than 2% of the equity shares of the Company as on 31st March 2020.
3. Gross remuneration comprises salary, commission, allowances, monetary value of perquisites and the Company's contribution to provident fund, gratuity fund and superannuation fund.
4. No person has received remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

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ANNEXURE "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 2020, the Company's Board comprised of 9 Directors. The Board consists of 3 (33%) Executive Directors of whom one is a Woman Director and 6 (67%) Non-Executive Directors, of whom all are Independent Directors of whom one is Woman Director. Details are given in the table below;

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

b. Category of Directors, Attendance and Committee Membership :

Name of the Director	DIN	Category	Attendance Particulars		No of Committee Positions including Pricol Limited				No. of shares held
			Board Meeting	Last AGM	Member		Chairman		
					*	#	*	#	
Mr. Suresh Jagannathan	00011326	Non-Executive - Independent	7	✓	2	5	—	—	26,985
Mr. R. Vidhya Shankar	00002498	Non-Executive - Independent	7	✓	3	6	1	3	—
Mrs.Sriya Chari	07383240	Non-Executive - Independent	7	✓	1	3	—	—	—
Mr.S.K.Sundararaman	00002691	Non-Executive - Independent	6	—	7	10	—	—	—
Mr.P.Shanmugasundaram (w.e.f 15-6-2019)	00119411	Non-Executive - Independent	7	✓	3	5	3	—	—
Mr.K.Ilango (w.e.f 15-6-2019)	00124115	Non-Executive - Independent	4	✓	1	4	—	—	5,000
Mrs.Vanitha Mohan Chairman	00002168	Executive - Promoter	8	✓	2	3	—	1	37,26,488
Mr.Vikram Mohan Managing Director	00089968	Executive - Promoter	6	✓	1	2	—	—	35,21,175
Mr.V.Balaji Chinnappan Chief Operating Officer (w.e.f. 15-06-2019)	08014402	Executive	7	✓	—	—	—	—	—

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

Mr.G.Soundararajan, Independent Director retired from the Board with effect from 31st July 2019.

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

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

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

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

Name of the Director	No. of Directorship in other Companies			Name of other Listed Company	Category of directorship in that Listed Company(s)
	Public Company	Private Company	Foreign Company		
Mr. Suresh Jagannathan	2	4	—	1. Kovilpatti Lakshmi Roller Flour Mills Limited 2. Elgi Rubber Company Limited	1. Managing Director 2. Director
Mr. R. Vidhya Shankar	1	—	—	1. L. G. Balakrishnan & Bros Limited	1. Independent Director
Mrs. Sriya Chari	1	2	—	1. India Motor Parts & Accessories Limited	1. Independent Director
Mr. S.K. Sundararaman	5	6	—	1. Shiva Mills Limited 2. Shanthi Gears Limited 3. Shiva Texyarn Limited	1. Director 2. Independent Director 3. Managing Director
Mr.P.Shanmugasundaram	2	—	—	1. L G Balakrishnan & Bros Limited 2. LGB Forge Limited	1. Independent Director 2. Independent Director
Mr.K.Ilango	2	2	—	1. Rajshree Sugars & Chemicals Limited	1. Independent Director
Mrs. Vanitha Mohan	—	4	—	Nil	NA
Mr. Vikram Mohan	5	6	3	Nil	NA
Mr.V.Balaji Chinnappan	—	—	1	Nil	NA

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

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

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

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

Knowledge, Skills and Experience

Board Members	Years on Board	Board Experience & Governance	Strategic Planning	Risk and compliance oversight	Financial Knowledge	Auto Component Industry Exposure	Business Management	Human Resource Management	Compliance & Legal Management	Integrity Ethics	Influencer and negotiator	Critical and innovative thinker	Leadership	Gender	Age	Previous board experience	Qualification Mix	Executive (E) / Non Executive (NE)	Promoter (P) / Non Promoter (NP)
Skills (Governance - G Industry - I Personal - P Others - O)		G	G	G	G	I	I	I	I	P	P	P	P	O	O	O	O	O	O
Essential (E) / Desirable (D)		E	E	E	E	D	E	D	D	E	E	E	E	D	D	D	D	D	D
Mrs.Vanitha Mohan	21	✓	✓	✓	✓	✓	✓	✓	—	✓	✓	✓	✓	F	67	✓	B.Com., PGDPM	E	P
Mr.Vikram Mohan	11	✓	✓	✓	✓	✓	✓	✓	—	✓	✓	✓	✓	M	45	✓	BE	E	P
Mr.V.Balaji Chinnappan	1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	M	55	✓	BE MBA	E	NP
Mr.Suresh Jagannathan	36	✓	✓	✓	✓	✓	✓	✓	—	✓	✓	✓	✓	M	63	✓	B.MS	NE	NP
Mr.R.Vidhya Shankar	15	✓	✓	✓	✓	—	✓	—	✓	✓	✓	✓	✓	M	50	✓	BL	NE	NP
Mrs.Sriya Chari	4	✓	✓	✓	✓	✓	✓	✓	—	✓	✓	✓	✓	F	46	✓	B.Com., MBA	NE	NP
Mr.S.K.Sundara raman	2	✓	✓	✓	✓	—	✓	✓	—	✓	✓	✓	✓	M	47	✓	MBA	NE	NP
Mr.P.Shanmuga sundaram	1	✓	✓	✓	✓	✓	✓	—	✓	✓	✓	✓	✓	M	72	✓	B.Com., LLB,FCA	NE	NP
Mr.K.Ilango	1	✓	✓	✓	✓	✓	✓	✓	—	✓	✓	✓	✓	M	55	✓	BE	NE	NP

f. Board confirms that in the opinion of the Board, the Independent Directors fulfill the conditions specified for Independent Directors in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

g. There is no resignation by any of the Independent Directors during the year 2019-20.

h. The Company conducts familiarisation programmes for the Independent Directors and the details of such programmes have been disclosed on the website of the Company and the weblink there to is https://www.pricol.com/policy.aspx. An exclusive meeting of the Independent Directors of the Company was held on 12th February 2020 without the attendance of the Non-Independent Directors and members of the management to discuss inter alia the matters specified under Schedule IV of the Companies Act, 2013.

i. Board Meetings :

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

During the year 2019-20, the Board met 8 times on 30th May 2019, 15th June 2019, 21st June 2019, 12th August 2019, 12th November 2019, 26th November 2019, 7th February 2020 and 12th February 2020, the gap between two meetings did not exceed 120 days.

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

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

Mrs. Vanitha Mohan, Director is retiring at the ensuing Annual General Meeting. She is eligible and offers herself for re-appointment. The Board appointed her as Chairman, for period of three years with effect from 1st April 2018 to 31st March 2021. The Board recommends the appointment of Mrs. Vanitha Mohan as director, liable to retire by rotation.

The Board of Directors at their meeting held on 29th June, 2020 on the recommendation of the Nomination and Remuneration Committee and on the basis of performance evaluation of Independent Directors, recommend the reappointment of Mrs.Sriya Chari, as Independent Director of the Company for a second term of five years with effect from 27th May 2021 to 26th May 2026. Her reappointment is subject to the approval of the shareholders at the ensuing Annual General Meeting by way of a Special Resolution.

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

3. AUDIT COMMITTEE :

a. The Committee is mandated with the same terms of reference as specified in Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also conforms to the provisions of Section 177 of the Companies Act, 2013. The website of the Audit Committee charter is https://www.pricol.com/Data/policy/AuditCommitteeCharter.pdf.

b. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2019-20

Name of the Member	Category	Date of Meeting / Members present					
		15-Jun-19	6-July-19	12-Aug-19	12-Nov-19	26-Nov-19	12-Feb-20
Mr.P.Shanmugasundaram (Chairman) #	Non-Executive - Independent	—	✓	✓	✓	✓	✓
Mr.R.Vidhya Shankar #	Non-Executive - Independent	✓	✓	✓	✓	✓	✓
Mrs.Sriya Chari	Non-Executive - Independent	✓	—	✓	✓	✓	✓
Mr.S.K.Sundararaman	Non-Executive - Independent	✓	✓	✓	✓	✓	—
Mrs.Vanitha Mohan	Executive - Promoter	✓	✓	✓	✓	—	✓

\# Mr. P. Shanmugasundaram elected as Chairman of the Audit Committee with effect from 12th November 2019. Upto that date Mr. R. Vidhya Shankar was the Chairman of the Audit Committee.

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

4. NOMINATION AND REMUNERATION COMMITTEE :

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

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

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

c. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2019-20 :

Name of the Member	Category	Date of Meeting / Members present				
		26-Apr-19	15-Jun-19	1-Jul-19	29-Aug-19	12-Feb-20
Mr.R.Vidhya Shankar (Chairman)	Non-Executive Independent	✓	✓	✓	✓	✓
Mrs.Sriya Chari	Non-Executive Independent	✓	✓	✓	✓	✓
Mr.P.Shanmuga sundaram #	Non-Executive Independent	—	—	✓	✓	✓
Mr.G.Soundararajan #	Non-Executive Independent	✓	✓	—	—	—

Mr.P.Shanmugasundaram was appointed as member of the Committee with effect from 15th June 2019 and Mr.G.Soundarajan was a member of the Committee upto 15th June 2019.

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 there to is https://www.pricol.com/Data/policy/NRC_policy_20.pdf.

e. Performance evaluation criteria for Independent Directors :

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

I. Evaluation Criteria laid down under Nomination and Remuneration Policy.

II. Code of Conduct as laid down by the Board and

III. Code of Independent Directors prescribed in Schedule IV read with Section 149 (8)

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

5. REMUNERATION TO DIRECTORS :

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

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

The remuneration paid / payable to the Executive Directors for the year 2019 - 20 : **₹ Lakhs**

Name of the Director	Designation	Service Contract	Salary, perquisites & benefits (Gross)	Commission	Total
Mrs.Vanitha Mohan	Chairman	1st April 2018 to 31st March 2021	106.99	—	106.99
Mr.Vikram Mohan	Managing Director	1st April 2019 to 31st March 2022	193.31	—	193.31
Mr.V.Balaji Chinnappan	Chief Operating Officer	15th June 2019 to 31st March 2022	46.92	—	46.92

The remuneration paid / payable to the Non-Executive Directors for the year 2019-20 and the shares held by them are given below :

₹ Lakhs

Name of the Non-Executive Director	Commission	Sitting fee	No of Shares held on 31st March 2020
Mr.Suresh Jagannathan	—	1.45	26,985
Mr.R.Vidhya Shankar	—	3.20	—
Mr.G.Soundararajan	—	0.15	—
Mrs.Sriya Chari	—	2.70	—
Mr.S.K.Sundararaman	—	2.35	—
Mr.P.Shanmugasundaram	—	2.60	—
Mr.K.Ilango	—	0.90	5,000

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 ₹ 12.50 Lakhs. The said transaction value does not exceed ten per cent of the gross turnover of his legal firm.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Committee comprises of Mrs.Vanitha Mohan, Mr.Vikram Mohan, Mr.R.Vidhya Shankar and Mr. S.K.Sundararaman. The Committee approves the issue of new / duplicate share certificates. The Committee oversees and reviews all matters connected with share transfers / transmission / demat /remat / issue of share certificates and other issues pertaining to shares. The Committee specifically look into the various aspects of interest of shareholders / stakeholders. The Committee also looks into the investor relations / grievances and redressal of the same, on a periodical basis.

The Committee met 4 times during the year on 17th May 2019, 5th August 2019, 31st October 2019 and 4th February 2020. Mr.Vidhya Shankar chaired all the meetings. Mr.T.G.Thamizhanban, Company Secretary is the Compliance Officer.

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

During the year, 7 letters were received as complaint from the investors regarding non-receipt of dividend warrants / annual reports / share certificates etc., and all of them were replied / resolved to their satisfaction. No transfer / dematerialisation / investor complaints are kept pending.

7. GENERAL BODY MEETINGS :

Year	Date & Time	Special Resolution	Location
2017 - 6th AGM	23rd August 2017 4.30 PM	a. Amendment to Articles of Association	Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore - 641018
2018 - 7th AGM	22nd August 2018 4.30 PM	a. Appointment and Remuneration to Mrs.Vanitha Mohan, Chairman b. Authorisation for Conversion of Loans of the Company into Equity Shares as per Loan agreement	
2019 - 8th AGM	29th August 2019 4.30 PM	a. Re-appointment and Remuneration to Mr.Vikram Mohan, Managing Director b. Appointment and Remuneration to Mr.V.Balaji Chinnappan, Chief Operating Officer c. Appointment of Mr.P.Shanmugasundaram as an Independent Director d. Sale of Subsidiary Company(s)	'ARDRA', No.9, North Huzur Road (Near Anna Statue), Coimbatore - 641 018

- Court convened meeting of the members held during the year 2019-20 : NIL
- **Special resolution passed during the year 2019 - 20, through postal ballot :**
  a. Re-appointment of Mr.Suresh Jagannathan as an Independent Director.
  b. Re-appointment of Mr.R.Vidhya Shankar as an Independent Director.
- Person who conducted the postal ballot exercise : M/s.P.Eswaramoorthy and Company, Practising Company Secretaries
- During 2020 - 21, there is no proposal to conduct postal ballot to pass any special resolution.

8. MEANS OF COMMUNICATION :

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

Management discussion & Analysis forms part of the Annual Report.

9. GENERAL SHAREHOLDER INFORMATION :

a. Annual General Meeting

Date & Time : Wednesday, 16th September, 2020, 3.00 p.m.

Venue : Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 5th May 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

b. Financial Year : 1st April 2019 to 31st March 2020

c. Date of Book closure : Not Applicable

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

d. Financial Calendar :

Financial reporting for the quarter ending	Financial Calendar
30th June, 2020	Between 15th July and 14th August 2020
30th September, 2020	Between 15th October and 14th November 2020
31st December, 2020	Between 15th January and 14th February 2021
31st March, 2021	Between 15th April and 30th May 2021

e. Particulars of Dividend : No Dividend has been recommended for the Financial Year 2019-20.

f. Listing on Stock Exchanges :

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

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

g. Stock Code :

National Stock Exchange : PRICOLLTD
BSE Limited : 540293

h. International Security Identification Number (ISIN) : INE726V01018

i. Listing and Custodial Fee : For the year 2020-21 :

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

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

j. Stock Market Data :

Month	National Stock Exchange				BSE Limited			
	Price (₹)		CNX- 500 (Points)		Price (₹)		BSE- Small Cap (Points)	
	High	Low	High	Low	High	Low	High	Low
April-19	48.80	34.40	9826.45	9577.00	48.50	34.15	15229.85	14585.92
May-19	44.95	31.85	9889.30	9108.45	45.20	31.50	15039.35	13693.41
June-19	42.80	29.15	9941.45	9476.10	41.70	29.00	15022.09	13803.07
July-19	35.85	24.00	9805.30	8928.00	35.75	23.00	14375.47	12492.30
August-19	30.30	21.90	9103.10	8628.35	30.40	21.90	12755.07	11950.86
September-19	39.45	26.40	9552.25	8738.65	39.90	24.10	13648.30	12321.25
October-19	37.00	31.05	9733.35	9008.85	36.80	31.00	13583.13	12669.63
November-19	44.70	32.15	9874.90	9596.85	45.40	32.55	13729.32	13310.46
December-19	54.20	36.55	9946.05	9574.85	54.20	36.75	13716.74	13103.54
January-20	61.40	45.00	10174.95	9700.35	62.00	45.70	14946.21	13686.28
February-20	66.50	35.75	10071.70	9214.10	66.25	35.15	14887.06	13654.93
March-20	38.80	27.25	9436.50	6151.60	38.70	27.20	13996.37	8622.24

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

k. Registrar and Transfer Agents :

For Physical transfer and Dematerialisation of shares :

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

l. Share Transfer System :

In terms of Regulation 40(1) of SEBI (Listing Obligations and Disclose Requirements) Regulations, 2015, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Physical shares received for dematerialization are processed and completed within the stipulated time, if the documents are complete in all respects. 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:

a. 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.

b. Pursuant to SEBI (Depositories and Participants) Regulations, 2018, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) with the total issued / paid up capital of the Company.

m. Distribution of Shareholding as on 31st March 2020 :

Shares held by	No. of Holders *	No. of Shares *	% of Total Paid - up Capital
1 to 500	29,723	45,49,146	4.80
501 to 1000	3,607	29,92,642	3.15
1001 to 2000	1,943	29,97,046	3.16
2001 to 3000	802	20,46,952	2.16
3001 to 4000	393	14,10,242	1.49
4001 to 5000	345	16,09,765	1.70
5001 to 10000	551	40,36,386	4.26
10001 and above	522	7,51,54,542	79.28
Total	**37,886**	**9,47,96,721**	**100.00**

*** Based on PAN consolidated**

n. Dematerialisation of shares and liquidity as on 31st March 2020 :

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)	23,194	59.89	7,24,01,517	76.37
ii) Central Depository Services (India) Limited (CDSL)	14,922	38.53	2,09,29,654	22.08
Demat Form (i + ii)	**38,116**	**98.42**	**9,33,31,171**	**98.45**
iii) Physical Form	610	1.58	14,65,550	1.55
Total	**38,726**	**100.00**	**9,47,96,721**	**100.00**

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

o. Transfer of Unclaimed Shares to Demat Account :

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

Particulars		No. of shareholders	No. of shares
Opening	a	764	10,77,370
Transferred from Unclaimed Shares Suspense account upto 31st March 2019	b	379	5,59,270
Closing Balance as on 31st March 2019	c = a-b	385	5,18,100
Claimed during the year 2019-20		112	1,50,320
Transferred from Unclaimed Shares Suspense account during the year 2019-20	d	112	1,50,320
Closing Balance as on 31st March 2020	e = c-d	273	3,67,780

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

p. As on 31st March 2020, there are no Outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

q. Commodity price risk or foreign exchange risk and hedging activities : Refer Note No. 2.56 to Notes to standalone Financial Statements.

r. Plant locations :

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

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

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

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

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

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

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

s. Address for correspondence :

Registrar & Transfer Agents

M/s. Integrated Registry
Management Services Private Limited
Unit: Pricol Limited,
2nd Floor, “ Kences Towers ”,
No.1, Ramakrishna Street, North Usman Road,
T. Nagar, Chennai – 600 017, India.
Phone : + 91 44 28140801 – 03
Fax : + 91 44 28142479
Email : srirams@integratedindia.in

Company

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

t. Website address : www.pricol.com

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

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

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. 2.69 to Notes to Financial Statements in accordance with the provision of Indian Accounting Standards. The Company has formulated a policy on related party transactions which has been placed on the website of the Company and the web link thereto is https://www.pricol.com/Data/policy/RTP_policy_20.pdf.

b. There was no instance of non-compliance by the Company on any matters relating to the capital markets, nor was there any penalties, strictures, imposed by stock exchange(s) or SEBI or any statutory authority, on any matter related to capital markets, during the last three years, except the following;

   Delay in submission of Financial results for the quarter and year ended 31st March 2019, to the Stock Exchanges (NSE & BSE), for which fine of ₹ 80,000/- was paid to each Stock Exchange.

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 web link thereto is https://www.pricol.com/Data/policy/Whistle-Blower-Policy_20.pdf.

d. The Company has complied with all the mandatory requirement of corporate governance norms as specified in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

e. The Company has formulated a Policy on Subsidiary & Material Subsidiary Company and has placed it on the website of the Company and the web link thereto is https://www.pricol.com/Data/policy/Material-Subsidiary_policy_20.pdf.

f. Disclosure of commodity price risks and commodity hedging activities. Refer Note No. 2.56 to Notes to Financial Statements.

g. During the financial year, the company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).

h. Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority, is annexed as part of this report.

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

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

₹ Lakhs

Particulars	Pricol Limited and Subsidiaries
For Audit	42.50
For Taxation Matters	16.05
For Certification & Others	12.36
Reimbursement of Expenses	2.31
Total	**73.22**

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

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

   The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) had been constituted in compliance with the provisions of above Act, to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any sexual harassment complaint during the year 2019-20.

l. The company has complied with all the requirements as specified in sub-paras (2) to (10) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the Corporate Governance report.

m. The Company has complied with the following Discretionary requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

   Adopted the best practices to ensure a regime of financial statements with unmodified audit opinion.

n. The company has complied with the requirements whichever applicable specified in Regulation 17 to 27 and disseminate the information, under a separate section on the website, as required under regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place: Coimbatore
Date: 29th July, 2020

CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and senior management personnel. The code of conduct is available on the website of the Company under the web link https://pricol.com/Data/policy/Code-of-Conduct-BOD_SM.pdf. The declaration of the 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 2020.

Vikram Mohan
Managing Director
(DIN : 00089968)

Place: Coimbatore
Date: 29th July, 2020

★★★★★

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of Pricol Limited
(CIN: L34200TZ2011PLC022194)
109, Race Course, Coimbatore – 641018

I have examined all the relevant records of Pricol Limited (hereinafter called as the “Company") for the purpose of certifying compliance with the conditions of Corporate Governance stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended 31st March, 2020. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

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

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except regulation 24(1).

P. ESWARAMOORTHY AND COMPANY
Company Secretaries
P. Eswaramoorthy
Proprietor
FCS No.: 6510,
CP No.: 7069
UDIN : F006510B000519649

Coimbatore
29th July, 2020

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of Pricol Limited
(CIN: L34200TZ2011PLC022194)
109, Race Course, Coimbatore – 641018

As required by Regulation 34(3) read with Part C (10) (i) of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that none of the Directors on the Board of Pricol Limited have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

P. ESWARAMOORTHY AND COMPANY
Company Secretaries
P. Eswaramoorthy
Proprietor
FCS No.: 6510,
CP No.: 7069
UDIN : F006510B000519627

Coimbatore
29th July, 2020

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ANNEXURE "G" TO DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT (BRR)

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

SECTION A : GENERAL INFORMATION ABOUT THE COMPANY

1. CIN of the Company : L34200TZ2011PLC022194
2. Name of the Company : PRICOL LIMITED
3. Registered address : 109, Race Course, Coimbatore - 641018, India.
4. Website : www.pricol.com
5. E-mail id : cs@pricol.co.in
6. Financial Year Reported : 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)

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

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

SECTION B : FINANCIAL DETAILS OF THE COMPANY

Particulars	FY 2019-20
1. Paid up Capital	₹ 947.97 Lakhs
2. Total Turnover	₹ 1,14,200.42 Lakhs
3. Total Profit / (Loss) After Tax	₹ (21,287.97) Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	CSR for 2019-20 is ₹ 110.80 lakhs, which is 2.06% of average net profits of the last 3 financial years.
5. List of activities in which expenditure in 4 above has been incurred:-	Please refer "Report on CSR" attached with this Annual Report.

SECTION C : OTHER DETAILS

1. **Does the Company have any Subsidiary Companies?**
   Yes. The company has following subsidiaries.
   a) Pricol Asia Pte. Limited, Singapore
   b) Pricol Wiping Systems India Limited, India
   c) PT Pricol Surya Indonesia
   d) PT Sripri Wiring Systems, Indonesia (100% subsidiary of PT Pricol Surya Indonesia)
   e) Pricol Espana Sociedad Limitada, Spain
   f) Pricol Wiping Systems Czech s.r.o, Czech (100% subsidiary of Pricol Espana Sociedad Limitada)
   g) Pricol Do Brasil Componentes Automotivos LtdA (100% Subsidiary of Pricol Espana Sociedad Limitada Upto 11th February 2020)
   h) Pricol Wiping Systems Mexico S.A.de.C.V (100% Subsidiary of Pricol Espana Sociedad Limitada Upto 11th February 2020)
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   The subsidiary companies are not required to comply with the Business Responsibility initiatives as per the laws applicable to them. However, the company pro actively encourages its subsidiaries to adopt BR initiatives of the company.
   Subsidiaries are guided by the Company to conduct their business in an ethical, transparent and accountable manner.

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

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

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

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

SECTION D : BR INFORMATION

1. Details of Director / Directors responsible for BR

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

Name of Members	DIN	Category
1. Mr. Vikram Mohan	00089968	Executive - Managing Director

   b) Details of the BR head

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

NATIONAL VOLUNTARY GUIDELINES (NVG) Principle

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

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

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

No.	Questions	Business Ethics	Product Responsibility	Well being of employee	Stakeholders engagement	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:

Not applicable.

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

3. Governance related to Business Responsibility

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1year	Management team reviews the BR performance of the Company through monthly review meetings. Gap, if any, in the compliance is analysed and suitable measures were taken till get it closed.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BR report is available as part of the Annual Report 2020. The report is available at http://www.pricol.com/annual-report.aspx

SECTION E : PRINCIPLE - WISE PERFORMANCE

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

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

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

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

   The Company has not received any complaints with regard to violation of Code of Conduct, during 2019-20.

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

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

   Pricol has developed the below products to address environmental concerns.

   a) Fuel Pump Module

   b) Oxygen sensor

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

   Both Fuel Pump Module & Oxygen sensors are developed to support fuel injection system which is mandatory to control emission from vehicles to comply with BS VI norms.

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

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

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

   Yes, the company has sourcing procedure for supplier selection and maintains for all approved suppliers on sustainability. Further the expiry dates of certifications namely: ISO 9001 / IATF 16949 / ISO 14001 / ISO 45001 are being tracked and monitored on regular intervals by effective usage of supplier portal and informing to all suppliers through B2B before 30 days before expiry.

   Customer approved sources are used for special processes like plating, painting, heat treatment etc. for better control and sustainability. Process and system audits at suppliers premises are being conducted for ensuring quality of parts.

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

   It is difficult to ascertain the portion of input sourced from these suppliers as a percentage of total input due to procurement of varied and diversified components by the company.

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

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

   Yes, nearly 80% parts are developed in domestic sources located surrounding of Pricol plants and falling under MSME categories. Pricol is focusing on developing local MSME suppliers to improve their capacity and capability on Quality, Cost, Delivery, Serviceability, Technology, Flexibility (QCDSTF) through trainings and periodic audits.

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

   The nature of the Company's business is such that there are no significant emissions or process wastes. The company recycles materials wherever it is usable within the company which otherwise it is disposed off in compliance with applicable statutory provisions.

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

1. Please indicate the Total number of employees, as at 31st March 2020	5,185
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis, as at 31st March 2020	3,325
3. Please indicate the Number of permanent women employees, as at 31st March 2020	354
4. Please indicate the Number of permanent employees with disabilities, as at 31st March 2020	4
5. Do you have an employee association that is recognized by management?	Yes
6. What percentage of your permanent employees is members of this recognized employee association?, as at 31st March 2020	Around 90%

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

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
a)	Child labour / forced Labour / involuntary labour	—	—
b)	Sexual harassment	—	—
c)	Discriminatory employment	—	—

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

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

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

1. Has the company mapped its internal and external stake holders? Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stake holders? Yes.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

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

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

Principle 5 : Businesses should respect and promote human rights

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

   The company has adopted:

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

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

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

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

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

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

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

   All manufacturing plants of the Company has been certified with ISO 14001:2015 & OSHAS 18001:2007 standards.

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

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

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

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

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

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

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

   Pricol is committed to promote Renewable source energy and implementation of various energy saving projects by Implementation of Roof Top Solar Power 2.6 MW across all plants, the generation being utilized for its various process applications.

   Installation of 1.9 MW capacity Windmill which produce 1.3 Million units and the generation neutralizing a part of plant consumption and provides savings.

   Utilisation of VAM (Vapour Absorption Machine) had been operated between 2006-2016 with 400KW Captive power plant and both have been replaced with 460KW Industrial UPS which saves fossil fuel as well as carbon emission.

   All these Clean Development Mechanism (CDM) initiatives have contributed in reduction of Specific power consumption significantly.

   All the plants have filed environmental compliance reports as per the requirement of applicable environmental laws.

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

   Pricol implement energy efficient products for new projects since 2012. Further, remaining plants LED lights replacement being carried out which gives 40-50% of lighting power savings which estimated further 4.9 lakh units.

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

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

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

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

   Yes. All parameters of emission / waste generation by the Company conform to the prescribed norms. Towards compliance management, we have submitted the emission/waste generation reports like ambient air, stack, noise and measurement of key parameters like pH, Chemical Oxygen Demand (COD), Biological Oxygen Demand (BOD), Total Suspended Solids (TSS) to the State Pollution Control Boards.

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

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

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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
   - Confederation of Indian Industry (CII);
   - Automotive Component Manufactures Association (ACMA)
   - Society of Indian Automobile Manufacturers (SIAM)
   - Automotive Research Association of India (ARAI)
   - Coimbatore Chamber of Commerce
   - Young President Organisation (Chennai Chapter)
   - Federation of Indian Export

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

Principle 8 : Businesses should support inclusive growth and equitable development

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

   Yes. Company has a Corporate Social Responsibility Policy which derived its core value on various aspects as per the requirement of Companies Act 2013. The Company undertakes purposeful activities for the welfare of the society. The details are given in the Annexure B, Annual Report 2019-20

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

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

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

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

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

   CSR spend during 2019-20, details are given in the Annexure B of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

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

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

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

   As on FY 2019-20 end, no customer complaints are pending and no consumer cases.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? : Not Applicable

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, : No

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

   Yes. Customer Satisfaction trends are carried out.

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TEN YEARS PERFORMANCE AT A GLANCE

OPERATING RESULTS

₹ Lakhs

Year Ended 31st March		2011 Erstwhile Pricol Limited	2012 Erstwhile Pricol Limited	2013 Erstwhile Pricol Limited	2014 Erstwhile Pricol Limited	2015 Erstwhile Pricol Limited	2016 Erstwhile Pricol Limited	2017 Pricol Limited	2018 Pricol Limited	2019 Pricol Limited	**2020 Pricol Limited**
Net Sales & Services - Domestic		71,001.54	78,867.46	69,966.84	68,996.47	78,423.45	97,992.03	1,13,155.51	1,09,564.18	1,22,130.04	**1,05,782.13**
- Export		10,629.33	14,280.47	12,859.12	14,027.83	11,625.45	10,052.82	8,409.61	8,107.26	7,593.97	**8,418.29**
Total Net Sales & Services		81,630.87	93,147.93	82,825.96	83,024.30	90,048.90	1,08,044.85	1,21,565.12	1,17,671.44	1,29,724.01	**1,14,200.42**
Gross Surplus from Operation		7,687.32	7,373.24	6,043.65	6,581.28	2,328.39	10,665.39	13,186.52	15,050.28	9,372.63	**8,514.65**
Other Income		571.47	214.65	151.60	362.25	200.57	699.96	429.46	667.46	846.34	**1,263.23**
Depreciation & Amortisation Expense	(a)	3,370.40	2,919.11	3,195.01	3,066.46	3,525.45	3,417.37	6,599.73	7,156.53	8,019.74	**9,269.24**
Finance Costs	(b)	2,731.16	2,979.21	1,633.07	651.96	789.00	931.19	784.14	1,139.39	1,808.74	**3,108.45**
Profit / (Loss) from operations before Exceptional Items and Tax		2,157.23	1,689.57	1,367.17	3,225.11	(1,785.49)	7,016.79	6,232.11	7,421.82	390.49	**(2,599.81)**
Exceptional Items (Net)		—	4,942.03	—	5,163.34	(467.68)	(1,001.62)	—	—	(23,197.75)	**(19,072.36)**
Profit / (Loss) Before Tax (PBT)	(c)	2,157.23	6,631.60	1,367.17	8,388.45	(2,253.17)	6,015.17	6,232.11	7,421.82	(22,807.26)	**(21,672.17)**
Tax Provision incl. Deferred Tax		(154.25)	990.00	(206.87)	1,688.52	(453.45)	1,695.43	1,564.73	2,074.46	(14.31)	**(384.20)**
Profit / (Loss) After Tax (PAT)	(d)	2,311.48	5,641.60	1,574.04	6,699.93	(1,799.72)	4,319.74	4,667.38	5,347.36	(22,792.95)	**(21,287.97)**
Other Comprehensive Income for the year after tax		NA	NA	NA	NA	NA	NA	(112.87)	160.64	31.09	**191.97**
Total Comprehensive Income for the year		NA	NA	NA	NA	NA	NA	4,554.51	5,508.00	(22,761.86)	**(21,096.00)**
Dividend (including tax)	(e)	627.60	836.80	421.18	884.48	—	1,140.95	1,140.95	1,142.82	—	**—**
Retained Profit / (Loss)		1,683.88	4,804.80	1,152.86	5,815.45	(1,799.72)	3,178.79	3,413.56	4,365.18	(22,761.86)	**(21,096.00)**
As at 31st March		2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
SOURCES OF FUNDS											
Share Capital		900.00	900.00	900.00	945.00	947.97	947.97	947.97	947.97	947.97	**947.97**
Reserves & Surplus		18,595.09	23,399.89	24,552.75	31,133.20	25,805.92	28,984.71	82,612.01	86,979.06	63,074.38	**41,978.38**
Money received against Share Warrants		—	202.50	202.50	—	—	—	—	—	—	**—**
Networth	(f)	19,495.09	24,502.39	25,655.25	32,078.20	26,753.89	29,932.68	83,559.98	87,927.03	64,022.35	**42,926.35**
Deferred Tax Liability / (Asset)		70.00	510.00	400.00	810.00	140.00	(100.00)	3,714.00	5,468.55	5,470.94	**5,189.85**
Loan Funds	(g)	23,806.03	17,385.60	10,492.40	4,394.17	6,401.02	5,000.00	10,834.74	12,725.27	26,022.67	**34,328.77**
Total Capital Employed	(h)	43,371.12	42,397.99	36,547.65	37,282.37	33,294.91	34,832.68	98,108.72	1,06,120.85	95,515.96	**82,444.97**

TEN YEARS PERFORMANCE AT A GLANCE (Contd.,)

OPERATING RESULTS

₹ Lakhs

As at 31st March		2011 Erstwhile Pricol Limited	2012 Erstwhile Pricol Limited	2013 Erstwhile Pricol Limited	2014 Erstwhile Pricol Limited	2015 Erstwhile Pricol Limited	2016 Erstwhile Pricol Limited	2017 Pricol Limited	2018 Pricol Limited	2019 Pricol Limited	**2020 Pricol Limited**
APPLICATION OF FUNDS											
Gross Fixed Assets		51,381.11	50,437.90	51,806.39	50,415.97	45,570.14	47,033.34	82,983.19	88,957.61	97,175.34	**1,06,512.54**
Accumulated Depreciation		29,796.58	31,306.29	33,471.32	32,317.98	27,963.29	28,987.74	12,604.25	19,474.67	27,401.60	**36,652.38**
Net Fixed Assets		21,584.53	19,131.61	18,335.07	18,097.99	17,606.85	18,045.60	70,378.94	69,482.94	69,773.74	**69,860.16**
Investments		2,524.07	3,024.07	3,880.50	6,038.53	5,275.63	9,544.15	11,526.42	15,527.62	4,671.90	**4,671.90**
Other Assets (Net)		19,262.52	20,242.31	14,332.08	13,145.85	10,412.43	7,242.93	16,203.36	21,110.29	21,070.32	**7,912.91**
Net Assets Employed		43,371.12	42,397.99	36,547.65	37,282.37	33,294.91	34,832.68	98,108.72	1,06,120.85	95,515.96	**82,444.97**
Year Ended 31st March		2011	2012	2013	2014	2015	2016	2017	2018	2019	**2020**
PERFORMANCE INDICATORS											
Equity shares (Nos. in Lakhs)	(i)	900.00	900.00	900.00	945.00	947.97	947.97	947.97	947.97	947.97	**947.97**
Face Value of Equity Share (₹)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	**1.00**
Earnings per share (EPS) (₹)	(d/i)	2.57	6.27	1.75	7.16	(1.90)	4.56	4.92	5.64	(24.04)	**(22.46)**
Diluted Earnings per share (₹)		2.57	6.18	1.67	7.16	(1.90)	4.56	4.92	5.64	(24.04)	**(22.46)**
Dividend per share (₹)		0.60	0.80	0.40	0.80	—	1.00	1.00	1.00	—	**—**
Networth per share (NWPS) (₹)	(f/i)	21.66	27.22	28.51	33.95	28.22	31.58	88.15	92.75	67.54	**45.28**
Return on Average Networth (RONW) (%)	*	12.39	25.65	6.28	23.21	(6.12)	15.24	5.69	6.24	(30.00)	**(39.81)**
Return on Average Capital Employed (ROCE) (%)	**	11.34	22.41	7.60	24.49	(4.15)	20.39	7.64	8.38	(20.83)	**(20.86)**
Total Debt to Networth	(g / f)	1.22	0.71	0.41	0.14	0.24	0.17	0.13	0.14	0.41	**0.80**
Interest Coverage Ratio	(a + b + c) / b	3.02	4.21	3.79	18.57	2.61	11.13	17.36	13.79	5.65	**3.15**

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

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

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS

To the Members of Pricol Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

S.No.	Key Audit Matters	How our audit addressed the Key Audit Matter
1	**Adoption of Ind AS 116 - Leases:** Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The Company has adopted Ind AS 116 with effect from 1st April 2019 using the modified retrospective approach wherein the ROU was created with a corresponding lease liability. Accordingly, the comparatives have not been retrospectively adjusted. Lease arrangements in the Company which were previously classified as operating leases under Ind AS 17 'Leases' and held off balance sheet will need to be recognized within assets and liabilities under Ind AS 116.	Our audit procedures with respect to adoption of Ind AS 116 include: ● We assessed the selection of accounting policies and practical expedients applied by the Company. We evaluated the design and implementation of key controls in respect of the lease accounting standard (Ind AS 116); ● Assessed the company's evaluation on the identification of leases based on the contractual agreements and our understanding of the business; ● Assessed the key terms and conditions of each lease with the underlying lease contracts;

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

S.No.	Key Audit Matters	How our audit addressed the Key Audit Matter

	Significant judgements are required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease term, determination of applicable incremental borrowing rate, among others.
	
	Additionally, there is a risk the lease data which is underlying the Ind AS 116 computation is incomplete and inaccurate.
	
	As at 31st March 2020, the carrying amount of ROU asset was ₹ 3,307.93 Lakhs and lease liability was ₹ 2,533.48 Lakhs – Refer Note 2.2 on Right of Use Asset, Note 2.25 and Note 2.31 on Other Financial Liabilities to the Standalone Ind AS financial statements.
		● Evaluated the reasonableness of the discount rates applied in determining the lease liabilities;
		
		● Upon transition as at 1 April 2019:
		  ● Evaluated the method of transition and related adjustments;
		  ● Tested completeness of the lease data used in computing ROU asset and the lease liabilities.
		
		● Assessed and tested the presentation and disclosures relating to Ind AS 116.

2	**Provisions for pending legal cases:** As at March 31, 2020 the Company has a provision of ₹ 697.48 Lakhs as against various outstanding litigations of ₹ 3,974.89 Lakhs. These provisions are estimated using a significant degree of management judgement.	Assessing the adequacy of provisions by discussing with the management and reviewing correspondence with the respective authorities; Relying on judicial pronouncements; Obtaining views from the company's external legal advisors regarding the likely outcome, magnitude and exposure to the relevant litigations and claims.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

Management and Board of Directors Responsibility for the Standalone Financial Statements:

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit or loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c. The standalone Balance Sheet, the standalone Statement of Profit and Loss, the standalone Statement of Changes in Equity and the standalone 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 Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2".

g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.48 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 2.47 to the standalone financial statements;

(iii) Dues of ₹ 7.08 Lakhs and ₹ 14.01 Lakhs to Investor Education and Protection Fund (IEPF) pertaining to FY 2010-11 and FY 2011-12 respectively, have remained unpaid as on 31st March 2020 on account of certain technical glitches with MCA portal. The due dates for transferring the said amounts to IEPF were October 17, 2018 and October 06, 2019. The same has since been remitted on July 08, 2020 and July 20, 2020 respectively.

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

V S Srinivasan
Partner
Membership No. 13729
UDIN: 20013729AAAACT3183

Coimbatore
29th July, 2020

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

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Pricol Limited** on the standalone financial statements for the year ended March 31, 2020]

(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 not been physically verified by the management. However, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.

c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.

(ii) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. As informed, material discrepancies noticed on physical verification carried out during the year have been properly dealt with in the books of account.

(iii) The Company has granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.

b) The schedule of repayment of principal and payment of interest in respect of such loans has been stipulated and the repayments or receipts are regular, except for the loan to its wholly owned subsidiary, Pricol Espana S.L.Spain. The company has since made an application and obtained the approval of the authorised dealers / relevant authority for conversion of the said loan into equity investment.

c) In respect of loans granted to companies, firms, Limited Liability Partnerships, or other parties listed in the register maintained under Section 189 of the Act, there are no amounts overdue for more than 90 days.

(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, to the extent applicable.

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

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the same.

(vii) a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax, customs duty, cess and any other material statutory dues applicable to it.

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, customs 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.

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

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

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:

₹ Lakhs

Name of the Statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending	Deposits paid under Protest
Central Excise Act / Service Tax Act / Customs Act	i) Service Tax	150.57	1998-99 to 2016-17	High Court	87.76
	ii) Excise Duty	674.96		CESTAT	
	iii) Customs Duty	208.10			
	iv) Penalty	218.06			
	v) Customs Duty	8.95		Joint Secretary - Ministry of Finance	
	vi) Excise Duty	112.29		Departmental adjudication	
	vii) Customs Duty	49.35		Departmental adjudication	
Central Sales Tax Act	CST	301.83	2009-10 to 2013-14	Additional Commissioner	6.40
	CST	17.15	2014-15	Joint Commissioner Appeals	
	VAT	516.41	2011-12 to 2013-14	Joint Commissioner Appeals	
	CST	17.29	2012-13 to 2017-18	Assistant Commissioner	2.69
	CST	3.48	2007-08	Appellate Authority	
	CST	1.51	2017-18	Superintendent, Audit Circle	
	CST	12.59	2011-12 to 2015-16	Deputy Commissioner	
Goods and Services Tax Act	GST	74.34	2017-18	Departmental adjudication	—
Total		**2,366.88**			

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. There are no outstanding dues to government or dues to debenture holders.

(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 have 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 /

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

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

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 and according to the information and explanations given to us, 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 explanations 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 explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

V S Srinivasan
Partner
Membership No. : 13729
UDIN: 20013729AAAACT3183

Coimbatore
29th July, 2020

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 Ind AS financial statements for the year ended March 31, 2020]

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

We have audited the internal financial controls over financial reporting of Pricol Limited ("the Company") as of March 31, 2020 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 Act.

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

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

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.

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

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

V S Srinivasan
Partner
Membership No. : 13729
UDIN: 20013729AAAACT3183

Coimbatore
29th July, 2020

STANDALONE BALANCE SHEET AS AT 31st MARCH 2020

	Note No.	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
I. ASSETS			
1) Non-Current Assets			
a) Property, Plant and Equipment	2.1	**39,569.95**	41,045.71
b) Right of Use	2.2	**3,307.93**	—
c) Capital Work-in-progress	2.3	**2,025.41**	1,360.17
d) Investment Property	2.4	**951.74**	993.94
e) Goodwill	2.5	**9,934.00**	10,927.40
f) Other Intangible assets	2.6	**14,036.10**	15,446.52
g) Intangible Assets under Development	2.7	**35.03**	—
h) Financial Assets			
i) Investments	2.8	**4,671.90**	4,671.90
ii) Loans	2.9	**—**	—
iii) Others	2.10	**599.65**	625.64
i) Other Non-Current Assets	2.11	**5,907.95**	7,186.88
Total Non-Current Assets		**81,039.66**	82,258.16
2) Current Assets			
a) Inventories	2.12	**17,066.02**	17,932.87
b) Financial Assets			
i) Investments	2.13	**470.94**	268.82
ii) Trade Receivables	2.14	**16,927.96**	19,184.18
iii) Cash and Cash equivalents	2.15	**233.11**	404.82
iv) Bank Balances other than (iii) above	2.16	**1,256.95**	660.79
v) Loans	2.17	**175.00**	—
vi) Others	2.18	**99.87**	277.56
c) Other Current Assets	2.19	**1,532.81**	1,509.28
Total Current Assets		**37,762.66**	40,238.32
Non-Current Investments held for Sale	2.20	**—**	78.06
Non-Current Assets held for Sale	2.21	**—**	3,442.91
		—	3,520.97
		37,762.66	43,759.29
TOTAL ASSETS		**1,18,802.32**	1,26,017.45

STANDALONE BALANCE SHEET AS AT 31st MARCH 2020

	Note No.	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
Standalone Balance Sheet as at 31st March 2020 (Contd.,)			
II. EQUITY AND LIABILITIES			
1) Equity			
a) Equity Share Capital	2.22	**947.97**	947.97
b) Other Equity	2.23	**41,978.38**	63,074.38
Total Equity		**42,926.35**	64,022.35
2) Non-Current Liabilities			
a) Financial Liabilities			
i) Borrowings	2.24	**20,410.09**	9,697.80
ii) Others	2.25	**2,791.70**	115.52
b) Provisions	2.26	**1,023.17**	1,148.22
c) Deferred Tax Liabilities (Net)	2.27	**5,189.85**	5,470.94
d) Other Non-Current Liabilities	2.28	**12.02**	23.71
Total Non-Current Liabilities		**29,426.83**	16,456.19
3) Current Liabilities			
a) Financial Liabilities			
i) Borrowings	2.29	**8,819.84**	14,570.79
ii) Trade Payables	2.30		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		**87.68**	186.45
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		**26,334.80**	20,486.89
iii) Others	2.31	**9,873.25**	6,000.01
b) Other Current Liabilities	2.32	**919.70**	721.37
c) Provisions	2.33	**413.87**	442.66
Total Current Liabilities		**46,449.14**	42,408.17
Liabilities associated with			
- Non-Current Investments held for Sale	2.34	**—**	3,130.74
		46,449.14	45,538.91
TOTAL EQUITY AND LIABILITIES		**1,18,802.32**	1,26,017.45

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

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

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

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

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

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

	Note No.	**2019-20 ₹ Lakhs**	2018-19 ₹ Lakhs
INCOME			
Revenue from Operations	2.35	**1,14,200.42**	1,29,724.01
Other Operating Revenue	2.36	**6,128.12**	8,009.12
Other Income	2.37	**1,263.23**	846.34
Total Income		**1,21,591.77**	1,38,579.47
EXPENSES			
Cost of Materials Consumed	2.38	**76,158.23**	88,080.33
Purchases of Stock-in-Trade		**6,485.78**	7,552.50
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	2.39	**1,723.29**	921.08
Employee Benefits Expense	2.40	**14,647.96**	16,400.49
Finance Costs	2.41	**3,108.45**	1,808.74
Depreciation and Amortisation Expense	2.42	**9,269.24**	8,019.74
Other Expenses	2.43	**12,798.63**	15,406.10
Total Expenses		**1,24,191.58**	1,38,188.98
Profit / (Loss) before Exceptional Items and Tax		**(2,599.81)**	390.49
Less : Exceptional Items (Net)	2.45	**19,072.36**	23,197.75
Profit / (Loss) Before Tax		**(21,672.17)**	(22,807.26)
Less : Tax Expense			
Current Tax		**—**	95.80
Deferred Tax		**(384.20)**	(14.31)
MAT Credit		**—**	(95.80)
Profit / (Loss) for the year	**(A)**	**(21,287.97)**	(22,792.95)

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

	Note No.	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs
Standalone Statement of Profit & Loss for the year ended 31st March 2020 (Contd.,)			
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurement of post employment benefit obligations		**295.08**	47.79
Income tax relating to these items		**(103.11)**	(16.70)
Other Comprehensive Income for the year after tax	**(B)**	**191.97**	31.09
Total Comprehensive Income for the year	**(A) + (B)**	**(21,096.00)**	(22,761.86)
Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees	2.46		
Basic & Diluted		**(22.46)**	(24.04)

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

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Company Secretary
(FCS No. : 7897)

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

a) **Equity Share Capital**	**₹ Lakhs**
Balance as on 1st April 2018	947.97
Movement during the year 2018-19	—
Balance as on 31st March 2019	947.97
Movement during the year 2019-20	—
Balance as on 31st March 2020	**947.97**

₹ Lakhs

b) **Other Equity**	**Securities Premium**	**Retained Earnings**	**Other Comprehensive Income**	**Total**
Balance as on 1st April 2018	80,961.56	5,969.73	47.77	86,979.06
- Profit / (Loss) for the year 2018-19	—	(22,792.95)	—	(22,792.95)
- Other Comprehensive Income, Net of Income Tax	—	—	31.09	31.09
- Payment of Dividend including Dividend Distribution Tax	—	(1,142.82)	—	(1,142.82)
Balance as on 31st March 2019	80,961.56	(17,966.04)	78.86	63,074.38
- Profit / (Loss) for the year 2019-20	—	(21,287.97)	—	(21,287.97)
- Other Comprehensive Income, Net of Income Tax	—	—	191.97	191.97
Balance as on 31st March 2020	**80,961.56**	**(39,254.01)**	**270.83**	**41,978.38**

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

As per our report of even date attached
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ICAI Firm Regn. No. : 000066S
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STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020

		Year Ended 31st March 2020 ₹ Lakhs		Year Ended 31st March 2019 ₹ Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) Before Tax		**(21,672.17)**		(22,807.26)
Adjustments for :				
Depreciation & Amortisation Expense	**9,269.24**		8,019.74	
Bad debts / Advances written off	**24.17**		185.30	
Provision for doubtful debts and advances / (write back)	**(11.71)**		(160.79)	
Exceptional Items (Net)	**19,072.36**		23,197.75	
Excess Provision no longer required written back	**(473.81)**		(210.44)	
Expected Credit Loss written back	**(81.06)**		(105.94)	
(Profit) / Loss on sale / disposal of Property, Plant and Equipment (Net)	**1,714.95**		50.95	
Interest received	**(259.01)**		(53.25)	
Exchange Fluctuation (Gain) / Loss on Re-statement	**(37.63)**		18.40	
Gain on Fair Valuation of Investments at Fair Value through P&L	**(27.11)**		(12.88)	
Provision / (Reversal) of Impairment Loss	**(1,777.94)**		200.00	
Finance Costs	**3,108.45**		1,808.74	
		30,520.90		32,937.58
Operating Profit before working capital changes		**8,848.73**		10,130.32
Adjustments for :-				
(Increase) / Decrease in Trade Receivables	**2,483.53**		1,826.20	
(Increase) / Decrease in Inventories	**866.85**		1,285.20	
(Increase) / Decrease in Other Assets	**(447.49)**		668.56	
Increase / (Decrease) in Trade Payables	**5,485.35**		(4,299.03)	
Increase / (Decrease) in Other Payables	**891.89**		(1,495.73)	
		9,280.13		(2,014.80)
Cash generated from Operations		**18,128.86**		8,115.52
Direct taxes		**(13.27)**		351.20
Net Cash from operating activities		**18,115.59**		8,466.72
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant and Equipment	**(6,585.94)**		(10,310.80)	
Sale of Property, Plant and Equipment	**3,575.25**		1,016.84	
Adjustment for capital advances	**1,213.17**		(167.40)	
Purchase of Investments	**(10,537.54)**		(9,368.52)	
Loans to Subsidiaries	**(11,175.73)**		—	
Interest received	**81.22**		47.28	
Net Cash (used in) / from investing activities		**(23,429.57)**		(18,782.60)

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

		Year Ended 31st March 2020 ₹ Lakhs		Year Ended 31st March 2019 ₹ Lakhs
Standalone Cash Flow Statement for the year ended 31st March 2020 (Contd.,)				
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds from / (Repayment of) Current Borrowings (Net)	**(5,750.95)**		5,012.18	
Repayment of Long Term Borrowings	**(3,784.18)**		(1,602.78)	
Proceeds from Long Term Borrowings	**17,679.50**		9,888.00	
Dividend & Tax on Dividend Paid	**(3.79)**		(1,126.07)	
Repayment of Lease Liabilities	**(198.77)**		—	
Finance Costs paid	**(2,799.54)**		(1,783.79)	
Net Cash from / (used in) financing activities		**5,142.27**		10,387.54
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS : (A+B+C)		**(171.71)**		71.66
Cash and cash equivalents as at 1.4.2019 and 1.4.2018 (Opening Balance)		**404.82**		333.16
Cash and cash equivalents as at 31.3.2020 and 31.3.2019 (Closing Balance) (Refer to Note No. 2.15)		**233.11**		404.82

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

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
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Membership No. : 13729
Coimbatore
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(DIN : 00089968)

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

i. Corporate Information:

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

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

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

iii. Basis of Preparation:

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

The Financial Statements have been prepared & presented on the historical convention and on accrual basis, except for the following material items in the Balance Sheet:

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

iv. Use of Estimates:

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

v. Current versus non-current classification :

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

An asset is classified as current, when :

- It is expected to be realised or intended to sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is classified as current, when:

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

The entity classifies all other liabilities as non-current.

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

vi. Foreign currency transactions :

Functional and presentation currency

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

a. Initial recognition

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

b. Conversion

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

vii. Revenue Recognition:

Sale of goods

Revenue from customers is recognised when the company satisfies performance obligation by transferring promised goods or services to the customers. Revenue is measured based on transaction price, which is the fair value of the consideration received / receivable net of returns and allowances, trade discounts and GST.

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

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

Dividend

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

Interest Income

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

Claims

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

viii. Property, Plant and Equipment & Depreciation:

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

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

Depreciation on PPE are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for leasehold improvements which are amortised as depreciation over the lower of useful life or lease period and Dies, Tools and Moulds which are depreciated over a period of 3 years.

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

Class of Assets	Useful Lives
Buildings	30 years
Improvement to Leasehold Buildings	Useful life or lease period which ever is lower
Plant & Equipments	7.5 years (Triple Shift)
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Dies, Tools and Moulds	3 years
Computer Equipments	
- Servers and Networks	6 years
- End User Devices	3 years
Spares	1 to 3 years

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

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

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss when the asset is derecognised.

ix. Investment property:

Investment property is a property, held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

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

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

Class of Assets	Useful Lives
Buildings	30 years

x. Intangible assets and amortisation:

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

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

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

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

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

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

Non-current assets and Disposal Group are classified as held for sale if their carrying amount is intended to be recovered principally through sale

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

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

xii. Impairment of Non-Financial assets :

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

xiii. Impairment of Financial assets:

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

xiv. Fair value measurement :

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

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

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

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

xv. Financial Instruments:

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

a. Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at FVTOCI :

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

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

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

Debt instruments at FVTPL :

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

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

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

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

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

De-recognition of Financial Assets:

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Investment in Subsidiaries, Associates and Joint ventures:

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

b. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Loans and borrowings**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

- **Trade and other payables:**

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

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

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

De-recognition of Financial Liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments:

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

xvi. Borrowing costs:

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

xvii. Cash and cash equivalents:

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

xviii. Employee benefits

a. Short Term and other long term employee benefits:

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

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

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

b. Post-Employment Benefits:

i) Defined Contribution Plans:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

ii) Defined Benefit Plans:

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

xix. Provisions:

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

xx. Contingent Liabilities :

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

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

xxi. Earnings per share :

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

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

xxii. Government Grants:

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

xxiii. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. Current Income Tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in other comprehensive income / equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. **Deferred Tax:**

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

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

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

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

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

c. **Minimum Alternate Tax:**

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

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

xxiv. Inventories:

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

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

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

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

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

xxv. Leases:

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

a.The Company as a lessee:

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

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

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

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

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

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

Upto 31.3.2019:

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

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

Transition:

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

b. The Company as a Lessor:

Leases for which the company is a lessor is classified as a finance or operating lease. Wherever the terms of the lease transfers substantially all the risks and ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating lease. The Application of IND AS 116 did not have any implication as a Lessor.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

xxvi. Business Combination:

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

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

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

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

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

xxvii. Exceptional Items:

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

xxviii. Financial Guarantee Contracts:

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

Significant accounting Judgments, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in out comes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

a. **Recognition of deferred tax assets:**

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

b. **Provision and contingent liability:**

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

c. **Useful lives of depreciable assets:**

Management reviews the useful lives of depreciable assets at each reporting period. As at March 31, 2020 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

d. **Evaluation of indicators for impairment of assets:**

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

e. **Defined benefit obligation:**

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

f. **Fair value measurements:**

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

g. **Allowances for uncollected accounts receivable and advances**

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

h. **Leases**

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

Recent accounting pronouncements on Standards Issued or modified:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

- Ind AS-1, Presentation of Financial Statements and Ind AS-8, Accounting Policies, Changes in Accounting Estimates and Error: Refined the definition of term 'material' and related clarifications. Consequential amendments to other standards have been made based on the refined definition of material in Ind AS 10-Events after the Reporting Period, Ind AS-34, Interim Financial Reporting and Ind AS-37, Provisions, Contingent liabilities and Contingent Assets.
- Ind AS-103, Business Combinations: Revised definition of a 'business' and introduction of an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business.
- Ind AS-109, Financial Instruments: Modification to some specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by the Interest Rate Benchmark Reform (IBOR).
- Ind AS-116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification.

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.1. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ Lakhs

Particulars	Land	Leasehold Land	Buildings	Improvements to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Gross Carrying Value										
As at 1st April, 2018	8,899.58	424.99	13,194.02	367.73	22,582.35	640.63	270.21	57.80	2,370.85	48,808.16
Additions during 2018-19	432.35	465.63	2,341.59	6.73	5,377.00	176.43	3.41	17.94	450.61	9,271.69
Deletions during 2018-19	—	—	—	—	188.87	7.84	0.10	—	3.35	200.16
Re-classified as held for Sale (Refer to Note No. 2.21)	761.33	—	—	—	—	—	—	—	—	761.33
As at 31st March, 2019	8,570.60	890.62	15,535.61	374.46	27,770.48	809.22	273.52	75.74	2,818.11	57,118.36
Additions during 2019-20	185.59	—	863.67	—	4,425.41	21.77	—	3.08	66.61	5,566.13
Deletions during 2019-20	—	—	—	—	71.50	12.81	0.52	—	2.98	87.81
Re-classified as Right of Use (Refer to Note No. 2.2)	—	890.62	—	—	—	—	—	—	—	890.62
As at 31st March, 2020	**8,756.19**	**—**	**16,399.28**	**374.46**	**32,124.39**	**818.18**	**273.00**	**78.82**	**2,881.74**	**61,706.06**

Accumulated Depreciation

₹ Lakhs

As at 1st April 2018	—	11.70	1,941.43	67.34	7,253.26	152.03	95.83	32.98	1,134.11	10,688.68
Depreciation for the year 2018-19	—	9.14	753.52	36.56	4,053.29	70.27	35.33	7.55	511.12	5,476.78
Withdrawn during the year 2018-19	—	—	—	—	84.73	3.44	0.08	—	4.56	92.81
As at 31st March, 2019	—	20.84	2,694.95	103.90	11,221.82	218.86	131.08	40.53	1,640.67	16,072.65
Depreciation for the year 2019-20	**—**	**—**	**826.27**	**36.79**	**4,645.80**	**87.83**	**35.32**	**8.00**	**462.75**	**6,102.76**
Withdrawn during the year 2019-20	—	—	—	—	13.25	2.77	—	—	2.44	18.46
Re-classified as Right of Use (Refer to Note No. 2.2)	—	20.84	—	—	—	—	—	—	—	20.84
As at 31st March, 2020	**—**	**—**	**3,521.22**	**140.69**	**15,854.37**	**303.92**	**166.40**	**48.53**	**2,100.98**	**22,136.11**

Net Carrying Value

₹ Lakhs

As at 31st March, 2019	8,570.60	869.78	12,840.66	270.56	16,548.66	590.36	142.44	35.21	1,177.44	41,045.71
As at 31st March, 2020	**8,756.19**	**—**	**12,878.06**	**233.77**	**16,270.02**	**514.26**	**106.60**	**30.29**	**780.76**	**39,569.95**

Certain Property, Plant and Equipment have been given as security against borrowings availed by the company (Refer to Note No. 2.24 & 2.29).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.2. RIGHT OF USE

₹ Lakhs

Particulars	Amount
Gross Carrying Value	
As at 1st April, 2018	—
Additions during 2018-19	—
Deletions during 2018-19	—
As at 31st March, 2019	—
Additions / Adjustments during 2019-20	2,839.07
Reclassified from PPE	890.62
Deletions during 2019-20	—
As at 31st March, 2020	**3,729.69**

Accumulated Depreciation	**₹ Lakhs**
As at 1st April, 2018	—
Depreciation for the year 2018-19	—
Withdrawn during the year 2018-19	—
As at 31st March, 2019	—
Depreciation for the year 2019-20	**400.92**
Reclassified from PPE	20.84
Withdrawn during the year 2019-20	—
As at 31st March, 2020	**421.76**

Net Carrying Value	**₹ Lakhs**
As at 31st March, 2019	—
As at 31st March, 2020	**3,307.93**

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.3. CAPITAL WORK-IN-PROGRESS

₹ Lakhs

Particulars	As at 31st March 2020	As at 31st March 2019
Opening Capital Work-in-progress	**1,360.17**	2,010.89
Add : Addition during the year	**6,231.35**	9,752.55
Less : Deletion during the year	**5,566.11**	9,271.69
Less : Re-classified as held for sale (Refer to Note No. 2.21)	**—**	1,131.58
Closing Capital Work-in-progress	**2,025.41**	1,360.17

2.4. INVESTMENT PROPERTY

₹ Lakhs

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

Accumulated Depreciation

₹ Lakhs

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

Net Carrying Value

₹ Lakhs

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

The above Investment property has been given as security against borrowings. (Refer to Note No.2.24)

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

INVESTMENT PROPERTY (Contd.,)

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

₹ Lakhs

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

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

2.5. GOODWILL

₹ Lakhs

Particulars	Amount
Gross Carrying Value	
As at 1st April, 2018	15,479.67
Additions during 2018-19	—
Deletions during 2018-19	—
As at 31st March, 2019	15,479.67
Additions during 2019-20	—
Deletions during 2019-20	—
As at 31st March, 2020	**15,479.67**

Accumulated Amortisation **₹ Lakhs**

As at 1st April, 2018	3,558.87
Amortisation for the year 2018-19	993.40
Withdrawn during the year 2018-19	—
As at 31st March, 2019	4,552.27
Amortisation for the year 2019-20	**993.40**
Withdrawn during the year 2019-20	—
As at 31st March, 2020	**5,545.67**

Net Carrying Value **₹ Lakhs**

As at 31st March, 2019	10,927.40
As at 31st March, 2020	**9,934.00**

Refer to Note No. 2.54 in relation to Scheme of Amalgamation and accounting treatment.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.6. OTHER INTANGIBLE ASSETS

₹ Lakhs

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total
Gross Carrying Value					
As at 1st April, 2018	1,231.06	510.82	4,914.00	14,116.00	20,771.88
Additions during 2018-19	196.21	1,087.05	—	—	1,283.26
Deletions during 2018-19	—	—	—	—	—
As at 31st March, 2019	1,427.27	1,597.87	4,914.00	14,116.00	22,055.14
Additions during 2019-20	319.54	—	—	—	319.54
Deletions during 2019-20	—	—	—	—	—
As at 31st March, 2020	**1,746.81**	**1,597.87**	**4,914.00**	**14,116.00**	**22,374.68**

Accumulated Amortisation

₹ Lakhs

As at 1st April, 2018	790.11	505.14	982.80	2,823.21	5,101.26
Amortisation for the year 2018-19	190.94	47.75	327.60	941.07	1,507.36
Withdrawn during the year 2018-19	—	—	—	—	—
As at 31st March, 2019	981.05	552.89	1,310.40	3,764.28	6,608.62
Amortisation for the year 2019-20	**189.53**	**271.76**	**327.60**	**941.07**	**1,729.96**
Withdrawn during the year 2019-20	—	—	—	—	—
As at 31st March, 2020	**1,170.58**	**824.65**	**1,638.00**	**4,705.35**	**8,338.58**

Net Carrying Value

₹ Lakhs

As at 31st March, 2019	446.22	1,044.98	3,603.60	10,351.72	15,446.52
As at 31st March, 2020	**576.23**	**773.22**	**3,276.00**	**9,410.65**	**14,036.10**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.7. INTANGIBLE ASSETS UNDER DEVELOPMENT		
Opening Carrying Value	—	725.01
Add : Addition during the year	**354.57**	558.25
Less : Deletion during the year	**319.54**	1,283.26
Closing Carrying Value	**35.03**	—
2.8. INVESTMENTS		
Investments in Equity Instruments, fully paid-up		
In Subsidiaries (at Cost)		
In Equity Shares, unquoted		
a) 7,500 Equity Shares of USD 1,000/- each fully paid-up in PT Pricol Surya Indonesia (Previous year - 7,500 Equity Shares of USD 1000/- each) (Extent of holding - 100%)	**4,521.52**	4,521.52
b) 2,50,000 Equity Shares of USD 1/- each fully paid-up in Pricol Asia Pte Limited, Singapore (Previous year - 2,50,000 Equity Shares of USD 1/- each) (Extent of holding - 100%)	**150.38**	150.38
	4,671.90	4,671.90
Add : Re-classified from Non Current Investments held for sale (Refer to Note No. 2.20 and Note No. 2.44)		
a) Pricol Espana S.L. Spain. # (Attributable to Investment made in Pricol Wiping Systems Czech s.r.o. through Pricol Espana S.L. Spain) (Extent of holding - 100%)	**686.74**	—
b) 8,50,00,000 Equity Shares of ₹ 1/- each fully paid-up in Pricol Wiping Systems India Limited (Previous year - 7,00,00,000 Equity Shares of ₹ 1/- each) (Extent of holding - 100%)	**850.00**	—
	6,208.64	—
Less : Provision for Impairment	**1,536.74**	—
	4,671.90	4,671.90

Number of Shares have not been stated since the investment has been made through the wholly owned subsidiary.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
INVESTMENTS (Contd.,)		
Investments in Equity Instruments		
Aggregate amount of quoted investments	—	—
Aggregate market value of quoted investments	—	—
Aggregate amount of unquoted investments	**6,208.64**	4,671.90
Aggregate amount of impairment in value of investments	**1,536.74**	—

2.9. LOANS

		31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
Unsecured Considered Doubtful				
Loan to Pricol Espana S.L. Spain	**11,585.41**		—	
Interest Accrued on the above	**177.10**		—	
	11,762.51		—	
Less : Provision for Expected Credit Loss	**11,762.51**		—	
		—		—
		—		—

During the year, the Company had granted a Loan of Euro 139.50 Lakhs equivalent to ₹ 11,000.73 Lakhs to wholly owned subsidiary Pricol Espana S.L. Spain for the purpose of repayment of its loan. The loan carries an interest rate of 5.85% p.a. subject to EURIBOR & MIFOR market movements. The loan is repayable at 10 half yearly instalments of varying amounts from February, 2020 to August, 2024.

Considering the negative networth of the subsidiary and its inability to generate positive cash inflows in the foreseeable future, provision for expected credit loss has been recognised for the entire loan amount together with the Interest accrued on the loan.

Refer to Note No. 2.69.

2.10. OTHER FINANCIAL ASSETS

		31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
Unsecured Considered good				
Security Deposits		**599.65**		625.64
Unsecured Considered Doubtful				
Security Deposits - Credit Impaired	**26.10**		26.10	
Less : Allowance for Doubtful Deposits	**26.10**		26.10	
		—		—
		599.65		625.64

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
2.11. OTHER NON-CURRENT ASSETS				
Unsecured Considered good				
Capital Advances		**80.21**		1,293.38
Others				
Advance Tax, Net of Provision		**261.10**		247.83
MAT Credit Entitlement (Refer to Note No. 2.62)		**5,453.15**		5,453.15
Deposits and Prepayments		**113.49**		192.52
Unsecured Considered Doubtful				
Capital Advances - Credit Impaired	**2.13**		10.27	
Other Deposits	**86.43**		102.23	
	88.56		112.50	
Less : Provision for Doubtful Advances	**88.56**		112.50	
		—		—
		5,907.95		7,186.88

2.12. INVENTORIES

(Valued at Lower of Cost and Net Realisable Value)	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
Raw Materials & Components	**8,995.94**	9,630.19
Goods in Transit - Raw Materials & Components	**2,695.68**	1,177.89
Work-in-progress	**927.73**	1,411.31
Finished Goods	**3,856.73**	5,024.43
Stores & Spares	**384.83**	411.93
Traded Goods	**205.11**	277.12
	17,066.02	17,932.87

Inventories have been given as securities for the borrowings availed by the Company. Refer to Note No. 2.29.

Inventories as stated above is net of Provision for / (Reversal) of Non / Slow Moving Inventory of ₹ 759.05 Lakhs - Previous year - (₹ 262.38 Lakhs)

Cost of Inventory recognised as an expense

Particulars	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs
Cost of Materials Consumed	**76,158.23**	88,080.33
Cost of Traded Goods Sold	**6,557.79**	7,539.45
Cost of Land held as Stock-in-Trade	—	173.14
Stores and Spares	**152.84**	159.89

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.13. INVESTMENTS

₹ Lakhs

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

No. of Units as on the closing date

in Numbers

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
2.14. TRADE RECEIVABLES				
Unsecured, Considered Good		**17,184.58**		19,521.86
Trade Receivables which have significant increase in credit risk		**—**		—
Trade Receivables - Credit Impaired		**—**		—
Less : Allowance for Expected Credit Loss		**256.62**		337.68
		16,927.96		19,184.18

Trade Receivables have been given as securities for the borrowings availed by the Company. Refer to Note No. 2.29.

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

The company's exposure to credit and currency risk and loss allowances related to Trade Receivables are disclosed in Note No. 2.56.

2.15. CASH AND CASH EQUIVALENTS				
Balances with Banks				
In Current Account	**228.38**		313.39	
In Deposit Account (with original maturity of 3 months or less)	**—**		72.40	
Cash on hand	**4.73**		19.03	
		233.11		404.82

2.16. BANK BALANCES OTHER THAN ABOVE		
Earmarked Balances		
In Unpaid Dividend Account	**101.53**	105.33
In Margin Money Account	**628.43**	120.96
In Deposit Account	**172.71**	—
In Escrow Account	**180.00**	—
Others		
In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)	**174.28**	434.50
	1,256.95	660.79

Notes : -

i. Balances with Banks in Unpaid Dividend Account includes an amount ₹ 21.09 Lakhs (Previous year - ₹ 7.08 Lakhs) which is pending for transfer to Investor Education and Protection Fund as on 31st March 2020. This has since been remitted. (Refer to Note No. 2.31).

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

iii. Earmarked Balances in Deposit accounts has been provided as security towards borrowings availed.

iv. Balances in Escrow Account represent One EMI for repayment of term loan availed from Cholamandalam Investment and Finance Company Limited.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
2.17.LOANS				
Unsecured considered Good				
Loan to Pricol Wiping Systems India Limited		**175.00**		—
		175.00		—

During the year, the Company has granted a Loan of ₹ 175.00 Lakhs at the interest rate of 14% p.a. Out of these, ₹ 70 Lakhs has since been repaid in April 2020. The balance amount of ₹ 105.00 Lakhs is repayable on or before 31st March, 2021 with an option to convert the loan into equity.

Refer to Note No. 2.69.

		31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
2.18. OTHER FINANCIAL ASSETS				
Unsecured Considered Good				
Accrued Income				
Export Incentives		**10.58**		28.24
Interest from Banks		**20.60**		23.94
Receivables from Subsidiaries		**68.69**		225.38
(Refer to Note No. 2.69)				
		99.87		277.56
2.19. OTHER CURRENT ASSETS				
Unsecured Considered Good				
GST Input Credits		**728.29**		820.18
Others				
Advances to Suppliers		**166.15**		207.33
Advances for Expenses		**257.93**		182.47
Prepayments		**225.65**		299.30
Gratuity Fund (Refer to Note No. 2.60)		**154.79**		—
Unsecured Considered Doubtful				
Advances to Suppliers - Credit Impaired	**4.33**		7.90	
Less : Provision for Doubtful Advances	**4.33**		7.90	
		—		—
		1,532.81		1,509.28

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.20. NON-CURRENT INVESTMENTS HELD FOR SALE		
Investments in Equity Instruments, fully paid-up		
In Subsidiaries (at Cost)		
In Equity Shares, unquoted		
a) 3,77,00,716 Equity Shares of Euro 1/- each fully paid-up in Pricol Espana S.L. Spain (Previous year - 2,48,02,741 Equity Shares of Euro 1/- each) (Extent of holding - 100%)	**29,657.60**	19,445.07
b) 8,50,00,000 Equity Shares of ₹ 1/- each fully paid-up in Pricol Wiping Systems India Limited (Previous year - 7,00,00,000 Equity Shares of ₹ 1/- each) (Extent of holding - 100%)	**850.00**	700.00
	30,507.60	20,145.07
Less: Re-classified to Non Current Investments		
a) Pricol Espana S.L. Spain. (Attributable to Investment made in Pricol Wiping Systems Czech s.r.o. through Pricol Espana S.L. Spain) (Extent of holding - 100%)	**686.74**	—
b) 8,50,00,000 Equity Shares of ₹ 1/- each fully paid-up in Pricol Wiping Systems India Limited (Previous year - 7,00,00,000 Equity Shares of ₹ 1/- each) (Extent of holding - 100%)	**850.00**	—
	28,970.86	20,145.07
Less : Provision attributable to disposal of Stepdown subsidiaries in Brazil and Mexico	**28,970.86**	20,067.01
	—	78.06

Particulars	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
Investments in Equity Instruments		
Aggregate amount of quoted investments	**—**	—
Aggregate market value of quoted investments	**—**	—
Aggregate amount of unquoted investments	**28,970.86**	20,145.07
Aggregate amount of impairment in value of investments	**28,970.86**	20,067.01

Refer to Note No. 2.44

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
2.21. NON-CURRENT ASSETS HELD FOR SALE				
(Measured at Fair Value less costs to sell)				
Land and Building	**4,089.27**		4,089.27	
Building under construction	**1,131.58**		1,131.58	
	5,220.85		5,220.85	
Less : Deletion on Disposal	**3,442.91**		—	
Less : Provision for Impairment / (Reversal)	**(1,777.94)**		1,777.94	
		—		3,442.91

During the year the non-current assets held for sale were disposed off for a sale consideration of ₹ 3,510 Lakhs resulting in a loss on disposal of ₹ 1,710.85 Lakhs. The impairment loss amounting to ₹ 1,777.94 Lakhs, provided for in earlier years, has been reversed. The gain (net of impairment provision reversed) amounting to ₹ 67.09 Lakhs has been disclosed under other income.

2.22. EQUITY SHARE CAPITAL

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

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

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

Terms / rights attached to equity shares :

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs

EQUITY SHARE CAPITAL (Contd.,)

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

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

Details of Shares held by Holding Company :

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

Details of Shares issued for consideration other than Cash :

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

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

2.23. OTHER EQUITY

	31-3-2020	31-3-2020	31-3-2019	31-3-2019
Securities Premium				
Balance - Opening / Closing		80,961.56		80,961.56
Surplus / (Deficit) in the Statement of Profit & Loss				
Opening Balance	(17,966.04)		5,969.73	
Add : Profit / (Loss) for the year	(21,287.97)		(22,792.95)	
Less : Payment of Dividend and Dividend Distribution Tax	—		1,142.82	
		(39,254.01)		(17,966.04)
Other Comprehensive Income				
Opening Balance	78.86		47.77	
Add : Addition during the year	191.97		31.09	
		270.83		78.86
		41,978.38		63,074.38

2.24. BORROWINGS

	Non-Current portion		Current Maturities	
	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
Secured Loans at amortised cost :				
Rupee Term Loan From Banks	14,263.00	9,889.67	3,966.67	1,826.67
Rupee Term Loan From Others	6,422.55	—	1,279.94	—
Less : Unamortised portion of Finance Charges	275.46	191.87	147.77	72.59
	20,410.09	9,697.80	5,098.84	1,754.08

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

BORROWINGS (Contd.,)

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

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

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

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

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

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

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

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

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

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

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

a) Land measuring 6.68 acres in Perianaickenpalayam, Coimbatore.

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

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

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

For Current Maturities of Long Term Debt Refer to Note No. 2.31.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.25. OTHER FINANCIAL LIABILITIES			
Lease Liabilities (Refer to Note No. 2.59)		**2,287.46**	1.09
Rental Advance Received		**59.25**	57.24
Derivative Liability (Net)		**380.01**	—
Security Deposits from Customers		**64.98**	57.19
		2,791.70	115.52
2.26. PROVISIONS			
For Central Excise Demands (Refer to Note No. 2.47)		**215.17**	598.89
For Potential Statutory Liabilities (Refer to Note No. 2.47)		**808.00**	549.33
		1,023.17	1,148.22
2.27. DEFERRED TAX LIABILITIES (NET)			
Deferred Tax Liability			
On Fixed Assets		**7,320.62**	6,855.84
On Other temporary differences		**47.73**	92.41
	A	**7,368.35**	6,948.25
Deferred Tax Asset			
On Disallowance under the Income Tax Act		**893.91**	1,287.60
On Unused tax losses		**1,209.10**	139.30
On Other temporary differences		**75.49**	50.41
	B	**2,178.50**	1,477.31
Deferred Tax Liabilities (Net) (Refer to Note No. 2.58)	**A - B**	**5,189.85**	5,470.94
2.28. OTHER NON-CURRENT LIABILITIES			
Deferred Income From Government grants		**12.02**	23.71
		12.02	23.71
2.29. BORROWINGS			
Secured Loans			
Working Capital Facilities from Banks			
- In Rupee		**8,025.62**	9,585.89
Unsecured Loans			
Working Capital Facilities from Banks			
- In Rupee		**794.22**	4,984.90
		8,819.84	14,570.79

Working Capital Facilities from State Bank of India and ICICI Bank are secured by pari-passu first charge on the current assets of the company. Working Capital Facilities are further secured by pari-passu second charge on the specific immovable properties situated at Plant I - Perianaickenpalayam, Coimbatore District, Tamilnadu.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.30. TRADE PAYABLES		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer to Note No. 2.64)	**87.68**	186.45
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	**26,334.80**	20,486.89
	26,422.48	20,673.34

The company's exposure to currency risk related to Trade Payables are disclosed in Note No. 2.56.

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.31. OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (Refer to Note No. 2.24)	**5,098.84**	1,754.08
Lease Liabilities (Refer to Note No. 2.59)	**246.02**	—
Interest accrued and not due on borrowings	**234.32**	87.14
Unpaid Dividend	**80.44**	98.24
Dues to Investor Education and Protection Fund #	**21.09**	7.08
Employee Benefits Payable	**1,614.46**	2,095.37
Derivative Liability (Net)	**57.58**	—
Payable for Expenses	**2,520.50**	1,958.10
	9,873.25	6,000.01

\# Dues to Investor Education and Protection Fund (IEPF) pertaining to unclaimed dividend of Erstwhile Pricol Limited remain unpaid on account of certain technical glitches with MCA portal, as on 31st March 2020. The due date for transferring the amount to IEPF were 17th October, 2018 for ₹ 7.08 Lakhs and 6th October, 2019 for ₹ 14.01 Lakhs. The same has since been remitted on 8th July 2020 and 20th July 2020 respectively.

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.32. OTHER CURRENT LIABILITIES		
Statutory Dues Payable	**316.80**	353.33
Advance from Customers	**602.90**	368.04
	919.70	721.37
2.33. PROVISIONS		
For Employee Benefits :		
- Gratuity (Refer to Note No. 2.60)	**—**	8.99
For Labour Settlement (Refer to Note No. 2.47)	**261.72**	261.72
For Warranty related claims (Refer to Note No. 2.47)	**152.15**	171.95
	413.87	442.66
2.34. LIABILITIES ASSOCIATED WITH NON-CURRENT INVESTMENTS HELD FOR SALE		
Estimated Devolvement on account of Guarantee (Refer to Note No. 2.44)	**—**	3,130.74
	—	3,130.74

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		2019-20 ₹ Lakhs		2018-19 ₹ Lakhs
2.35. REVENUE FROM OPERATIONS				
Sale of Products and Services				
Domestic	**1,04,121.61**		1,20,178.05	
Export	**8,418.29**		7,593.97	
Traded Goods	**1,537.25**		1,786.00	
Service Income	**123.27**		165.99	
		1,14,200.42		1,29,724.01
Disaggregation of Revenue :-				
1. Dashboard Instruments		**60,320.00**		64,690.00
2. Pumps and Mechanical Products		**31,060.00**		36,350.00
3. Switches and Sensors		**12,760.00**		17,850.00
4. Others & Service Income		**10,060.42**		10,834.01
		1,14,200.42		1,29,724.01
2.36. OTHER OPERATING REVENUE				
Sale of Land held as Stock-in-Trade		**—**		1,183.50
Export Incentives		**106.69**		119.87
Sale of Traded Goods - Others		**6,021.43**		6,705.75
		6,128.12		8,009.12
2.37. OTHER INCOME				
Interest Income				
From Banks		**46.56**		39.25
From Loans to Subsidiaries (Refer to Note No. 2.9 and 2.17)		**199.56**		2.13
From other financial assets carried at amortised cost		**12.89**		11.86
On Income Tax Refund		**—**		174.93
Gain on Fair Valuation of Investments at Fair Value through P&L		**27.11**		12.88
Lease Rental Receipts		**209.95**		138.75
Profit on Sale of Property, Plant and Equipment (Net)		**52.99**		43.37
Miscellaneous Income		**149.30**		106.79
Excess Provision no longer required written back #		**483.81**		210.44
Expected Credit Loss written back		**81.06**		105.94
		1,263.23		846.34

\# Excess provision no longer required written back during the current year includes reversal in respect of provisions made in earlier years for disputed indirect tax cases settled under "Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019".

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs
2.38. COST OF MATERIALS CONSUMED		
Materials Consumed (Refer to Note No. 2.53)	**76,158.23**	88,080.33

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		2019-20 ₹ Lakhs		2018-19 ₹ Lakhs
2.39. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS				
Opening Stock				
Work-in-progress	**1,411.31**		1,151.20	
Finished Goods	**5,024.43**		6,045.53	
Traded Goods	**277.12**		264.07	
Land-Stock-in-Trade	**—**		173.14	
		6,712.86		7,633.94
Less : Closing Stock				
Work-in-progress	**927.73**		1,411.31	
Finished Goods	**3,856.73**		5,024.43	
Traded Goods	**205.11**		277.12	
Land-Stock-in-Trade	**—**		—	
		4,989.57		6,712.86
		1,723.29		921.08
2.40. EMPLOYEE BENEFITS EXPENSE				
Pay, Allowances and Bonus	**12,610.71**		14,157.40	
Contribution to Provident and other funds	**789.14**		780.21	
Welfare Expenses	**1,248.11**		1,462.88	
		14,647.96		16,400.49
2.41. FINANCE COSTS				
Interest on Borrowings (Net)	**2,561.88**		1,760.98	
Other Borrowing Costs	**106.50**		35.72	
Interest on Lease Obligations (Refer to Note No. 2.59)	**278.34**		1.50	
Unwinding of interest on financial instruments	**161.73**		10.54	
		3,108.45		1,808.74
2.42. DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation (Refer to Note No. 2.1, 2.2 & 2.4)	**6,545.88**		5,518.98	
Amortisation of Intangibles (Refer to Note No. 2.5 & 2.6)	**2,723.36**		2,500.76	
		9,269.24		8,019.74

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		2019-20 ₹ Lakhs		2018-19 ₹ Lakhs
2.43. OTHER EXPENSES				
Power & Utilities (Net) (Refer to Note No. 2.50)		**1,928.62**		2,204.61
Stores & Spares Consumed		**152.84**		159.89
Repairs and Maintenance :				
- Machinery		**1,459.65**		1,588.45
- Building		**91.26**		132.30
- Others		**145.36**		183.00
Printing & Stationery		**83.21**		106.67
Postage & Telephone		**151.72**		199.73
Lease Expenses		**197.80**		716.30
Rates, Taxes & Licence		**146.71**		316.23
Insurance		**224.99**		225.75
Bank Charges		**84.24**		49.82
Travelling & Conveyance		**567.98**		910.32
Freight & Forwarding		**2,037.64**		2,255.22
Warranty Claims		**645.59**		594.10
Selling Expenses		**559.15**		817.04
Bad Debts / Advances Written off	**24.17**		185.30	
Provision for / (write back of) doubtful debts and advances	**(11.71)**		(160.79)	
		12.46		24.51
Provision for Statutory Liabilities		**348.76**		117.88
Commission / Sitting Fees to Non-Whole Time Directors		**13.35**		8.85
Auditors' Remuneration (Refer to Note No. 2.51)		**64.95**		70.80
Professional Charges		**3,423.11**		3,924.14
Loss on Exchange Fluctuation (Net)		**239.64**		322.63
Assets Discarded / Written Off		**3.42**		94.32
Provision for Impairment Loss - Asset held for Sale		**—**		200.00
Miscellaneous Expenses		**105.38**		161.77
CSR Expenses (Refer to Note No. 2.63)		**110.80**		21.77
		12,798.63		15,406.10

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.44. DISPOSAL OF STEP DOWN SUBSIDIARIES AND RECLASSIFICATION OF NON-CURRENT INVESTMENTS HELD FOR SALE

a) During the previous financial year 2018-19, the Company had taken a considered decision to dispose off its investment in its wholly owned subsidiary Pricol Espana S.L.Spain (Pricol Espana) (along with the step down subsidiaries, Pricol do Brasil Componentes Automotivos LtdA, Brazil (PdB), Pricol Wiping Systems Czech s.r.o, Czech Republic (PWS Czech), Pricol Wiping Systems Mexico S.A. de C.V, Mexico (PWS Mexico)) and Pricol Wiping Systems India Limited (PWS India). The investment in these subsidiaries were classified and presented separately as 'Non Current Investments held for sale' and was carried at the lower of carrying value and estimated realisable value less cost to sell. Consequently, the Company had recognised an Impairment loss of ₹ 20,067.01 Lakhs and an additional provision for expected devolvement of guarantee of ₹ 3,130.74 Lakhs.

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

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

Based on the conclusion of the sale as stated above, the investments in PWS India and Pricol Espana with its Subsidiary PWS Czech do not meet the criteria for 'Non Current Investments Held for Sale' with effect from the transaction date. Hence, in accordance with Ind AS 105 -' Non current Assets held for Sale and Discontinued Operations', the investment in the subsidiaries, PWS India and Pricol Espana have been included in non-current investments in the standalone financial statements as at 31st March, 2020. On reclassification, the investment in subsidiaries, have been remeasured at the lower of (i) carrying amount before the non-current investments was classified as held for sale and (ii) its recoverable amount at the date of its reclassification.

b) In furtherance to the progress of negotiation with the potential buyer and upto the date of Balance Sheet, the Company has made an additional investment of ₹ 10,212.53 Lakhs in Pricol Espana, for which Impairment loss was recognised and charged to Statement of Profit and Loss during the year 2019-20. Considering the negative networth of the subsidiary and its inability to generate positive cash inflows in the foreseeable future, provision for expected credit loss has been recognised for the entire loan amount together with the Interest accrued on the loan.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs
2.45. EXCEPTIONAL ITEMS (NET) :		
Provision in respect of investments made in Subsidiary Pricol Espana S.L. Spain (Refer to Note No. 2.44 (b))	**10,212.53**	19,445.07
(Estimated realisable value) / Reversal on disposal of investments in wholly owned subsidiaries	**78.06**	(78.06)
Provision in respect of Expected Credit Loss in relation to loan (including interest accrued) to Subsidiary, Pricol Espana S.L. Spain (Refer to Note No. 2.9)	**11,762.51**	—
Provision in respect of investments made in Subsidiary, Pricol Wiping Systems India Limited	**150.00**	700.00
	22,203.10	20,067.01
Provision / (Reversal) of devolvement of guarantee on derecognition of Financial Liability on settlement	**(3,130.74)**	3,130.74
	19,072.36	23,197.75
2.46. EARNINGS PER SHARE		
Profit / (Loss) After Tax	**(21,287.97)**	(22,792.95)
Weighted Average No. of Shares Outstanding		
Basic & Diluted (Nos. in Lakhs.)	**947.97**	947.97
Basic / Diluted Earnings per share (in ₹)	**(22.46)**	(24.04)
Face Value per Equity Share (in ₹)	**1.00**	1.00

2.47. PROVISIONS :

₹ Lakhs

Particulars	Non-Current Provisions			Current Provisions			Total Provisions
	Excise Demands	Potential Statutory Liabilities	Total	Labour Settlement	Warranty related claims	Total	
Balance as on 1-4-2018	691.58	431.45	1,123.03	261.72	306.95	568.67	1,691.70
Add : Addition	—	117.88	117.88	—	594.10	594.10	711.98
Less : Utilised / Reversed	92.69	—	92.69	—	729.10	729.10	821.79
Balance as on 31-3-2019	598.89	549.33	1,148.22	261.72	171.95	433.67	1,581.89
Add : Addition	90.10	359.71	449.81	—	645.59	645.59	1,095.40
Less : Utilised / Reversed	473.82	101.04	574.86	—	665.39	665.39	1,240.25
Balance as on 31-3-2020	**215.17**	**808.00**	**1,023.17**	**261.72**	**152.15**	**413.87**	**1,437.04**

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.48. CONTINGENT LIABILITIES AND COMMITMENTS :		
i) CONTINGENT LIABILITIES		
a) On account of Pending Litigations :		
Sales Tax Matters (excluding Interest if any)	—	294.44
(Of which ₹ 9.09 Lakhs has been paid under protest)		
Excise, Service Tax and Customs Matters (excluding Interest and penalty if any)	**1,281.44**	1,113.96
(Of which ₹ 87.76 Lakhs has been paid under protest)		
	1,281.44	1,408.40

b) Labour related Matters

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

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
c) Others :		
Letter of Credit	**930.50**	951.33
Guarantees	**279.63**	390.80
	1,210.13	1,342.13
ii) COMMITMENTS		
Estimated Value of Contracts remaining to be executed on Capital account	**327.72**	1,538.65

2.49. RESEARCH AND DEVELOPMENT EXPENDITURE:	**2019-20 ₹ Lakhs**	2018-19 ₹ Lakhs
Capital	**483.19**	471.50
Revenue	**4,292.87**	4,042.16
	4,776.06	4,513.66

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

2.50. Power & Utilities is net of Wind Power of ₹ 83.20 Lakhs (Previous year - ₹ 65.59 Lakhs) representing units supplied to the grid against which equivalent consumption was made in house.

2.51. PAYMENTS TO AUDITORS (EXCLUSIVE OF GST) :

	2019-20	2018-19
For Audit	**37.50**	37.50
For Taxation Matters	**13.00**	16.00
For Certification & Others*	**12.36**	12.05
For Company Law Matters	—	4.00
Reimbursement of Expenses	**2.09**	1.25
	64.95	70.80

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.53. COST OF MATERIALS CONSUMED :

	2019-20		2018-19	
	₹ Lakhs	**%**	₹ Lakhs	%
Imported	**15,304.00**	**20.10**	18,554.83	21.07
Indigenous	**60,854.23**	**79.90**	69,525.50	78.93
	76,158.23	**100.00**	88,080.33	100.00

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

2.54. AMALGAMATION OF ERSTWHILE PRICOL LIMITED WITH THE COMPANY :

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

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

2.55. FAIR VALUE MEASUREMENTS

i. Financial instruments by category

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

₹ Lakhs

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised Cost	Total Carrying value	Total Fair value
Financial Assets						
Investments	2.8 & 2.13	**470.94**	—	**4,671.90**	**5,142.84**	**5,142.84**
Trade receivables	2.14	—	—	**16,927.96**	**16,927.96**	**16,927.96**
Cash and cash equivalents	2.15	—	—	**233.11**	**233.11**	**233.11**
Other bank balances	2.16	—	—	**1,256.95**	**1,256.95**	**1,256.95**
Other Financial assets including Loans	2.10,2.17 & 2.18	—	—	**874.52**	**874.52**	**874.52**
Financial Liabilities						
Borrowings	2.24, 2.29 & 2.31	—	—	**34,328.77**	**34,328.77**	**34,328.77**
Trade payables	2.30	—	—	**26,422.48**	**26,422.48**	**26,422.48**
Other financial liabilities excluding Current Maturities of Long Term Debt	2.25 & 2.31	—	—	**7,566.11**	**7,566.11**	**7,566.11**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FAIR VALUE MEASUREMENTS (Contd.,)

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

₹ Lakhs

Particulars	Note No.	FVTPL	FVTOCI	Cost / Amortised Cost	Total Carrying value	Total Fair value
Financial Assets						
Investments	2.8 & 2.13	268.82	—	4,671.90	4,940.72	4,940.72
Trade receivables	2.14	—	—	19,184.18	19,184.18	19,184.18
Cash and cash equivalents	2.15	—	—	404.82	404.82	404.82
Other bank balances	2.16	—	—	660.79	660.79	660.79
Other Financial assets including Loans	2.10, 2.17 & 2.18	—	—	903.20	903.20	903.20
Financial Liabilities						
Borrowings	2.24, 2.29 & 2.31	—	—	26,022.67	26,022.67	26,022.67
Trade payables	2.30	—	—	20,673.34	20,673.34	20,673.34
Other financial liabilities excluding Current Maturities of Long Term Debt	2.25 & 2.31	—	—	4,361.45	4,361.45	4,361.45

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

Investments in subsidiaries are carried at cost.

iii. Fair values hierarchy

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

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

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

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

Level 3 : Unobservable inputs for the asset or liability.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FAIR VALUE MEASUREMENTS (Contd.,)

Given below are the fair values based on their hierarchy.

₹ Lakhs

Particulars	Carrying Amount as on 31-3-2020	As at 31-3-2020			Carrying Amount as on 31-3-2019	As at 31-3-2019		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets measured at Fair value through Profit and Loss excluding investment in subsidiaries								
Investments in Mutual Funds	**470.94**	**470.94**	—	—	268.82	268.82	—	—
Financial Assets not measured at Fair value*								
Trade receivables	**16,927.96**	—	—	—	19,184.18	—	—	—
Cash and cash equivalents	**233.11**	—	—	—	404.82	—	—	—
Other bank balances	**1,256.95**	—	—	—	660.79	—	—	—
Others Financial assets	**874.52**	—	—	—	903.20	—	—	—
Financial Liabilities not measured at fair value*								
Borrowings								
- Current	**13,918.68**	—	—	—	16,324.87	—	—	—
- Non-Current	**20,410.09**	—	—	—	9,697.80	—	—	—
Trade payables	**26,422.48**	—	—	—	20,673.34	—	—	—
Other financial liabilities excluding Current Maturities of Long Term Debt	**7,566.11**	—	—	—	4,361.45	—	—	—

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

iv. Measurement of fair values:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.56. FINANCIAL RISK MANAGEMENT

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

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

a. Credit risk

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

Credit risk management

Credit risk rating

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

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

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

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

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Classification of Financial assets among risk categories:

As at 31st March 2020 **₹ Lakhs**

Credit rating	**Particulars**	**Gross Carrying Amount**	**Provision**	**Carrying Amount net of Provision**
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	**55,225.70**	**30,790.32**	**24,435.38**
Moderate credit risk	Nil	—	—	—
High credit risk	Loans	**11,762.51**	**11,762.51**	—

As at 31st March 2019 **₹ Lakhs**

Credit rating	Particulars	Gross Carrying Amount	Provision	Carrying Amount net of Provision
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	46,602.56	20,430.79	26,171.77
Moderate credit risk	Nil	—	—	—
High credit risk	Nil	—	—	—

b. Liquidity risk

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Maturities of financial liabilities:

₹ Lakhs

31-3-2020	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	**8,819.84**	**5,098.84**	**20,410.09**	**—**	**34,328.77**
Trade payables	**—**	**26,422.48**	**—**	**—**	**26,422.48**
Other financial liabilities excluding Current Maturities of Long Term Debt	**—**	**4,899.72**	**1,906.14**	**760.25**	**7,566.11**
Total	**8,819.84**	**36,421.04**	**22,316.23**	**760.25**	**68,317.36**

31-3-2019	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	14,570.79	1,754.08	9,697.80	—	26,022.67
Trade payables	—	20,673.34	—	—	20,673.34
Other financial liabilities excluding Current Maturities of Long Term Debt	—	4,245.93	115.52	—	4,361.45
Total	14,570.79	26,673.35	9,813.32	—	51,057.46

c. Interest rate risk

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

Below is the overall exposure of the borrowings :

Interest rate risk exposure ₹ Lakhs

Particulars	31-3-2020	31-3-2019
Fixed rate borrowing	**—**	—
Variable rate borrowing	**34,328.77**	26,022.67
Total	**34,328.77**	26,022.67

Sensitivity

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

Interest sensitivity ₹ Lakhs

Particulars	2019-20	2018-19
Interest rates - increase / decrease by 100 basis points	**309.49**	178.95

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

d. Financial currency risk

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

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

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

As at 31st March 2020 ₹ Lakhs

Particulars	EURO	GBP	USD	CHF	JPY	OTHER CURRENCIES
Financial Assets	**12,139.48**	**62.82**	**1,668.35**	**—**	**14.82**	**0.05**
Financial Liabilities	**563.88**	**0.89**	**6,555.17**	**79.62**	**761.97**	**1.57**

As at 31st March 2019 ₹ Lakhs

Particulars	EURO	GBP	USD	CHF	JPY	OTHER CURRENCIES
Financial Assets	552.57	50.18	1,681.23	—	15.87	0.07
Financial Liabilities	52.59	—	1,712.35	41.49	802.15	1.91

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

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

₹ Lakhs

Particulars	2019-20	2018-19
Increase / Decrease by 1%	**59.22**	3.11

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

2.57. CAPITAL MANAGEMENT

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

Particulars		**31-3-2020 ₹ Lakhs**	31-3-2019 ₹ Lakhs
Borrowings (long-term and short-term, including current maturities of long term borrowings)		**34,328.77**	26,022.67
Less: Cash and cash equivalents		**233.11**	404.82
Less: Other Bank Balances (Balances with maturity more than 3 months)		**904.24**	660.79
Less: Margin Money against Borrowings		**352.71**	—
Net Debt	**(A)**	**32,838.71**	24,957.06
Equity Share Capital		**947.97**	947.97
Other Equity		**41,978.38**	63,074.38
Total Equity	**(B)**	**42,926.35**	64,022.35
Net Debt to Equity Ratio	**(A) / (B) x 100**	**76.50%**	38.98%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.58. NOTES ON TAXATION :

₹ Lakhs

a. **Income tax expense for the year reconciled to the accounting profit:**	**As at 31-3-2020**	As at 31-3-2019
Profit / (Loss) before Tax	**(21,672.17)**	(22,807.26)
Enacted tax rate in India	**34.944%**	34.944%
Income tax expense	**(7,573.12)**	(7,969.77)
Tax Effect on the following :		
- Weighted Deductions u/s 35(2AB) & 32AC(1A)	**(289.06)**	(252.98)
- Impairment Loss of Non-Current Investments, loans and other Expenses not deductible in determining taxable profits	**7,195.23**	8,289.62
- Others	**282.75**	(81.18)
Tax Expense for the year	**(384.20)**	(14.31)
Effective Income tax rate	**(1.77%)**	(0.06%)

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

b. **Income tax recognised in other comprehensive income**		
Deferred tax		
Remeasurement of defined benefit obligation - (Expense) / Income	**(103.11)**	(16.70)
Total income tax recognised in OCI	**(103.11)**	(16.70)

c. **Statement of Changes in Deferred tax assets / Liabilities**

₹ Lakhs

Particulars	Deferred Tax Liabilities (a)	Deferred Tax Assets (b)			Total (a) - (b)
	On Fixed Assets and others	On Disallowance under the Income Tax Act	On Unused Tax losses	On Other temporary differences	
At 1st April, 2018	6,492.17	966.24	—	57.38	5,468.55
Recognised in Profit and Loss	456.08	338.06	139.30	(6.97)	(14.31)
Recognised in OCI	—	(16.70)	—	—	16.70
At 31st March 2019	6,948.25	1,287.60	139.30	50.41	5,470.94
Recognised in Profit and Loss	420.10	(290.58)	1,069.80	25.08	(384.20)
Recognised in OCI	—	(103.11)	—	—	103.11
At 31st March 2020	**7,368.35**	**893.91**	**1,209.10**	**75.49**	**5,189.85**

₹ Lakhs

Particulars	**As at 31-3-2020**	As at 31-3-2019
Tax Losses		
Tax Losses carried forward (including Capital Losses)	**9,270.02**	4,922.84
Tax Losses for which no deferred tax asset were recognised (including Capital Losses)	**5,809.92**	4,524.21

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

The figures for tax losses disclosed above are based on Income Tax returns filed / provisional computation of tax for the financial year 2019-20 and are subject to change based on Income Tax assessments and appeals. (Refer to Note No. 2.62)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.59. LEASES

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

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

Movement of Lease Liability

₹ Lakhs

Particulars	31-3-2020
Opening Balance	1.09
Additions during the year	2,732.28
Repayments during the year	199.89
Closing Balance	2,533.48
Current	246.02
Non Current	2,287.46

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

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

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

₹ Lakhs

Particulars	2019-20
Depreciation expense of Right of Use Assets	400.92
Interest Expense on Lease Liabilities	278.06
Expense relating to Short Term Lease Liabilities	170.38
Expense relating to Lease of Low Value Assets	27.42
Income from Right of Use	2.49

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.60. EMPLOYEE BENEFITS

Defined contribution plan

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

₹ **Lakhs**

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

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

Defined Benefit Plan

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

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

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

₹ **Lakhs**

Particulars	Gratuity (Funded)	
	2019-20	2018-19
i) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the year	**3,007.44**	2,984.47
Current Service Cost	**217.24**	180.20
Interest Cost	**212.92**	214.43
Remeasurements		
Effect of changes in demographic assumptions	**—**	—
Effect of changes in financial assumptions	**(312.00)**	23.60
Effect of experience adjustments	**1.78**	(91.54)
Benefits Paid	**(314.21)**	(303.72)
Transfer of obligation due to Transfer of Employees to Group Entities - Refer to Note No.2.69 (iv)	**153.27**	—
Defined Benefit Obligation at year end	**2,966.44**	3,007.44
- Non-current	**2,851.69**	2,826.47
- Current	**114.75**	180.97

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

₹ Lakhs

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

v) Investment Details :

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

vi) Actuarial assumptions

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

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

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

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

viii) Sensitivity Analysis

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

₹ Lakhs

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

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

Name of the Risk and its Description

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Disclosure relating to KMPs: **₹ Lakhs**

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Expense towards defined benefit plan for Key Management Personnel	**36.55**	37.66

2.61. SEGMENT REPORTING :

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

2.62. Income Tax Assessments are completed upto Assessment Year 2016-17. The Company has preferred appeals against certain disallowances made in the assessments. In the opinion of the Company the provision for taxation available in the books of accounts is adequate.

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

The Management has evaluated the MAT Credit Entitlement. Based on the availability and sunset clause in respect of certain deductions available under the Income Tax Act, the Management is of the view that the carrying value of MAT Credit will be utilised in subsequent years.

2.63. CSR EXPENDITURE :

₹ Lakhs

Particulars	**2019-20**	2018-19
i) Gross amount required to be spent by the Company during the year	**107.57**	108.30
ii) Amount spent during the year	**110.80**	21.77

For the year 2019 - 20

Particulars	Incurred	Yet to be incurred	Total
a) Construction / acquisition of any asset	—	—	—
b) On other purpose other than (a) above	**110.80**	—	**110.80**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

₹ Lakhs

Particulars	As at 31-3-2020	As at 31-3-2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in:		
- Principal amount due to micro and small enterprises	**87.68**	186.45
- Interest due on above	**—**	—
Total	**87.68**	186.45
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.	**—**	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	**—**	—
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**—**	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	**—**	—

The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have confirmed.

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

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

2.67. All figures are in Lakhs unless otherwise stated.

2.68. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

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

1. Enterprises where control exists :

Subsidiary Companies :

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

Step Down Subsidiaries :

Pricol Do Brasil Componentes Automotivos LtdA, Brazil
- Subsidiary of Pricol Espana Sociedad Limitada (till 11th February 2020)
Pricol Wiping Systems Czech s.r.o, Czech Republic
-Subsidiary of Pricol Espana Sociedad Limitada
Pricol Wiping Systems Mexico S.A.de C.V, Mexico
- Subsidiary of Pricol Espana Sociedad Limitada (till 11th February 2020)
PT Sripri Wiring Systems, Indonesia
- Subsidiary of PT Pricol Surya Indonesia

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

(a) Partnership firms under common control : Bhavani Global Enterprises, Libra Industries

(b) Private Companies : Pricol Gourmet Private Limited, Pricol Travel Private Limited, Pricol Logistics Private Limited, Infusion Hospitality Private Limited.

(c) Public Companies : Pricol Holdings Limited, PPL Enterprises Limited, Pricol Properties Limited, Pricol Engineering Industries Limited, Pricol Corporate Services Limited, Target Manpower Services Limited, Pricol Retreats Limited, Prinfra Limited.

(d) Trusts under common control : N D Foundation, Siruthuli

(e) Key Management Personnel :

Mrs.Vanitha Mohan - (Chairman - Executive Director)
Mr.Vikram Mohan - (Managing Director - Executive Director)
Mr.R Vidhya Shankar - (Non Executive Director)
Mr.Suresh Jagannathan - (Non Executive Director)
Mrs. Sriya Chari - (Non Executive Director)
Mr. S.K. Sundararaman - (Non Executive Director)
Mr. K. Ilango - (Non Executive Director) - from 15th June 2019
Mr. P. Shanmugasundaram - (Non Executive Director) - from 15th June 2019
Mr. Balaji Chinnappan - (Chief Operating Officer - Executive Director) - from 15th June 2019
Mr.G.Soundararajan - (Non Executive Director) - upto 31st July 2019
Mr.G.Sundararaman - (President) - upto 30th April 2018

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

ii) Related party transactions:

₹ Lakhs

Nature of Transaction	Subsidiary & Step Down Subsidiary Companies		Key Management Personnel and their Relatives		Others	
	2019-20	2018-19	**2019-20**	2018-19	**2019-20**	2018-19
Transactions during the year						
Purchase / Labour Charges	**19,179.70**	22,107.87	**—**	—	**2,009.03**	2,668.14
Purchase of Fixed Assets	**—**	—	**—**	—	**862.47**	—
Sale of Fixed Assets	**—**	—			**1.01**	—
Sales / Job Work Charges	**637.81**	480.30	**—**	—	**218.46**	345.04
Receiving of Services / Reimbursement of Expenses Paid	**—**	3.08	**373.11**	257.16	**6,499.37**	7,081.78
Rendering of Services / Reimbursement of Expenses Received	**16.20**	440.95	**—**	—	**353.31**	323.86
Donation / CSR Expenses	**—**	—	**—**	—	**—**	20.00
Interest Received	**199.56**	2.13	**—**	—	**—**	—
Loans and Advances :					**—**	
a. Loans and advances given	**11,760.41**	200.00	**—**	—	**—**	163.98
b. Loans and advances repaid / Converted into Equity	**—**	200.00	**—**	—	**—**	—
Investments:						—
a. Made during the year	**10,362.53**	9,293.52	**—**	—	**—**	—
b. Disposed during the year	**—**	—	**—**	—	**—**	—
Provisions:						
a. Provision for Loans and advances & Interest thereon	**11,762.51**	—	**—**	—	**—**	—
b. Provision for Impairment of Investments	**10,440.59**	20,067.01	**—**	—	**—**	—
Guarantees:						—
a. Made during the year	**6,030.87**	—	**—**	—	**—**	—
b. Adjustment on Exchange Fluctuation	**502.64**	834.94	**—**		**—**	—
c. Released during the year	**18,593.25**	—	**—**	—	**—**	—

iii) Amount outstanding as at the balance sheet date :

₹ Lakhs

Nature of Transaction	Subsidiary & Step Down Subsidiary Companies		Key Management Personnel and their Relatives		Others	
	31-3-2020	31-3-2019	**31-3-2020**	31-3-2019	**31-3-2020**	31-3-2019
Trade Receivables and Other Receivables	**538.22**	410.66	**—**	—	**298.76**	1,095.94
Trade Payables and Other Payables	**3,899.28**	1,706.96	**64.11**	—	**1,141.49**	744.46
Investments	**35,179.50**	24,816.97	**—**	—	**—**	—
Loans	**11,760.41**	—	**—**	—	**—**	—
Interest Receivable	**177.10**	—	**—**	—	**—**	—
Provision for Loans and advances & Interest thereon	**11,762.51**	—	**—**	—	**—**	—
Provision for Impairment of Investments	**30,507.60**	20,067.01	**—**	—	**—**	—
Guarantees	**16,987.53**	29,047.28	**—**	—	**—**	—

iv) During the year, 248 employees have been transferred from Pricol Corporate Services Limited to Pricol Limited, where in the entitlements like salary, other benefits and terms and conditions of the employment of the transferred remains the same.

v) During the year, the company has taken a loan from Cholamandalam Investment and Finance Company Limited, for which the following securities were given by related parties

a. Specific immovable properties of certain promoters and promoter's companies.

b. Personal Guarantee of Chairman, Managing Director and his Relative.

c. Corporate Guarantee from Pricol Holdings Limited and Pricol Retreats Limited.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

Name of the Company	Currency	As at 31-3-2020		As at 31-3-2019		Purpose
		Foreign Currency in Lakhs	₹ Lakhs	Foreign Currency in Lakhs	₹ Lakhs	
Pricol Espana S.L. Spain #	USD	—	—	268.80	18,593.25	Term Loan / Working Capital
PT Pricol Surya Indonesia	USD	30.00	2,100.00	30.00	2,100.00	Term Loan / Working Capital
Pricol do Brasil (subsidiary of Pricol Espana S.L. Spain)	Euro	94.00	7,806.66	94.00	7,304.03	Term Loan / Working Capital
Pricol Wiping Systems India Limited	INR	—	1,050.00	—	1,050.00	Term Loan / Working Capital
Pricol Asia Pte Limited, Singapore @	USD	80.00	6,030.87	—	—	Guarantee to overseas suppliers for payment by Pricol Asia Pte Limited, to the supplier

Necessary applications for closure of guarantee of ₹ 18,593.25 Lakhs are yet to be filed with Reserve Bank of India.

@ Necessary applications for reporting the guarantee of ₹ 6,030.87 Lakhs are yet to be filed with Reserve Bank of India.

2.71. DISCLOSURE AS REQUIRED UNDER REGULATION 34 (3) OF SEBI LODR :

As at 31st March 2020 **₹ Lakhs**

Name of the Company	Status	Outstanding Amount Loan / Advance	Maximum Loan / Advance outstanding during the year	Investment in shares of the Company / maximum outstanding	Direct investment in shares of subsidiaries by the Company
Pricol Espana S.L. Spain	Subsidiary	11,585.41	11,585.41	—	29,657.60
PT Pricol Surya Indonesia	Subsidiary	—	—	—	4,521.52
Pricol Asia Pte Limited, Singapore	Subsidiary	—	—	—	150.38
Pricol Wiping Systems India Limited	Subsidiary	175.00	175.00	—	850.00

As at 31st March 2019 ₹ Lakhs

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

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

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

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

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

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To The Members of Pricol Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to:

a) Note No. 2.42 of the Consolidated Financial Statement regarding the re-presentation of the working results of certain subsidiaries from "Discontinued Operations" to "Continuing Operations" and the reclassification of assets and liabilities which were hitherto classified as "Disposal Group".

b) Note No. 2.58 of the Consolidated Financial Statement wherein the component auditors of certain subsidiaries have drawn attention in their auditor's report on the material uncertainty that casts significant doubt on the ability of these subsidiaries to continue as a going concern.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

S.No.	Key Audit Matters	How our audit addressed the Key Audit Matter

1	**Adoption of Ind AS 116 - Leases:**
	Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.
	The Group has adopted Ind AS 116 with effect from 1st April 2019 using the modified retrospective approach wherein the ROU was created with a corresponding lease liability. Accordingly, the comparatives have not been retrospectively adjusted.
	Lease arrangements in the Group which were previously classified as operating leases under Ind AS 17 'Leases' and held off balance sheet will need to be recognized within assets and liabilities under Ind AS 116.
	Significant judgements are required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease term, determination of applicable incremental borrowing rate, among others.
	Additionally, there is a risk the lease data which is underlying the Ind AS 116 computation is incomplete and inaccurate.
	As at 31st March 2020, the carrying amount of ROU asset was ₹ 4,226.76 Lakhs and lease liability was ₹ 2,533.48 Lakhs – Refer Note 2.2 on Right of Use Asset, Note 2.22 and Note 2.28 on Other Financial Liabilities to the Consolidated Ind AS financial statements.
		Our audit procedures with respect to adoption of Ind AS 116 include:
		• We assessed the selection of accounting policies and practical expedients applied by the Group. We evaluated the design and implementation of key controls in respect of the lease accounting standard (Ind AS 116);
		• Assessed the Group's evaluation on the identification of leases based on the contractual agreements and our understanding of the business;
		• Assessed the key terms and conditions of each lease with the underlying lease contracts;
		• Evaluated the reasonableness of the discount rates applied in determining the lease liabilities;
		• Upon transition as at 1 April 2019:
		  • Evaluated the method of transition and related adjustments;
		  • Tested completeness of the lease data used in computing ROU asset and the lease liabilities.
		• Assessed and tested the presentation and disclosures relating to Ind AS 116.

2	**Provisions for pending legal cases:** As at March 31, 2020 the Group has a provision of ₹ 697.48 Lakhs as against various outstanding litigations of ₹ 3,974.89 Lakhs. These provisions are estimated using a significant degree of management judgement.	Assessing the adequacy of provisions by discussing with the management and reviewing correspondence with the respective authorities; Relying on judicial pronouncements; Obtaining views from the Group's external legal advisors regarding the likely outcome, magnitude and exposure to the relevant litigations and claims.

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

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

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

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

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

on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the state of affairs, profit or loss (including other comprehensive income), changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

In preparing the consolidated financial statements, the respective Management and Board of Directors included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibility for the audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (1 & 2) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

Other Matters

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;

c. The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Group, and the operating effectiveness of such controls, we give our separate Report in the "**Annexure**".

g. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act;

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company and its subsidiary company incorporated in India, to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 2.46 to the consolidated financial statements;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 2.51 to the consolidated financial statements in respect of such items as it relates to the Group;

(iii) Dues of ₹ 7.08 Lakhs and ₹14.01 Lakhs to Investor Education and Protection Fund (IEPF) pertaining to FY 2010-11 and FY 2011-12 respectively of Holding Company, have remained unpaid as on 31st March 2020 on account of certain technical glitches with MCA portal. The due dates for transferring the said amounts to IEPF were October 17, 2018 and October 06, 2019. The same has since been remitted on July 08, 2020 and July 20, 2020 respectively.

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

V S Srinivasan
Partner
Membership No. : 13729
UDIN: 20013729AAAACU2865

Coimbatore
29th July 2020

ANNEXURE TO INDEPENDENT AUDITOR’S REPORT

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Group, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

V S Srinivasan
Partner
Membership No. : 13729
UDIN: 20013729AAAACU2865

Coimbatore
29th July 2020

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

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

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

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

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

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

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

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

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

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

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

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

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

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

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

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

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

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

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

a) **Equity Share Capital**

	₹ Lakhs
Balance as on 1st April 2018	947.97
Movement during the year 2018-19	—
Balance as on 31st March 2019	947.97
Movement during the year 2019-20	—
Balance as on 31st March 2020	**947.97**

₹ Lakhs

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

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

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

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

₹ Lakhs

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

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

₹ Lakhs

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

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

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

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
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K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

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

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

1. SIGNIFICANT ACCOUNTING POLICIES

i. Corporate Information:

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

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

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

iii. Basis of Preparation:

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

The Financial Statements have been prepared & presented on the historical cost convention and on accrual basis, except for following material items mentioned in the Balance Sheet:

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on the basis stated above and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use under Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair

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

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

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

iv. Use of Estimates:

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

v. Current versus non-current classification :

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

An asset is classified as current, when:

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

All other assets are classified as non-current.

A liability is classified as current, when:

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

The entity classifies all other liabilities as non-current.

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

vi. Principles of Consolidation:

The consolidated financial statements comprise the financial statements of the Parent and its subsidiaries including step-down subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this

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

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

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

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

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

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

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

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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

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

vii. Foreign currency transactions :

Functional and presentation currency

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

a. Initial recognition

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

b. Conversion

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

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

c. Foreign Operations

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

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

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

viii. Revenue Recognition :

a.Sale of goods

Revenue from customers is recognised when the Group satisfies performance obligation by transferring promised goods or services to the customers. Revenue is measured based on transaction price, which is the fair value of the consideration received / receivable net of returns and allowances, trade discounts and GST.

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

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

b. Dividend

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

c. Interest Income

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

d. Claims

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

ix. Property, Plant and Equipment & Depreciation:

Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in the production or supply of goods or services, for rental to

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

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

Depreciation on PPE are provided under straight line method so as to expense the depreciable amount ie., cost less estimated value, over its estimated useful lives as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except for the certain asset class such as leasehold improvements which are amortised as depreciation over the lower of useful life or lease period and Dies, Tools and Moulds which are depreciated over a period of 3 years.

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

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

Class of Assets	Useful Lives
Buildings	20 to 30 years
Improvement to Leasehold Buildings	Useful life or lease period whichever is lower
Plant & Equipments	7.5 to 8 years
Furniture & Fixtures	10 years
Vehicles	8 years
Office Equipments	4 to 5 years
Dies, Tools and Moulds	3 years
Computer Equipments - Servers and Networks	6 years
- End User Devices	3 years
Spares	1 to 3 years

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

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

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

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SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

x. Investment property:

Investment property is a property held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

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

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

Class of Assets	Useful Lives
Buildings	30 Years

xi. Intangible assets and amortisation:

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

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

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

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

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

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

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

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

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

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Assets and liabilities classified as held for sale / distribution are presented separately in the balance sheet. Property, plant and equipment and intangible assets once classified as held for sale / distribution to owners are not depreciated or amortised. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss before tax from discontinued operations in the Consolidated Statement of Profit and Loss.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Reclassification

When the Group has classified an asset (or disposal group) as held for sale, but the criteria for the same are no longer met, the Group shall cease to classify the asset (or disposal group) as held for sale. The Group measures the non-current asset (or disposal group) at the lower of carrying amount before the non-current asset and Disposal Group was classified as held for sale and its recoverable amount at the date when the Disposal Group no longer meets the "Held for sale" criteria. Financial statements for the periods since classification as held for sale shall be amended if the disposal group or non-current asset that ceases to be classified as held for sale.

xiii. Impairment of Non-Financial assets:

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

xiv. Impairment of Financial assets:

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

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xv. Fair value measurement :

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

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

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

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

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

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

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

xvi. Financial Instruments:

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

a. Financial Assets

Initial recognition and measurement

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

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI);
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

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Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instruments at FVTOCI :

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

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

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

Debt instruments at FVTPL:

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

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

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

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

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

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

De-recognition of Financial Assets:

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

b. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- **Loans and borrowings**

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

- **Trade and other payables**

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

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

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

De-recognition of Financial Liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of Financial Instruments

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

xvii. Borrowing costs:

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

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xviii. Cash and cash equivalents:

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

xix. Employee benefits :

a. Short Term and other long term employee benefits:

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

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

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

b. Post-Employment Benefits :

i. Defined Contribution Plans

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

ii. Defined Benefit Plans

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

xx. Provisions:

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

xxi. Contingent Liabilities:

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

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

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xxii. Earnings Per Share:

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

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

xxiii. Government Grants:

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

xxiv. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. Current IncomeTax :

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

b. Deferred Tax :

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

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

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

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

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

c. Minimum Alternate Tax:

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

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

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xxv. Inventories:

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

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

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

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

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

xxvi. Leases :

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

a. The Group as a lessee:

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

i) the contract involves the use of an identified asset

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

iii) the Group has the right to direct the use of the asset.

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

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

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

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

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

Upto 31.3.2019:

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

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

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

Transition:

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

b. The Group as a Lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Wherever the terms of the lease transfers substantially all the risks and ownership to the lessee, the contact is classified as finance lease. All other leases are classified as operating lease. The Application of IND AS 116 did not have any implication as a Lessor.

xxvii. Business Combination:

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

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

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

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

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

xxviii. Financial Guarantee Contracts:

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

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

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

Significant accounting Judgments, estimates and assumptions:

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

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

a. Recognition of deferred tax assets:

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

b. Provision and contingent liability:

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

c. Useful lives of depreciable assets:

Management reviews the useful lives of depreciable assets at each reporting period . As at March 31, 2020 management assessed that the useful lives represent the expected utility of the assets to the Group. Further, there is no significant change in the useful lives as compared to previous year.

d. Evaluation of indicators for impairment of assets:

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

e. Defined benefit obligation:

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

f. Fair value measurements:

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

g. Allowances for uncollected accounts receivable and advances :

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

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

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

h. Leases:

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

Recent accounting pronouncements on Standards Issued or modified:

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

- Ind AS-1, Presentation of Financial Statements and Ind AS-8, Accounting Policies, Changes in Accounting Estimates and Error: Refined the definition of term 'material' and related clarifications. Consequential amendments to other standards have been made based on the refined definition of material in Ind AS-10, Events after the Reporting Period, Ind AS-34,Interim Financial Reporting and Ind AS-37,Provisions, Contingent liabilities and Contingent Assets.
- Ind AS-103, Business Combinations: Revised definition of a 'business' and introduction of an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business
- Ind AS-109, Financial Instruments: Modification to some specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by the Interest Rate Benchmark Reform (IBOR).
- Ind AS-116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.1. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ Lakhs

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

₹ Lakhs

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

Net Carrying Value

₹ Lakhs

Particulars	Land	Leasehold Land	Buildings	Improve-ments to Leasehold Buildings	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 31st March, 2019	9,220.41	869.78	13,296.53	270.55	16,873.22	590.37	142.46	45.62	1,177.42	42,486.36
As at 31st March, 2020	**9,368.79**	**—**	**13,482.35**	**429.07**	**19,228.33**	**517.88**	**106.62**	**37.71**	**788.70**	**43,959.45**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.2. RIGHT OF USE

₹ Lakhs

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

Accumulated Depreciation

₹ Lakhs

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

Net Carrying Value

₹ Lakhs

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

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

2.3. CAPITAL WORK-IN-PROGRESS

₹ Lakhs

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.4. INVESTMENT PROPERTY

₹ Lakhs

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

Accumulated Depreciation

₹ Lakhs

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

Net Carrying Value

₹ Lakhs

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

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

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

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

₹ Lakhs

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.5. GOODWILL

₹ Lakhs

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

Accumulated Amortisation

₹ Lakhs

As at 1st April, 2018	3,558.87	—	3,558.87
Amortisation for the year 2018-19	993.40	—	993.40
Withdrawn during the year 2018-19	—	—	—
Impairment during the year 2018-19	—	5,730.25	5,730.25
As at 31st March, 2019	4,552.27	5,730.25	10,282.52
Amortisation for the year 2019-20	**993.40**	**—**	**993.40**
Withdrawn during the year 2019-20	—	—	—
As at 31st March, 2020	**5,545.67**	**5,730.25**	**11,275.92**

Net Carrying Value

₹ Lakhs

As at 31st March, 2019	10,927.40	—	10,927.40
As at 31st March, 2020	**9,934.00**	**—**	**9,934.00**

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

₹ Lakhs

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.6. OTHER INTANGIBLE ASSETS

₹ Lakhs

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total
Gross Carrying Value					
As at 1st April, 2018	2,443.79	510.82	5,103.21	14,116.00	22,173.82
Additions during 2018-19	376.46	1,087.05	(0.09)	—	1,463.42
Deletions during 2018-19	—	—	—	—	—
Other Adjustments	(1.74)	—	—	—	(1.74)
Reclassification to 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	(1,285.81)	—	(170.22)	—	(1,456.03)
Translation Adjustment	(105.44)	—	(18.89)	—	(124.33)
As at 31st March, 2019	1,427.26	1,597.87	4,914.01	14,116.00	22,055.14
Additions during 2019-20	319.54	—	—	—	319.54
Deletions during 2019-20	—	—	—	—	—
Reclassification from 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	324.04	—	—	—	324.04
Translation Adjustment	1.84	—	—	—	1.84
As at 31st March, 2020	**2,072.68**	**1,597.87**	**4,914.01**	**14,116.00**	**22,700.56**

Accumulated Amortisation

₹ Lakhs

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Total
As at 1st April, 2018	1,118.07	505.14	1,072.46	2,823.21	5,518.88
Amortisation for the year 2018-19	458.68	47.75	336.58	941.07	1,784.08
Other Adjustments	0.21	—	—	—	0.21
Withdrawn during the year 2018-19	59.90	—	1.01	—	60.91
Reclassification to assets 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	(499.76)	—	(88.25)	—	(588.01)
Translation Adjustment	(36.24)	—	(9.38)	—	(45.62)
As at 31st March, 2019	981.06	552.89	1,310.40	3,764.28	6,608.63
Amortisation for the year 2019-20	**305.98**	**271.76**	**327.60**	**941.07**	**1,846.41**
Withdrawn during the year 2019-20	—	—	—	—	—
Reclassification from 'Assets held for sale as part of disposal group' (Refer to Note No. 2.18)	190.19	—	—	—	190.19
Translation Adjustment	1.32	—	—	—	1.32
As at 31st March, 2020	**1,478.55**	**824.65**	**1,638.00**	**4,705.35**	**8,646.55**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

OTHER INTANGIBLE ASSETS (Contd.,)

Net Carrying Value

₹ Lakhs

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

2.7. INTANGIBLE ASSETS UNDER DEVELOPMENT

₹ Lakhs

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

			31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
2.8.	**OTHER FINANCIAL ASSETS**				
	Unsecured Considered good				
	Security Deposits		**606.53**		625.64
	Unsecured Considered Doubtful				
	Security Deposits - Credit Impaired	**26.10**		26.10	
	Less : Allowance for Doubtful Deposits	**26.10**		26.10	
			—		—
			606.53		625.64
2.9.	**OTHER NON-CURRENT ASSETS**				
	Unsecured Considered good				
	Capital Advances		**186.17**		1,293.38
	Others				
	Advance Tax, Net of Provision		**465.76**		304.80
	MAT Credit Entitlement		**5,453.15**		5,453.15
	Deposits and Prepayments		**113.49**		192.51
	Unsecured Considered Doubtful				
	Capital Advances - Credit Impaired	**3.26**		10.27	
	Other Deposits #	**86.43**		102.23	
		89.69		112.50	
	Less : Provision for Doubtful Advances	**89.69**		112.50	
			—		—
			6,218.57		7,243.84

Other Deposits represent amount paid under protest / disputed dues

		31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.10.	**INVENTORIES** **(Valued at Lower of Cost and Net Realisable Value)**		
	Raw Materials & Components	**12,251.23**	9,872.97
	Goods-in-Transit - Raw Materials & Components	**3,664.39**	1,177.89
	Work-in-progress	**2,068.44**	1,446.58
	Finished Goods	**5,026.59**	5,062.47
	Stores & Spares	**396.40**	411.93
	Traded Goods	**205.11**	277.12
		23,612.16	18,248.96

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

INVENTORIES (Contd.,)

Cost of Inventory recognised as an expense

₹ Lakhs

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

2.11. INVESTMENTS

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

No. of Units as on the closing date

in Numbers

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

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

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

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

2.13. CASH AND CASH EQUIVALENTS				
Balances with Banks				
In Current Account	**938.60**		3,802.26	
In Deposit Account (with original maturity of 3 months or less)	**—**		72.40	
Cash on hand	**7.93**		21.31	
		946.53		3,895.97

	31-3-2020	31-3-2019
2.14. BANK BALANCES OTHER THAN ABOVE		
Earmarked Balances		
In Unpaid Dividend Account	**101.53**	105.33
In Margin Money Account	**628.43**	120.96
In Deposit	**172.71**	—
In Escrow Account	**180.00**	—
Others		
In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)	**2,391.41**	1,730.35
	3,474.08	1,956.64

Notes : -

i. Balances with Banks in Unpaid Dividend Account includes an amount ₹ 21.09 Lakhs (Previous year - ₹ 7.08 Lakhs) which is pending for transfer to Investor Education and Protection Fund as on 31st March 2020. This has since been remitted. (Refer to Note No. 2.28).

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

iii. Earmarked Balances in Deposit accounts has been provided as security towards borrowings availed.

iv. Balances in Escrow Account represent One EMI for repayment of term loan availed from Cholamandalam Investment and Finance Company Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
2.15. OTHER FINANCIAL ASSETS				
Unsecured Considered Good				
Accrued Income				
Export Incentives		**10.58**		28.24
Interest from Banks		**37.58**		23.94
		48.16		52.18
2.16. OTHER CURRENT ASSETS				
Unsecured Considered Good				
GST Input Credits		**1,527.40**		1,288.67
Others				
Advances to Suppliers		**235.80**		248.50
Advances for Expenses		**289.36**		208.62
Prepayments		**430.71**		324.70
Gratuity Fund (Refer to Note No.2.50)		**158.43**		—
Unsecured Considered Doubtful				
Advances to Suppliers - Credit Impaired	**15.57**		7.90	
Less : Provision for Doubtful Advances	**15.57**		7.90	
		—		—
		2,641.70		2,070.49
2.17. NON CURRENT ASSETS HELD FOR SALE				
(Measured at Fair Value less costs to sell)				
Land and Building	**4,089.27**		4,089.27	
Building under construction	**1,131.58**		1,131.58	
	5,220.85		5,220.85	
Less : Deletion on Disposal	**3,442.91**		—	
Less : Provision for Impairment / (Reversal)	**(1,777.94)**		1,777.94	
		—		3,442.91

During the year the non current assets held for sale were disposed off for a sale consideration of ₹ 3,510 Lakhs resulting in a loss on disposal of ₹ 1,710.85 Lakhs. The impairment loss amounting to ₹ 1,777.94 Lakhs, provided for in earlier years, has been reversed. The gain (net of impairment provision reversed) amounting to ₹ 67.09 Lakhs has been disclosed under other income.

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.18. ASSETS PERTAINING TO DISPOSAL GROUP		
(Refer to Note No. 2.42)		
Property, Plant and Equipment (including Capital work-in-progress)	—	7,540.53
Other Non Current Assets	—	6,378.87
Inventories	—	7,423.30
Trade Receivables	—	6,097.38
Other Current Assets	—	4,284.67
	—	31,724.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

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

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

Terms / rights attached to equity shares :

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

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

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

Details of Shares held by Holding Company :

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

Details of Shares issued for consideration other than Cash :

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		31-3-2020 ₹ Lakhs		31-3-2019 ₹ Lakhs
2.20. OTHER EQUITY				
Securities Premium				
Balance - Opening / Closing		**80,961.56**		80,961.56
Capital Reserve				
Opening Balance	**3,048.57**		2,605.89	
Add : Addition / Adjustments during the year	**—**		442.68	
Less : Adjustment on account of disposal of Stepdown subsidiaries	**2,221.24**		—	
		827.33		3,048.57
Surplus / (Deficit) in the Statement of Profit & Loss				
Opening Balance	**(35,131.12)**		(16,602.30)	
Add : Profit / (Loss) for the year	**(9,875.43)**		(17,386.00)	
Add : Adjustment on account of disposal of Stepdown subsidiaries	**2,221.24**		—	
Less : Payment of Dividend including Dividend Distribution Tax	**—**		1,142.82	
		(42,785.31)		(35,131.12)
Other Comprehensive Income				
i) Foreign Exchange Translation Reserve Gain / (Loss)				
Opening Balance	**4.38**		(1,405.01)	
Add : Addition / Adjustments during the year (Net)	**(544.31)**		1,409.39	
		(539.93)		4.38
ii) Remeasurement of post employment benefit obligations				
Opening Balance	**109.69**		52.32	
Add : Addition / Adjustments during the year	**218.25**		57.37	
		327.94		109.69
		38,791.59		48,993.08

2.21. BORROWINGS

	Non-Current portion		Current Maturities	
	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs	**31-3-2020 ₹ Lakhs**	31-3-2019 ₹ Lakhs
Secured Loans at amortised cost :				
Rupee Term Loan From Banks	**14,263.00**	9,889.67	**4,224.17**	1,826.67
Rupee Term Loan From Others	**6,422.55**	—	**1,279.94**	—
Foreign Currency Term Loan from Banks	**3,420.27**	—	**645.74**	—
Less : Unamortised portion of Finance Charges	**275.46**	191.87	**147.77**	72.59
	23,830.36	9,697.80	**6,002.08**	1,754.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

BORROWINGS (Contd.,)

₹ Lakhs

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

BORROWINGS (Contd.,)

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

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

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

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

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

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

Note 6 :
a) Exclusive charge on equitable mortgage of specific immovable properties of the Company situated at Billichi Village, Narasimhanaickenpalayam Village Poochiyur, Tea Estate Compound Race Course, Commercial Flats at Avinashi Road and Land & Building at Karamadai (Charge yet to be created) all situated in Coimbatore District, Tamilnadu.
b) Exclusive charge on specific immovable properties of certain promoters and promoter's companies. Personal Guarantee of Chairman, Managing Director and his Relative. Corporate Guarantee from Pricol Holdings Limited and Pricol Retreats Limited.
c) Exclusive charge on specific Plant and Machineries installed in various plants of the Company.

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

a) Land measuring 6.68 acres in Perianaickenpalayam, Coimbatore.

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

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.27. TRADE PAYABLES		
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	**122.80**	186.45
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	**31,991.74**	21,678.50
	32,114.54	21,864.95

The Group's exposure to currency risk related to Trade Payables are disclosed in Note No. 2.49.

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.28. OTHER FINANCIAL LIABILITIES		
Current Maturities of Long Term Debt (Refer to Note No. 2.21)	**6,002.08**	1,754.08
Lease Liabilities (Refer to Note No. 2.54)	**246.02**	—
Interest accrued and not due on borrowings	**234.32**	87.14
Unpaid Dividend	**80.44**	98.24
Dues to Investor Education and Protection Fund #	**21.09**	7.08
Employee Benefits Payable	**1,810.75**	2,119.29
Derivative Liability (Net)	**57.58**	—
Payable for Expenses	**4,320.10**	2,317.36
	12,772.38	6,383.19

\# Dues to Investor Education and Protection Fund (IEPF) pertaining to unclaimed dividend of Erstwhile Pricol Limited remain unpaid on account of certain technical glitches with MCA portal, as on 31st March 2020. The due date for transferring the amounts to IEPF were 17th October, 2018 for ₹ 7.08 Lakhs and 6th October, 2019 for ₹ 14.01 Lakhs. The same has since been remitted on 8th July 2020 and 20th July 2020 respectively.

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
2.29. OTHER CURRENT LIABILITIES		
Statutory Dues Payable	**523.97**	353.33
Advance from Customers	**825.56**	368.04
	1,349.53	721.37
2.30. PROVISIONS		
For Employee Benefits :		
- Gratuity (Refer to Note No. 2.50)	**—**	8.99
For Labour Settlement (Refer to Note No. 2.51)	**261.72**	261.72
For Warranty Related Claims (Refer to Note No. 2.51)	**406.35**	171.95
	668.07	442.66
2.31. CURRENT TAX LIABILITIES (NET)		
For Taxation	**76.73**	77.68
	76.73	77.68
2.32. LIABILITIES ASSOCIATED WITH DISPOSAL GROUP (Refer to Note No. 2.42)		
Non Current Borrowings	**—**	21,722.45
Current Financial Liabilities	**—**	19,260.05
Other Liabilities including provisions	**—**	6,769.00
	—	47,751.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

Excess provision no longer required written back during the current year includes reversal in respect of provision for disputed indirect tax cases settled under "Sabka Vishwas (Legacy Dispute Resolution) Scheme, 2019".

		2019-20 ₹ Lakhs		2018-19 ₹ Lakhs
2.36. COST OF MATERIALS CONSUMED				
Materials Consumed		**1,03,119.93**		1,18,218.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.42. DISCONTINUED OPERATIONS

1) Description

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

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

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

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

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

DISCONTINUED OPERATIONS (Contd.,)

4) Financial Performance

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
DISCONTINUED OPERATIONS (Contd.,)		
5) Details of Sale of Subsidiaries		
Consideration received	**1.47**	—
Excess carrying amount of liabilities over assets	**1,550.43**	—
Gain on disposal before income tax and reclassification of foreign currency translation reserve	**1,551.90**	—
Add : Reclassification of exchange differences (Gains) from OCI on disposal of subsidiaries	**349.10**	—
Tax Expense	**—**	—
Net Gain on disposal after income tax	**1,901.00**	—
The carrying amount of assets and liabilities as at the date of sale (11th February 2020) were as follows:-		
Property, Plant and Equipment	**9,862.25**	—
Trade Receivables	**2,396.95**	—
Inventory	**2,149.13**	—
Other Assets	**2,038.14**	—
Total Assets	**16,446.47**	—
Borrowings	**2,523.59**	—
Trade Payables	**2,765.70**	—
Other Payables	**12,707.61**	—
Total Liabilities	**17,996.90**	—
Net Assets	**(1,550.43)**	—

2.43. EARNINGS PER SHARE

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs Re-presented
Profit / (Loss) After Tax from continuing operations	**(4,674.37)**	(9,374.47)
Profit / (Loss) After Tax from discontinued operations	**(5,201.06)**	(8,011.53)
Profit / (Loss) After Tax for the year	**(9,875.43)**	(17,386.00)
Weighted Average No. of Shares Outstanding :		
- Basic & Diluted (Nos. in Lakhs)	**947.97**	947.97
Face Value per Equity Share (in ₹)	**1.00**	1.00
Basic & Diluted Earnings per share from continuing operations (in ₹)	**(4.93)**	(9.89)
Basic & Diluted Earnings per share from discontinued operations (in ₹)	**(5.49)**	(8.45)
Basic & Diluted Earnings per share from continuing and discontinued operations (in ₹)	**(10.42)**	(18.34)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTD.,)

2.44. AMALGAMATION OF ERSTWHILE PRICOL LIMITED WITH THE COMPANY :

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

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

2.45. PAYMENTS TO AUDITORS (EXCLUSIVE OF GST) :

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

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

2.46. CONTINGENT LIABILITIES AND COMMITMENTS :

I. CONTINGENT LIABILITIES

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
In respect of Holding Company		
a) On account of Pending Litigations		
Sales Tax Matters (excluding Interest if any)	**—**	294.44
(Of which ₹ 9.09 Lakhs has been paid under protest)		
Excise, Service Tax and Customs Matters (excluding Interest and penalty if any)	**1,281.44**	1,113.96
(Of which ₹ 87.76 Lakhs has been paid under protest)		
	1,281.44	1,408.40

b) Labour related Matters

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

c) Others		
Letter of Credit	**930.50**	951.33
Guarantees	**279.63**	390.80
	1,210.13	1,342.13

II. COMMITMENTS

Estimated Value of contracts remaining to be executed on Capital account		
- in respect of Holding Company	**327.72**	1,538.65

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.47. SEGMENT REPORTING

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

Information about geographical revenue and non-current assets:

1. **Revenue from Operations:-** Based on location of Customers
2. **Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts:-** Based on Location of the Assets

	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs Re-presented
a) Revenue from Operations including other operating revenue		
Continuing operations		
Within India	**1,14,716.19**	1,33,243.36
Outside India	**45,265.13**	48,130.60
	1,59,981.32	1,81,373.96
Discontinued operations		
Within India	**—**	—
Outside India	**11,611.58**	10,576.73
	11,611.58	10,576.73

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs (Not Re-stated)
b) Non-current assets		
Continuing operations		
Within India	**77,585.21**	76,960.62
Outside India	**4,003.48**	1,497.60
	81,588.69	78,458.22
Discontinued operations		
Within India	**—**	1,780.77
Outside India	**—**	12,137.40
	—	13,918.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.48. FAIR VALUE MEASUREMENTS

i. Financial instruments by category

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

₹ Lakhs

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

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

₹ Lakhs

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FAIR VALUE MEASUREMENTS(Contd.,)

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

iii. Fair values hierarchy

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

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

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

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

Level 3 : Unobservable inputs for the asset or liability.

Given below are the fair values based on their hierarchy.

₹ **Lakhs**

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

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

iv. Measurement of fair values:

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.49. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis, Credit ratings
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts
Market risk – Interest rate risk	Long-term borrowings at variable rates	Cash flow forecasting, Sensitivity analysis
Market risk – Financial Currency Risk	Adverse movements in the exchange rate between the Rupee and any relevant foreign currency	Internal Foreign Currency Exposure and risk management policy.

a. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk management

Credit risk rating

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A : Low credit risk

B : Moderate credit risk

C : High credit risk

Assets Group	Description of category	Provision for expected credit loss *
Low credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12 month expected credit loss / life time expected credit loss
Moderate credit risk	Assets where the probability of default is considered moderate, counter-party where the capacity to meet the obligations is not strong	12 month expected credit loss / life time expected credit loss
High credit risk	Assets where there is a high probability of default	12 month expected credit loss / life time expected credit loss / fully provided for

* Life time expected credit loss (if required) is provided for trade receivables and for those financial assets where the credit risk has increased significantly, since the initial recognition.

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Any subsequent recoveries made are recognised in statement of profit and loss.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Classification of Financial Assets among Risk categories :

₹ Lakhs

Credit rating	Particulars	31-3-2020	31-3-2019
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	**25,148.09**	26,277.98
Moderate credit risk	Nil	—	—
High credit risk	Nil	—	—

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Maturities of Financial Liabilities:

₹ Lakhs

31-3-2020	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	**13,310.91**	**6,002.08**	**23,830.36**	—	**43,143.35**
Trade payables	—	**32,114.54**	—	—	**32,114.54**
Other financial liabilities excluding Current Maturities of Long Term Debt	—	**7,274.54**	**1,526.13**	**761.33**	**9,562.00**
Total	**13,310.91**	**45,391.16**	**25,356.49**	**761.33**	**84,819.89**

₹ Lakhs

31-3-2019	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	16,451.43	1,754.08	9,697.80	—	27,903.31
Trade payables	—	21,864.95	—	—	21,864.95
Other financial liabilities excluding Current Maturities of Long Term Debt	—	4,744.63	—	—	4,744.63
Total	16,451.43	28,363.66	9,697.80	—	54,512.89

c. Interest rate risk

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, 'Financial Instruments - Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. However, the Group's variable rate borrowings are subject to interest rate risk.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Below is the overall exposure of the borrowings :

Interest rate risk exposure

₹ Lakhs

Particulars	31-3-2020	31-3-2019
Fixed rate borrowing	—	—
Variable rate borrowing	**43,143.35**	27,903.31
Total	**43,143.35**	27,903.31

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change (100 basis points) in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on variable rate borrowings, as follows :

Interest sensitivity

₹ Lakhs

Particulars	2019-20	2018-19
Interest rates – Increase / Decrease by 100 basis points	**324.69**	196.20

d. Financial currency risk

The Group's functional currency is Indian Rupee (INR). The Group undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Group's revenue from export markets and the costs of imports.

Adverse movements in the exchange rate between the Indian Rupee and any relevant foreign currency results in increase in the Group's overall debt position in Rupee terms without the Group having incurred additional debt and favourable movements in the exchange rates will conversely result in reduction in the Group's receivables in foreign currency. In order to hedge exchange rate risk, the Group has a policy to hedge cash flows (either using natural hedge or an artificial hedge) upto a specific tenure using forward exchange contracts and hedges based on their Internal Foreign Curreny Exposure and risk management policy as approved by the management and in accordance with the applicable regulations where the Group operates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

Financial Currency Risk (Contd.,)

The carrying amounts of the Group's monetary assets and monetary liabilities at the end of the reporting period are as follows:

As at 31st March 2020 **₹ Lakhs**

Particulars	EURO	GBP	USD	CHF	JPY	INR	SGD	OTHER CURRENCIES
Financial Assets	**14,600.73**	**63.71**	**2,487.27**	**79.82**	**495.02**	**—**	**30.12**	**0.65**
Financial Liabilities	**4,354.50**	**0.89**	**9,239.89**	**140.69**	**939.09**	**292.89**	**—**	**1.57**

As at 31st March 2019 **₹ Lakhs**

Particulars	EURO	GBP	USD	CHF	JPY	INR	SGD	OTHER CURRENCIES
Financial Assets	684.72	50.21	2,779.64	83.51	603.09	7.94	72.59	0.98
Financial Liabilities	114.44	0.06	4,067.22	121.02	1,152.87	238.52	—	1.91

The following table details the Group's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

Impact on Profit / (Loss) for the year for a 1% change: **₹ Lakhs**

Particulars	31-3-2020	31-3-2019
Increase / Decrease by 1%	**27.88**	14.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.50. EMPLOYEE BENEFITS

In respect of Holding Company :

Defined contribution plan

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

₹ Lakhs

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	**524.85**	504.09
Employer's Contribution to Superannuation Fund	**8.81**	36.91

Particulars	2019-20	2018-19
Defined contribution plan contribution towards Key Managerial Personnel	**19.07**	21.17

Defined Benefit Plan

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The Group makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date :

₹ Lakhs

Particulars	Gratuity (Funded)	
	2019-20	2018-19
i) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the year	**3,007.44**	2,984.47
Current Service Cost	**217.24**	180.20
Interest Cost	**212.92**	214.43
Remeasurements		
Effect of changes in demographic assumptions	**—**	—
Effect of changes in financial assumptions	**(312.00)**	23.60
Effect of experience adjustments	**1.78**	(91.54)
Benefits Paid	**(314.21)**	(303.72)
Transfer of obligation due to Transfer of Employees to Group Entities	**153.27**	—
Defined Benefit Obligation at year end	**2,966.44**	3,007.44
- Non-Current	**2,851.69**	2,826.47
- Current	**114.75**	180.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

₹ Lakhs

Particulars	Gratuity (Funded)	
	2019-20	2018-19
ii) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at beginning of year	**2,998.45**	3,070.55
Interest Income	**222.85**	229.71
Remeasurements :		
Return on plan assets (excluding interest income)	**(15.14)**	(20.15)
Employer Contribution	**76.01**	22.06
Benefits Paid	**(314.21)**	(303.72)
Fair value of Plan Assets at year end	**2,967.96**	2,998.45
iii) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	**2,967.96**	2,998.45
Present value of Obligation	**2,966.44**	3,007.44
Amount recognised in Balance Sheet - (Surplus / (Deficit))	**1.52**	(8.99)
- Non-Current	**—**	—
- Current	**1.52**	(8.99)
iv) Expenses recognised during the year		
In Income Statement		
Current Service Cost	**217.24**	180.20
Interest Cost	**212.92**	214.43
Return on Plan Assets	**(222.85)**	(229.71)
Net (Income) / Expense for the period recognised in Statement of Profit and Loss	**207.31**	164.92
In Other Comprehensive Income		
Remeasurement of net defined benefit liability		
Effect of changes in demographic assumptions	**—**	—
Effect of changes in financial assumptions	**(312.00)**	23.60
Effect of experience adjustments	**1.78**	(91.54)
Return on plan assets (excluding interest income)	**15.14**	20.15
Changes in asset ceiling (excluding interest income)	**—**	—
Net (Income) / Expense for the period recognised in OCI	**(295.08)**	(47.79)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

v) Investment Details

Particulars	31-3-2020		31-3-2019	
	₹ Lakhs	% invested	₹ Lakhs	% invested
GOI Securities	**566.58**	**19.09**	580.20	19.35
State Government Securities	**1,512.77**	**50.97**	1,679.73	56.02
NCD / Bonds	**707.86**	**23.85**	627.88	20.94
Others (including bank balances)	**180.75**	**6.09**	110.64	3.69
Total	**2,967.96**	**100.00**	2,998.45	100.00

vi) Actuarial assumptions

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Discount Rate (per annum)	**6.84%**	7.47%
Rate of escalation in Salary (per annum)	**Uniform 8.00%**	Uniform 10.00%
Attrition Rate	**Uniform 4.00%**	Uniform 4.00%
Retirement Age	**58**	58
Pre-retirement mortality	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives Mortality (2012-14) Ultimate
Disability	**Nil**	Nil

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

vii) The expected future contribution and estimated future benefit payments from the fund are as follows:

Particulars	Amount ₹ Lakhs
a) Expected contribution to the fund during the year ending March 31, 2021	128.98
b) Estimated benefit payments from the fund for the year ending March 31:	
Year 1	245.02
Year 2	236.75
Year 3	260.99
Year 4	225.79
Year 5	243.58
Next 5 years	1,087.15
Total	**2,299.28**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

₹ Lakhs

Particulars	31-3-2020	31-3-2019
Discount rate +100 basis points	**(224.44)**	(223.58)
Discount rate -100 basis points	**255.75**	254.20
Salary Increase Rate +1%	**235.55**	230.91
Salary Increase Rate -1%	**(211.34)**	(207.87)
Attrition Rate +1%	**(28.63)**	(33.48)
Attrition Rate -1%	**32.78**	36.88

ix) These plans typically expose the Group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Name of the Risk and its Description

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Disclosure relating to KMPs: **₹ Lakhs**

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Expense towards defined benefit plan for Key Management Personnel	**36.55**	37.66

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

ix) In respect of Subsidiary :

PT Pricol Surya Indonesia

₹ Lakhs

Particulars	2019-20	2018-19
Funded Status :		
Present Value of Net Obligation	**143.24**	168.54
Movement in the liability recognised in the statement of profit and Loss :		
Obligation at beginning period	**168.54**	177.18
Beginning period adjustment due to Business Combination transaction	**—**	—
Expense recognised during the year	**10.78**	38.21
Actual benefit payment	**(0.88)**	(5.63)
Amount recognised in Other Comprehensive Income ('OCI')	**(25.56)**	(41.22)
On account of translation differences	**(9.64)**	—
	143.24	168.54
Details of Post Employment benefit expenses recognised in the Statement of comprehensive income :		
Current Service Cost	**24.30**	27.14
Interest Cost	**11.12**	11.07
Past Service Cost and (Gain) or Loss on Settlements	**(24.64)**	—
	10.78	38.21
Actuarial Assumptions :		
Discount Rate	**8.50%**	8.50%
Annual Salary increase Rate	**8.00%**	10.00%
Retirement age (year)	**56**	55
Disability Rate	**10.00%**	10.00%

Sensitivity Analysis

₹ Lakhs

Particulars	31-3-2020	31-3-2019
Discount rate +100 basis points	**120.48**	124.62
Discount rate -100 basis points	**144.55**	155.83
Salary Increase Rate +1%	**144.42**	155.33
Salary Increase Rate -1%	**120.40**	124.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

In respect of Pricol Wiping Systems India Limited

Defined contribution plan

The Company's contribution to provident fund, employee state insurance scheme and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

₹ Lakhs

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	**12.71**	14.20

Defined Benefit Plan

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The most recent actuarial valuation of the defined benefit obligation was carried out at the balance sheet date. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

₹ Lakhs

Particulars	Gratuity (Funded)	
	2019-20	2018-19
i) Reconciliation of opening and closing balances of Defined Benefit Obligation		
Defined Benefit Obligation at beginning of the year	**31.22**	24.08
Current Service Cost	**3.96**	5.09
Interest Cost	**2.00**	1.86
Remeasurements		
Effect of changes in demographic assumptions	**(0.15)**	(0.01)
Effect of changes in financial assumptions	**(0.17)**	0.05
Effect of experience adjustments	**(1.22)**	0.15
Benefits Paid	**(10.55)**	—
Defined Benefit Obligation at year end	**25.09**	31.22
- Non-Current	**23.94**	25.14
- Current	**1.15**	6.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

₹ Lakhs

Particulars	Gratuity (Funded)	
	2019-20	2018-19
ii) Reconciliation of opening and closing balances of fair value of Plan Assets		
Fair value of Plan Assets at beginning of year	**30.88**	—
Interest Income	**2.29**	1.19
Remeasurements:		
Return on plan assets (excluding interest income)	**(0.29)**	(0.96)
Employer Contribution	**6.40**	30.65
Benefits Paid	**(10.55)**	—
Fair value of Plan Assets at year end	**28.73**	30.88
iii) Reconciliation of fair value of Assets and Obligations		
Fair value of Plan Assets	**28.73**	30.88
Present value of Obligation	**25.09**	31.22
Amount recognised in Balance Sheet - (Surplus / (Deficit))	**3.64**	(0.34)
- Non-Current	**—**	—
- Current	**3.64**	(0.34)
iv) Expenses recognised during the year		
In Income Statement		
Current Service Cost	**3.96**	5.09
Interest Cost	**(0.30)**	0.67
Return on Plan Assets	**—**	—
Net (Income) / Expense for the period Recognised in Statement of Profit and Loss	**3.66**	5.76
In Other Comprehensive Income		
Remeasurement of net defined benefit liability		
Effect of changes in demographic assumptions	**—**	—
Effect of changes in financial assumptions	**—**	—
Effect of experience adjustments	**(1.25)**	1.15
Return on plan assets (excluding interest income)	**—**	—
Changes in asset ceiling (excluding interest income)	**—**	—
Net (Income) / Expense For the period Recognised in OCI	**(1.25)**	1.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

v) Actuarial assumptions

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Discount Rate (per annum)	**6.84%**	7.70%
Rate of escalation in Salary (per annum)	**Uniform 5.00%**	Uniform 6.00%
Attrition Rate	**Uniform 4.00%**	Uniform 5.00%
Retirement Age	**58**	58
Pre-retirement mortality	**Indian Assured Lives Mortality (2012-14) Ultimate**	Indian Assured Lives Mortality (2012-14) Ultimate
Disability	**Nil**	Nil

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

vi) The expected future contribution and estimated future benefit payments from the fund are as follows:

Particulars	**31-3-2020 ₹ Lakhs**	31-3-2019 ₹ Lakhs
a) Expected contribution to the fund during the year ending March 31, 2020 & March 31, 2019	**3.14**	8.79
b) Estimated benefit payments from the fund for the year ending March 31:		
Year 1	**1.21**	6.08
Year 2	**1.33**	1.48
Year 3	**1.23**	1.55
Year 4	**3.24**	1.69
Year 5	**7.43**	3.79
Next 5 years	**5.90**	12.63
Total	**20.34**	27.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

vii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

₹ Lakhs

Particulars	31-3-2020	31-3-2019
Discount rate +100 basis points	**23.11**	29.19
Discount rate -100 basis points	**27.40**	33.56
Salary Increase Rate +1%	**27.29**	33.42
Salary Increase Rate -1%	**23.17**	29.28
Attrition Rate +1%	**25.28**	31.41
Attrition Rate -1%	**24.86**	30.98

These plans typically expose the Company to actuarial risks such as: Investment risk, Interest risk, Longevity risk and Salary risk.

Name of the Risk and its Description

Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.

Interest risk - A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan debt investments.

Longevity risk - The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk - The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.51. PROVISIONS

₹ Lakhs

Particulars	Non-Current Provisions				Current Provisions			Total Provisions
	Excise Demands	Potential Statutory Liabilities	Labour related Claims	Total	Labour Settlement	Warranty related Claims	Total	
Balance as on 1-4-2018	691.58	431.45	582.39	1,705.42	261.72	306.95	568.67	2,274.09
Add : Addition	—	117.88	—	117.88	—	171.95	171.95	289.83
Less : Utilised / Reversed	92.69	—	4.99	97.68	—	306.95	306.95	404.63
Less : Re-classified as Liabilities associated with Discontinued Operations (Refer to Note No. 2.32.)	—	—	577.40	577.40	—	—	—	577.40
Balance as on 31-3-2019	598.89	549.33	—	1,148.22	261.72	171.95	433.67	1,581.89
Add : Addition	90.10	359.71	—	449.81	—	2,096.42	2,096.42	2,546.23
Less : Utilised / Reversed	473.82	101.04	—	574.86	—	1,862.02	1,862.02	2,436.88
Balance as on 31-3-2020	**215.17**	**808.00**	—	**1,023.17**	**261.72**	**406.35**	**668.07**	**1,691.24**

The holding company had opted for settlement of certain pending litigations pertaining to Central Excise & Service Tax under the "Sabka Vishwas (Legacy Dispute Resolution) Scheme 2019". Necessary applications were filed in this regard against which the company has since received discharge certificates against the tax dues from the Designated committee. Consequently, the provision made in respect of the disputed liability (including interest) in earlier years amounting to ₹397.36 Lakhs has been derecognised and credited to Other Income.

2.52. NOTES ON TAXATION

a. Income tax expense for the year reconciled to the accounting profit :

₹ Lakhs

Particulars	31-3-2020	31-3-2019
Profit / (Loss) before Tax	**(10,231.59)**	(17,282.81)
Enacted tax rate in India	**34.944%**	34.944%
Income tax expense	**(3,575.32)**	(6,039.31)
Tax Effect on the following:		
- Weighted Deductions u/s 35(2AB) & 32AC(1A)	**(289.06)**	(252.98)
- Expenses not deductible in determining taxable profits	**530.58**	183.40
- Non-recognition of brought forward capital tax losses	—	(35.09)
- Current year losses for which no deferred tax asset was recognised	**2,759.20**	3,842.92
- Differences in tax rates in foreign jurisdictions	—	2,450.35
- Others	**218.44**	(46.10)
Tax Expense for the year	**(356.16)**	103.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

NOTES ON TAXATION (Contd.,)

Income tax recognised in other comprehensive income

₹ Lakhs

	31-3-2020	31-3-2019
Deferred tax		
Remeasurement of defined benefit obligation - (Expense) / Income	**(104.42)**	(26.85)
Total income tax recognised in OCI	**(104.42)**	(26.85)

b. Statement of Changes in Deferred tax assets / Liabilities

₹ Lakhs

Particulars	Deferred Tax Liabilities	Deferred Tax Assets			Others	Net Charge in P&L and OCI
	On Fixed Assets and Others	On Disallowance under the Income Tax Act	On Unused Tax losses	On Other temporary differences		
At 1st April, 2018	7,134.35	993.02	—	114.36	—	
Recognised in Profit and Loss	460.00	412.39	139.30	(63.96)	7.20	(20.53)
Recognised in OCI	—	(26.85)	—	—	—	26.85
Pertains to discontinued operations	(617.18)	(26.78)	—	—	—	
At 31st March 2019	6,977.17	1,351.78	139.30	50.40	—	
Recognised in Profit and Loss	417.89	(295.32)	1,069.80	25.09	(1.97)	**(383.65)**
Recognised in OCI	—	(104.42)	—	—	—	**104.42**
At 31st March 2020	**7,395.06**	**952.04**	**1,209.10**	**75.49**	—	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.53. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using gearing ratio, which is net debt divided by total equity. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

₹ Lakhs

Particulars		31-3-2020	31-3-2019
Borrowings (long-term and short-term, including current maturities of long term borrowings)		**43,143.35**	27,903.31
Less: Cash and cash equivalents		**946.53**	3,895.97
Less: Other Bank Balances (Balances with maturity more than 3 months)		**3,121.37**	1,956.64
Less: Margin Money against Borrowings		**352.71**	—
Net Debt	**(A)**	**38,722.74**	22,050.70
Equity Share Capital		**947.97**	947.97
Other Equity		**38,791.59**	48,993.08
Total Equity	**(B)**	**39,739.56**	49,941.05
Net Debt to Equity Ratio	**(A) / (B) X 100**	**97.44%**	44.15%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.54. LEASES

Effective 1st April, 2019, the Group has adopted Ind AS 116 " Leases " and applied the standard to all lease contracts existing as on that date using the modified retrospective method, wherein the Right of Use asset was created with corresponding lease liability. Accordingly, the comparatives have not been retrospectively adjusted.

Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Movement of Lease Liability

₹ Lakhs

Particulars	31-3-2020
Opening Balance	**1.09**
Additions during the year	**2,732.28**
Repayments during the year	**199.89**
Closing Balance	**2,533.48**
Current	**246.02**
Non-Current	**2,287.46**

Maturity Analysis	
Within one year	**246.02**
1 - 5 years	**1,526.13**
More than five years	**761.33**

Effective Interest rate for the Lease Liabilities is **10.50%**

The following are the amounts recognised in the Statement of Profit and Loss :

₹ Lakhs

Particulars	2019-20
Depreciation expense of Right of Use Assets	**414.80**
Interest Expense on Lease Liabilities	**278.06**
Expense relating to Short Term Lease Liabilities	**906.98**
Expense relating to Lease of Low Value Assets	**27.42**
Income from Right of Use	**2.49**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.55. INTEREST IN OTHER ENTITIES

The subsidiaries considered in the consolidated financial statements are set out below :

S. No.	Name of the entity	Country of Incorpo-ration	Percentage of Ownership		Nature of Relationship	Method of Con-solidation	Principal activities
			As at 31-3-2020	As at 31-3-2019			
1	PT Pricol Surya Indonesia	Indonesia	**100%**	100%	Subsidiary	Line by Line	Manufacture and sale of Automobile Accessories and Trading of Automobile Spares etc.,
2	Pricol Asia Pte. Limited	Singapore	**100%**	100%	Subsidiary	Line by Line	
3	Pricol Espana S.L. #	Spain	**100%**	100%	Subsidiary	Line by Line	
4	Pricol Wiping Systems India Limited #	India	**100%**	100%	Subsidiary	Line by Line	
5	Pricol do Brasil Componentes Automotivos LtdA #	Brazil	**—**	100%	Subsidiary of Pricol Espana S.L. (upto 11-Feb- 2020)	Line by Line	
6	Pricol Wiping Systems Mexico S.A. de C.V., #	Mexico	**—**	100%	Subsidiary of Pricol Espana S.L. (upto 11-Feb- 2020)	Line by Line	
7	PT Sripri Wiring Systems	Indonesia	**100%**	100%	Subsidiary of PT Pricol Surya Indonesia	Line by Line	
8	Pricol Wiping Systems Czech s.r.o. #	Czech Republic	**100%**	100%	Sudsidiary of Pricol Espana S.L.	Line by Line	

Refer to Note No. 2.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.56. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES

For the Financial year 2019-20

Sl. No.	Name of the entity	Net Assets		Share in Profit / (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As a % of consolidated Net Assets	Amount ₹ Lakhs	As a % of consolidated Profit /(Loss)	Amount ₹ Lakhs	As a % of consolidated OCI	Amount ₹ Lakhs	As a % of consolidated TCI	Amount ₹ Lakhs
	Parent								
1	Pricol Limited	112.26	44,614.57	169.50	16,738.38	38.58	191.97	180.53	16,930.35
	Subsidiaries - Indian								
1	Pricol Wiping Systems India Limited	2.19	870.49	(2.22)	(218.88)	0.25	1.24	(2.32)	(217.64)
	Subsidiaries - Foreign								
1	PT Pricol Surya Indonesia	4.14	1,644.48	0.08	8.86	(13.73)	(68.34)	(0.63)	(59.48)
2	Pricol Espana S.L.	0.17	66.74	(9.20)	(908.42)	114.66	570.58	(3.60)	(337.84)
3	Pricol Asia Pte. Limited	(10.78)	(4,284.61)	(195.06)	(19,263.03)	36.94	183.83	(203.45)	(19,079.20)
	Stepdown Subsidiaries - Foreign								
1	PT Sripri Wiring Systems	0.08	30.57	0.18	17.82	—	—	0.19	17.82
2	Pricol do Brasil Componentes Automotivos LtdA	—	—	(16.55)	(1,634.59)	—	—	(17.43)	(1,634.59)
3	Pricol Wiping Systems Mexico S.A. de C.V.,	—	—	(36.11)	(3,566.46)	—	—	(38.03)	(3,566.46)
4	Pricol Wiping Systems Czech s.r.o.	(8.06)	(3,202.68)	(10.62)	(1,049.11)	(76.70)	(381.66)	(15.26)	(1,430.77)
	TOTAL	100.00	39,739.56	(100.00)	(9,875.43)	100.00	497.62	(100.00)	(9,377.81)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III TO THE COMPANIES ACT, 2013 OF ENTITIES CONSOLIDATED AS SUBSIDIARIES (Contd.,)

For the Financial year 2018-19

Sl. No.	Name of the entity	Net Assets		Share in Profit / (Loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
		As a % of consolidated Net Assets	Amount ₹ Lakhs	As a % of consolidated Profit /(Loss)	Amount ₹ Lakhs	As a % of consolidated OCI	Amount ₹ Lakhs	As a % of consolidated TCI	Amount ₹ Lakhs
	Parent								
1	Pricol Limited	129.56	64,705.09	122.03	21,215.50	2.11	31.08	133.51	21,246.58
	Subsidiaries - Indian								
1	Pricol Wiping Systems India Limited	1.63	812.43	(2.66)	(462.04)	0.09	1.34	(2.89)	(460.70)
	Subsidiaries - Foreign								
1	PT Pricol Surya Indonesia	4.26	2,128.49	(1.61)	(279.79)	6.06	89.25	(1.20)	(190.54)
2	Pricol Espana S.L.	(27.08)	(13,523.87)	(8.17)	(1,420.27)	(34.23)	(503.98)	(12.09)	(1,924.25)
3	Pricol Asia Pte. Limited	(0.47)	(234.13)	(119.87)	(20,840.70)	8.33	122.60	(130.19)	(20,718.10)
	Stepdown Subsidiaries - Foreign								
1	PT Sripri Wiring Systems	(1.26)	(631.65)	(0.88)	(153.18)	—	—	(0.96)	(153.18)
2	Pricol do Brasil Componentes Automotivos LtdA	(12.11)	(6,045.91)	(40.13)	(6,976.20)	97.00	1,428.10	(34.86)	(5,548.10)
3	Pricol Wiping Systems Mexico S.A. de C.V.,	9.98	4,982.91	(5.95)	(1,035.32)	4.66	68.55	(6.08)	(966.77)
4	Pricol Wiping Systems Czech s.r.o.	(4.51)	(2,252.31)	(42.76)	(7,434.00)	15.98	235.32	(45.24)	(7,198.68)
	TOTAL	100.00	49,941.05	(100.00)	(17,386.00)	100.00	1,472.26	(100.00)	(15,913.74)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.57. SIGNIFICANT MATTERS STATED IN THE FINANCIAL STATEMENT OF SUBSIDIARIES

The Component Auditors of Pricol Wiping Systems India Limited, has given a modified / qualified opinion with respect to valuation of inventories. The relevant note is reproduced below :

The Company's carrying value of Finished Goods (FG) and Work-in-Progress (WIP) inventories as at 31st March 2020 is ₹ 74.62 Lakhs. The valuation of FG and WIP does not include the updated cost of raw material, cost of conversion of inventories directly related to the production and allocation of fixed and variable production overheads that are incurred in converting raw materials into FG and WIP. This constitutes a departure from the Indian Accounting Standard – 2 "Inventories" which could potentially result in misstatements in the Company's consumption and inventory balances.

The subsidiary is not material to the group and the above qualification would not have a material impact on the consolidated financial statements of the Group.

2.58. MATERIAL UNCERTAINTY RELATING TO GOING CONCERN :

The Component Auditors have, without qualifying / modifying their opinion, have drawn attention in their respective audit reports in relation to going concern which is reproduced below:

a. PRICOL WIPING SYSTEMS INDIA LIMITED

The Company has incurred a Net Loss (including Other Comprehensive Income) of ₹ 323.73 Lakhs during the year ended 31st March 2020, and as on that date, the Company's current liabilities exceeds its current assets by ₹ 1,212.07 Lakhs. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

b. PRICOL ESPANA S.L. SPAIN

The Company has a negative equity of EURO 8.10 Million as of 31st March 2020, for which reason, it would be an event of dissolution as per Article 363 of the 'Consolidated Text of the Capital Companies Law'. On June 2020, the sole partner decided to transform a Loan of EURO 13.95 Million into a participative loan. In accordance with the current regulations, when assessing the possible cause of dissolution, participative loans are understood as an integral part of the company's own funds, thereby avoiding the legal cause of dissolution.

c. PRICOL WIPING SYSTEMS CZECH s.r.o, CZECH REPUBLIC

The auditors of Pricol Espana, in their audit report has described the situation of the investment in the subsidiary, Pricol Wiping Systems Czech, presenting negative equity. As of 31st March 2020, Pricol Espana has not recorded any impairment on the investment, pending the viability plan that allows the company to balance its networth, which indicates the existence of a material uncertainty that may raise significant doubts about the capacity of the company to continue as a going concern given the impact of such investment on its assets.

d. PT SRIPRI WIRING SYSTEMS, INDONESIA

The financial statements show an equity deficiency amounting to IDR 1,60,678.02 Lakhs. The company's management has responded that the shareholder has committed to support and maintain the company, by setting strategic plans for its going concern and undertaken measures to overcome such condition. They believe that the company would continue its normal operation.

In relation to the above subsidiaries, the parent company is evaluating various options and alternatives for revival of business including disposal of certain subsidiaries. Further, the parent / ultimate holding company assured the subsidiaries for continued financial support.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.59. The outbreak of Covid-19 pandemic is causing significant disturbance and slowdown of economic activities globally which has resulted in significant reduction in economic activities and also the business operations of the Group in terms of sales and production. As per current assessment there is no significant impact on carrying amounts of inventories, trade receivables, investments and other financial assets except to the extent for which impairment loss has been provided for. The eventual outcome of the impact of the global health pandemic may be different from those estimated as on date of the approval of the consolidated financial statements.

2.60. Previous year's figures are reclassified wherever necessary to conform to the current year's classification

2.61. As explained in Note No. 2.42, the figures of current year are strictly not comparable with those of previous year.

2.62. All figures are in Lakhs unless otherwise stated.

2.63. EVENTS OCCURING AFTER THE BALANCE SHEET DATE :

The Board of Directors at its meeting held on 29th July 2020 have approved the disposal of its Wholly Owned Subsidiary Pricol Espana along with its subsidiary PWS Czech for a consideration of Euro 50,000 net of all liabilities taken over by the buyer. The draft Share Purchase Agreement for the said disposal has been approved by the Board. No adjustment is considered necessary in the consolidated financial statements in relation to the disposal of the subsidiary for the year ended 31st March 2020.

2.64. RELATED PARTY DISCLOSURE AS PER INDIAN ACCOUNTING STANDARD 24

(i) Names of related parties and description of relationship:

Related parties where significant influence exists and with whom transactions have taken place during the year :

(a)	**Partnership firms under common control**	:	Bhavani Global Enterprises, Libra Industries.
(b)	**Private Companies**	:	Pricol Gourmet Private Limited, Pricol Travel Private Limited, Pricol Logistics Private Limited, VM International Pte. Limited, Infusion Hospitality Private Limited.
(c)	**Public Companies**	:	Pricol Holdings Limited, PPL Enterprises Limited, Pricol Properties Limited, Pricol Engineering Industries Limited, Pricol Corporate Services Limited, Target Manpower Services Limited, Pricol Retreats Limited, Prinfra Limited.
(d)	**Trusts under common control**	:	N D Foundation, Siruthuli.
(e)	**Key Management Personnel**	:	Mrs. Vanitha Mohan - (Chairman - Executive Director) Mr. Vikram Mohan - (Managing Director - Executive Director) Mr. R. Vidhya Shankar - (Non Executive Director) Mr. Suresh Jagannathan - (Non Executive Director) Mrs. Sriya Chari - (Non Executive Director) Mr. S.K. Sundararaman - (Non Executive Director) Mr. K. Ilango - (Non Executive Director) - from 15th June 2019 Mr. P. Shanmugasundaram - (Non Executive Director) - from 15th June 2019 Mr. Balaji Chinnappan - (Chief Operating Officer - Executive Director) - from 15th June 2019 Mr. G. Soundararajan - (Non Executive Director) - upto 31st July 2019 Mr. G. Sundararaman - (President) - upto 30th April 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

RELATED PARTY DISCLOSURE AS PER INDIAN ACCOUNTING STANDARD 24 (Cond.,)

ii) Related party transactions :

₹ Lakhs

Nature of Transaction	Key Management Personnel and their Relatives		Others	
	2019-20	2018-19	**2019-20**	2018-19
Transactions during the year				
Purchase / Labour Charges	**—**	—	**2,009.03**	2,668.14
Purchase of Fixed Assets	**—**	—	**862.47**	—
Sale of Fixed Assets			**1.01**	—
Sales / Job Work Charges	**—**	—	**219.41**	345.57
Receiving of Services / Reimbursement of Expenses Paid	**373.11**	257.16	**6,887.13**	7,477.91
Rendering of Services / Reimbursement of Expenses Received	**—**	—	**353.31**	323.86
Donation / CSR Expenses	**—**	—	**—**	20.00
Loans and Advances :				
Loans and advances given	**—**	—	**—**	163.98

iii) Amount outstanding as at the balance sheet date :

₹ Lakhs

Nature of Transaction	Key Management Personnel and their Relatives		Others	
	31-3-2020	31-3-2019	**31-3-2020**	31-3-2019
Trade Receivables and Other Receivables	**—**	—	**294.74**	1,096.57
Trade Payables and Other Payables	**64.11**	—	**1,206.09**	801.19

iv) During the year, 248 employees have been transferred from Pricol Corporate Services Limited to Pricol Limited, where in the entitlements like salary, other benefits and terms and conditions of the employment of the transferred remains the same.

v) During the year, the holding company has taken a loan from Cholamandalam Investment and Finance Company Limited, for which the following securities were given by related parties

a. Specific immovable properties of certain promoters and promoter's companies.

b. Personal Guarantee of Chairman, Managing Director and his Relative.

c. Corporate Guarantee from Pricol Holdings Limited and Pricol Retreats Limited.

As per our report of even date attached
For VKS Aiyer & Co.
Chartered Accountants
ICAI Firm Regn. No. : 000066S
V S Srinivasan
Partner
Membership No. : 13729
Coimbatore
29th July 2020

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

ANNEXURE — Form AOC - I

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part - "A" - Subsidiaries

Information in respect of each subsidiary

₹ Lakhs

Particulars	PT Pricol Surya Indonesia	PT Sripri Wiring Systems Indonesia (Subsidiary of PT Pricol Surya)	Pricol Asia Pte Limited, Singapore	Pricol Espana S.L., Spain	* Pricol Do Brasil Componentes Automotivos LtdA, Brazil (Subsidiary of Pricol Espana)	Pricol Wiping Systems Czech s.r.o, Czech Republic (Subsidiary of Pricol Espana)	* Pricol Wiping Systems Mexico S.A. de C.V., Mexico (Subsidiary of Pricol Espana)	Pricol Wiping System India Limited, India
Reporting Period	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar
Reporting Currency	Indonesian Rupiah (IDR)	Indonesian Rupiah (IDR)	US Dollar (USD)	(EURO)	Brazilian Real (BRL)	Czech Koruna (CZK)	Mexican Peso (MXN)	Indian Rupee (INR)
Exchange Rate for 1 reporting currency as on 31st March 2020 (INR)	0.00461	0.00461	75.2371	83.205	17.615	3.045	4.058	N.A.
Share Capital	4,119.90	325.38	188.09	31,369.03	—	0.30	—	850.00
Reserves and Surplus	(1,876.70)	(1,066.11)	2,460.49	(37,296.21)	—	(3,176.21)	—	(243.73)
Total Assets	5,211.32	196.39	8,021.30	5,876.23	—	11,586.27	—	2,612.09
Total Liabilities	5,211.32	196.39	8,021.30	5,876.23	—	11,586.27	—	2,612.09
Investments	5.10	—	—	5,779.22	—	—	—	—
Turnover	2,155.92	290.53	19,598.19	—	8,871.64	35,790.55	2,102.62	2,851.33
Profit / (Loss) before Tax	(248.74)	14.02	426.14	(33,928.03)	(6,845.20)	(977.33)	(1,081.01)	(323.73)
Provision for Tax	5.66	(3.80)	27.49	—	—	—	—	—
Profit / (Loss) after Tax	(254.40)	17.82	398.65	(33,928.03)	(6,845.20)	(977.33)	(1,081.01)	(323.73)
Proposed Dividend	—	—	—	—	—	—	—	—
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%

* The said subsidiaries were sold on 11th February 2020. Refer to Note No. 2.42.

Part - "B" - Associates and Joint Ventures

Not Applicable

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

K. Ramesh
Chief Financial Officer
(ACMA No. : A9375)

T. G. Thamizhanban
Company Secretary
(FCS No. : 7897)

Coimbatore
29th July 2020

NOTES

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PASSIONATE

SUSTAINABLE

DYNAMIC

EVOLVING

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