POISED FOR GROWTH

ANNUAL REPORT 2018

pricol™

PRICOL LIMITED
Passion to Excel

STAKEHOLDERS

CUSTOMERS | **EMPLOYEES** | **SHAREHOLDERS** | **SUPPLIERS**

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

CORPORATE VISION

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

CORPORATE MISSION

Be *Dynamic*

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

Constantly *Evolve*

Improve in every sphere of our activity

Work *Passionately*

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

Be *Sustainable*

Care for the society and environment around us.

CORE VALUES

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

RESPECT
We respect those who add value to our lives

INTEGRITY
We never compromise on our values

COLLABORATION
We believe in working towards a unified goal

OWNERSHIP
We are responsible for all our actions

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

CONTENTS

PRICOL LIMITED COMPLETES ACQUISITION OF PMP AUTO COMPONENTS

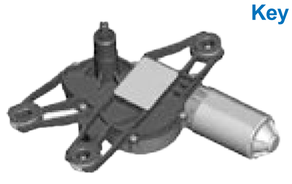
Pricol Limited successfully completed the acquisition of PMP Auto Components Pvt. Ltd comprising of PMP Auto Components Private Ltd. (in India), PMP PAL International S.R.O. (in the Czech Republic) and PMP Auto Mexico S.A. de C.V. (in Mexico). The PMP India Wiping System Business along with PMP PAL International S.R.O. (in the Czech Republic) and PMP Auto Mexico S.A. de C.V. (in Mexico) has been transferred to Pricol Limited.

This acquisition ties in well with Pricol Limited's long term strategy of driving growth and achieving product diversification. It is believed that wiping systems is a growing product segment which would be largely immune to the ever changing technological trends in the automotive sector and the eventual move to electric vehicles. With manufacturing presence in Czech Republic and Mexico, this acquisition fits in perfectly with the ongoing plans to establish presence in these regions.

Prague, Czech Republic

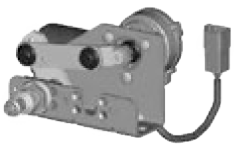
Puebla, Mexico

Key Products



Rear Wiper Motors

Front Wiper Sets



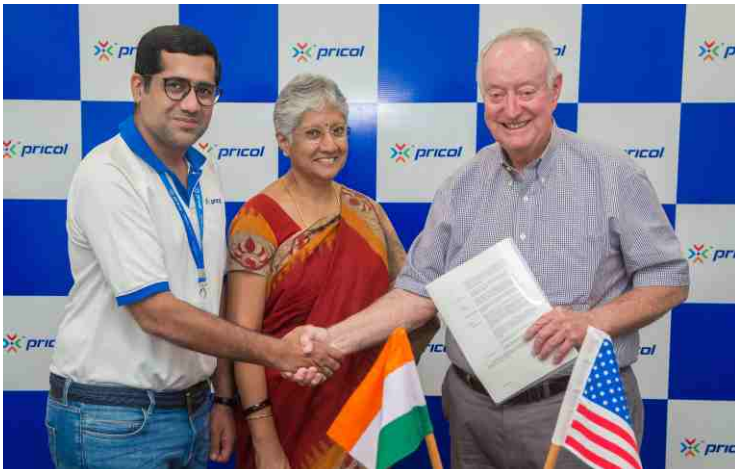
Heavy Duty Wipers

Front Wiper Motors

PRICOL LIMITED AND DONGGUAN SHENPENG ELECTRONICS CO LIMITED SIGN A PARTNERSHIP FOR ELECTRIC WATER PUMPS

Pricol Limited signed an exclusive partnership with Dongguan Shenpeng Electronics Co. Limited in January, 2018 for introducing Electric Coolant Pumps in the Indian Market. The cooling solutions portfolio will include secondary cooling systems for reducing the engine load and optimizing the fuel efficiency, EGR and turbocharger cooling solutions for BS-VI applications. The product range will cater to multiple cooling solutions for Two wheelers, Three wheelers, Passenger Cars, Commercial Vehicles and Electric Vehicles.

PRICOL LIMITED SIGNS EXCLUSIVE LICENSING PARTNERSHIP WITH KERDEA TECHNOLOGIES



Pricol Limited signed a licensing agreement with Kerdea Technologies for the Oxygen (O2) Sensor in July 2017.

With this strategic partnership, Pricol Limited plans to expand its sensors portfolio in India and get ready for the upcoming Bharat Stage (BS)-VI Emission Regulations planned to be implemented by the 1st of April, 2020 by the Indian government. With Kerdea's patented technology in oxygen sensor and Pricol's manufacturing capabilities, this product will be made for combustion engine applications in the two wheeler and three wheeler vehicle segments in India. O2 sensors will help to maintain the right Air-Fuel mixture so that the engine runs efficiently with emissions, well within the regulatory norms. Pricol recognizes the need to invest in such next-generation solutions that will deliver better performance and be environment friendly.

PRICOL'S COLLABRATION WITH ACHR

Pricol Limited, in October 2017 signed an exclusive agreement with Wenzhou Huirun Electrical Machinery Co., Ltd (ACHR) for technical collaboration and supply of Fuel Pump & Pressure Regulator as products and child parts in India. Through this strategic agreement, Pricol intends to further strengthen its automotive pump portfolio in India and will now become a comprehensive supplier of Fuel Pump Module required for Electronic Fuel Injection Systems. Wenzhou Huirun will support Pricol Limited with product & process technologies for new business opportunities arising in all segments like 2 wheeler, 3 Wheeler, 4 Wheeler, Commercial vehicle and Off-road vehicle (both Petrol & Diesel systems).

PRICOL DO BRASIL (PDB) MOVES FROM DIADEMA TO ATIBAIA

Pricol do Brasil, a wholly owned subsidiary of Pricol Limited, shifted location from Diadema in the Great São Paulo area to Atibaia, which is in Jarinu city – 85 km from Diadema. With the objective of lowering costs, increasing cash flow and increasing standard of living, this move will be a game changer for the unit.

MANUFACTURING PLANT IN MANESAR, HARYANA – PLANT 9

Investment in Pricol Limited's 2nd Manufacturing unit in Manesar, Haryana which is also the 9th manufacturing unit in India. The facility is over 98,000 square feet of area and first invoicing was completed in June 2018. The plant will be fully operational by August 2018.

GREENFIELD MANUFACTURING PLANT IN SRICITY, ANDHRA PRADESH – PLANT 10

Investment in a greenfield manufacturing plant in Sricity , Andhra Pradesh. The manufacturing facility is built over a land area of 5.86 acres with a building area of over 48,000 square feet in phase 1. This will be Pricol Limited's 10th Manufacturing Unit in India. The manufacturing facility is expected to be fully operational by August 2018.

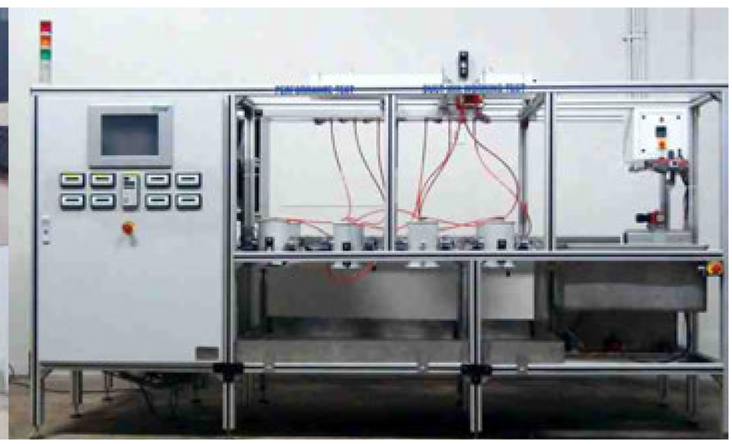
GREENFIELD MANUFACTURING PLANT IN HOSUR, TAMIL NADU – PLANT 11

Investment in a greenfield manufacturing plant in Hosur, Tamil Nadu. The manufacturing facility is built over a land area of 5.55 acres with a building area of over 51,000 square feet in phase 1. This will be Pricol Limited's 11th Manufacturing Unit in India. The manufacturing facility is expected to be fully operational by September 2018.

OXYGEN SENSOR ASSEMBLY LINE – PLANT 1

Assembly line for Oxygen Sensors, developed in association with Kerdea Technologies using Pricol Limited's home grown technology. Includes advanced technology processes like laser welding to join SS adapter & shield, real time inspection with high temperature (1000ºC) gas burner, robotic cement application and micro dispensing for glaze application.

TESTING EQUIPMENT – PLANT 1



Investment in additional product testing equipment to enable testing like Endurance in Wet, Dry, Hot, Cold and other conditions for key products. Equipment to test parameters like Mechanical Strength, Leakage and etc., thus ensuring high product quality.

2ND SURFACE MOUNTING DEVICE LINE FOR PRINTED CIRCUIT BOARDS – PLANT 2

Newly introduced online 3D Solder Paste inspection and 3D Advanced Optical inspection in this assembly line, ensures first time right and eliminates rework. Solder paste printer and 3D Solder paste inspection machine are closed loop to adjust the deviation within machines. Mounters with wide range nozzle is used for picking up components of varying sizes, instead of frequently changing the nozzles. Robotic Soldering and Dual Head routers are implemented for higher productivity. In-Circuit tester checks each component in parallel, ensuring the functional properties of all the assembled components.

FUEL PUMP MODULE ASSEMBLY LINE – PLANT 2

New assembly line for Fuel Pump Module with Thick Film Resistor (TFR) type Fuel Level Sensor (FLS) with multi process SPM (Special Purpose Machine) and automatic variable flow checks for pump performance and pressure regulator test. Semi-automated end-of-line inspection with laser marking interlock and QR (Quick Response) traceability.

WATER PUMP ASSEMBLY LINE – PLANT 3

New assembly line for Ashok Leyland with new design concepts with load vs displacement and graphical display in HMI (Human Machine Interface) ensuring ease in decision making. Data logging system has been introduced in all stations to monitor and store process details for future reference. Air leak testing in dynamic condition introduced to inspect product quality for the first time. Closed loop air gauge inspection for housing bore ID and hub bore ID with interlink to the subsequent processes.

FOUR STROKE OIL PUMP ASSEMBLY LINE – PLANT 3

New assembly line with semi-automatic combined processes ensures error free product assembly in line with the requirements from Harley Davidson. Dynamic torque and flow testing fixture rotates automatically to simulate engine mounting condition to ensure 100% pumps performance.

INTERLOCKED ASSEMBLY FACILITY FOR WATER PUMP – PLANT 3

The water pump assembly line for Polaris G4 model is an interconnected assembly line which includes 2D barcode with new generation servo presses for closed loop pressing applications, auto shut-off nut runners for tightening process, Fiber optic laser for 2D barcode marking on metal body at beginning and at the end of the processes, LVDT (Linear Variable Differential Transformer) is inbuilt to ensure mechanical seal alignment & impeller clearance. The line also includes SQL (Structured Query Language) server based interlocks, data storing facility for process parameters such as pressing loads, tightening torque, alignment, clearance measurements & test results for future reference.

OIL PUMP ASSEMBLY LINE – PLANT 3

Oil pump assembly line for Royal Enfield Motors Limited with combined machines optimizes the productivity using indexing table mechanism with dual part processing. Pin pressing Poka-yoke using pneumatic cylinder eliminates usage of load cell's inaccuracy due to the short distance. Flushing machine with gearless drive transfer using pressure pads allows to process two parts in parallel with reduced cycle time. Free rotation fixture with compact hydraulic clamping cylinder allows to load two parts in parallel with reduced cycle time.

CABIN TILT SYSTEM LATCH ASSEMBLY LINE – PLANT 3

In this line, rivet height is measured, logged and displayed in the HMI (Human Machine Interface) for ease in decision making. Productivity has been improved by providing dual fixture in the latch cylinder station. Performance checking and engraving machines are interlinked to ensure that only good parts are marked.

NO FAULT FORWARD ASSEMBLY LINE FOR MECHANICAL DIS - PLANT 7

New assembly line with process interlock for Bajaj Auto Limited's Driver Information System ensuring closed loop process with higher quality control. Includes improved vision based inspection method and dual fixtures process that doubles the capacity of the existing assembly line.

NO FAULT FORWARD ASSEMBLY LINE FOR ELECTRONIC DIS - PLANT 7

New semi-automatic assembly line with No Fault Forwarding (NFF) method ensures defect free Driver Information Systems(DIS) for Bajaj Auto Limited. All the processes are closed loop with bar code traceability. Semi-automatic pointer pressing with load and displacement sensor to ensure the right pointer position. Auto judgement End of Line testing for product inspection by vision system.

TVS - NTORQ

Customer	:	TVS Motors Limited
Model	:	NTORQ
Market	:	India
Product	:	First ever scooter with Bluetooth Connectivity In India

HERO - PASSION

Customer	:	Hero Motors Limited
Model	:	Passion - Xpro
Market	:	India
Product	:	Digital Cluster

BAJAJ - DISCOVER

Customer	:	Bajaj Auto Limited
Model	:	D104A (Discover110)
Market	:	India
Product	:	LCD Cluster

KTM - HUSQVARNA

Customer	:	KTM
Model	:	Husqvarna
Market	:	India & Austria
Product	:	Instrument Cluster

TATA - XENON

Customer	:	Tata Motors Limited
Model	:	Xenon
Market	:	India
Product	:	Digital Cluster with TPMS (Tyre Pressure Monitoring System)

JAYEM AUTOMOTIVE - EV CAR

Customer	:	Jayem Automotive Private Limited
Model	:	EV- Car
Market	:	India
Product	:	Cluster developed for Tata Motors' Electric vehicle through Jayem Automotive

VOLKSWAGEN - EA 211 Evo

Customer	:	Volkswagen
Model	:	EA 211 EVO
Market	:	North America
Product	:	Water Pump

GENERAL MOTORS - CSS PRIME TURBO

Customer	:	General Motors
Model	:	CSS Prime Engine
Market	:	South America
Product	:	Water Pump CSS Prime (Turbo Version)

GENERAL MOTORS - CSS PRIME ASPIRATED

Customer	:	General Motors
Model	:	CSS Prime Engine
Market	:	South America
Product	:	Water Pump CSS Prime (Aspirated Version)

JCB - EXCAVATOR, COMPACTOR, WHEEL LOADER

Customer	:	JCB India Limited
Model	:	Excavator, Compactor, Wheel Loader
Market	:	India
Product	:	Re-configurable, Scalable, Effective and Efficient TFT Clusters

JCB - MINI EXCAVATOR, 3CX COMPACT

Customer	:	JCB India Limited
Model	:	Mini Excavator, 3CX Compact
Market	:	United Kingdom
Product	:	Wide range of warning clusters

NEW TECHNOLOGY PRODUCTS FOR JCB INDIA - BACKHOE

Warning Cluster

Low Cost Telematics Solution for Existing JCB Machines

Speed Sensor

Fuel Level Sensor Non Fuel Contact Type

Health

EYE CAMPS AT GOVERNMENT SCHOOLS

6,480 Government school students were screened during the eye camps conducted in Karamadai Block near Coimbatore, India in association with Sankara Eye Hospital. A total of 550 glasses were distributed to the needy students.



PUBLIC EYE CAMPS

Public Eye Camps were conducted in Perumal Kovil Pathy and Karamadai, near Coimbatore, India which saw a footfall of 210 people.


PUBLIC MEDICAL CAMPS

Medical camps were conducted for the public in Annur and Valavadi near Coimbatore, India in association with Sankara Hospitals and PSG Institutions respectively. The events together saw a footfall of 223 people and benefitted 50 people.


DONATION TO SANKARA EYE HOSPITALS

A donation of Rs. 5 lakhs (500,000) was given to Sankara Eye Hospitals to support, fund and partner with the various social activities the hospital conducts in and around Coimbatore.

Environment

TREE PLANTATION PROGRAM

Several tree planting programs were conducted at multiple locations in and around Coimbatore, India. A total of 5,000 trees with tree guard were planted in total in these programs.

DONATION TO WILDLIFE SOS AND SIRUTHULI

Donations were provided to Wildlife SOS and Siruthuli in support of their respective social causes.

Infrastructure

CONTRIBUTION TO SWACHH BHARATH:

A contribution of Rs.2 lakhs was donated to the National Swachh Bharath initiative which was handed over to Dr. K. Vijayakarthikeyan, Commissioner, Coimbatore City Municipal Corporation.

MATERNITY WARD:

A maternity ward was constructed and inaugurated at the Primary Health Center, Valavadi at Udumalpet, near Coimbatore to benefit the nearby villages.

Education

DEVELOPMENT OF GOVERNMENT SCHOOLS:

Several activities like renovation, white washing, computer maintenance and smart class provision were completed in Government High School in Valavadi and white washing was conducted for the Government High School in Perumal Kovil Pathy near Coimbatore.

BOARD OF DIRECTORS

Mrs. Vanitha Mohan, Chairman	(DIN:00002168)
Mr. Vikram Mohan, Managing Director	(DIN: 00089968)
Mr. Suresh Jagannathan	(DIN: 00011326)
Mr. R. Vidhya Shankar	(DIN: 00002498)
Mr. G. Soundararajan	(DIN: 00037995)
Mrs. Sriya Chari	(DIN: 07383240)
Mr. S.K. Sundararaman - from 30th May 2018	(DIN: 00002691)
Mr. Vijay Mohan, Chairman - upto 11th November 2017	(DIN: 00001843)
Mr. C.R. Swaminathan - upto 28th February 2018	(DIN: 00002169)
Mr. K. Murali Mohan - upto 31st March 2018	(DIN: 00626361)

BOARD COMMITTEES

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

NOMINATION & REMUNERATION COMMITTEE
Mr. R. Vidhya Shankar
Mr. G. Soundararajan
Mrs. Sriya Chari

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

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Mrs. Vanitha Mohan
Mr. Vikram Mohan
Mr. G. Soundararajan

CHIEF FINANCIAL OFFICER
Mr. J. Sridhar

COMPANY SECRETARY
Mr. T.G. Thamizhanban

STATUTORY AUDITOR
M/s. Haribhakti & Co. LLP,
Chartered Accountants,
"Shree Shanmugappriya", 2nd Floor,
454, Ponnaiyan Street, Crosscut Road,
Gandhipuram, Coimbatore - 641 012

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

COST AUDITOR
M/s. STR & Associates,
Cost & Management Accountants,
"Vignesh Villa", A-3, III Floor,
No.56, 7th Avenue, Ashok Nagar,
Chennai - 600 083

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

REGISTERED OFFICE
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Coimbatore - 641 018, India.
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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.

Plant XI
SF No.738, 739A, 737 A,
Ponnapalli Village,
Keelamangalam, Hosur,
Krishnagiri - 635 114, Tamilnadu, India.

Plant XII
2 / 192, Bilichi Village,
Mettupalayam Road,
Karamadai,
Coimbatore - 641 104,
Tamilnadu, India.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Your Directors have pleasure in presenting the Seventh Annual Report and audited accounts for the financial year ended 31st March, 2018.

FINANCIAL RESULTS

The summarised financial results are: ₹ Million

	2017-18	2016-17
Net Sales & Services		
- Domestic	**10,956.418**	11,315.551
- Export	**810.726**	840.961
Other Operating Revenue	**579.355**	501.968
Other Income	**36.477**	42.946
Total Revenue excluding Excise Duty & Sale of Land held as Stock-in-Trade	**12,382.976**	12,701.426
Profit from Operations before Finance Cost, Depreciation and Amortisation Expense & Exceptional Items	**1,049.990**	1,356.261
Less : Finance Costs	**113.939**	78.414
: Depreciation	**489.446**	375.899
Profit from Operations before Amortisation Expense, Exceptional Items & Tax	**446.605**	901.948
Less : Amortisation Expense	**226.207**	284.074
Add : Sale of Investment in Subsidiary	**—**	5.337
Add : Sale of Land held as Stock-in-Trade	**712.977**	—
Less : Impairment of Land and Building	**191.193**	—
Profit Before Tax	**742.182**	623.211
Less : Tax Expense		
Current Tax	**201.562**	137.000
Deferred Tax	**166.954**	156.473
MAT Credit	**(161.070)**	(137.000)
Profit for the year (A)	**534.736**	466.738
Other Comprehensive Income	**24.565**	(17.260)
Income tax relating to these items	**(8.501)**	5.973
Other Comprehensive Income for the year after tax (B)	**16.064**	(11.287)
Total Comprehensive Income for the year (A) + (B)	**550.800**	455.451

First year of implementation of Indian Accounting Standards (Ind AS):

Financial year 2017-18 is the first year of implementation of the Indian Accounting Standards (Ind AS). The financial statements for the year ended 31st March, 2018 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and other relevant provisions of the Act. The financial statements for the year ended 31st March, 2017 have been restated in accordance with Ind AS for comparative information. Detailed information on the impact of the transition from previous GAAP to Ind AS is provided in the annexed financial statements.

DIVIDEND

Your Directors recommend a dividend of ₹ 1/- per share of ₹ 1/- face value for the year ended 31st March, 2018 and the total dividend payout is ₹ 114.283 Million including dividend distribution tax.

AUTO INDUSTRY

During the year, the Auto Industry domestic market grew by 14.22% and exports by 16.22%. The overall growth was 14.48% as against 5.09% in the previous financial year.

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

Category	Vehicles Sold 2017-18	In numbers 2016-17	Growth 2017-18 %
Passenger Car / Utility Vehicle	**3,841,121**	3,622,236	**6.04**
Vans	**194,131**	184,073	**5.46**
Medium & Heavy Commercial Vehicle	**384,408**	346,286	**11.01**
Light Commercial Vehicle	**568,912**	476,067	**19.50**
Motor cycles / Scooters / Mopeds	**23,007,688**	19,930,015	**15.44**
Three Wheelers	**1,016,700**	783,773	**29.72**
Total	**29,012,960**	25,342,450	**14.48**

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

OPERATIONS

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

Overall company sales decreased by 3% when compared to the previous year. This was mainly due to phasing out of Speed Limiting Devices due to introduction BS IV engines.

The profit from operations before Amortisation expenses, Exceptional items & Tax decreased from ₹ 902 Million to ₹ 447 Million.

The profit before tax increased from ₹ 623 Million to ₹ 742 Million, which includes profit from sale of land held as Stock-in-Trade and after impairment of land & building.

For the ensuing year 2018-19, the Company's business is expected to grow between 12% to 15%, mainly due to new business generated.

SUBSIDIARY COMPANIES

PT Pricol Surya Indonesia

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

In the financial year 2017-18 the company has achieved a sales of Indonesian Rupiah 84,170 Million (₹ 404.437 Million) as against the previous year sales of Indonesian Rupiah 186,339 Million (₹ 922.378 Million) a decrease of 54.83% in Indonesian Rupiah & 56.15% in INR terms.

The decrease in sales is mainly on account of phasing out of vehicle models for which the company is supplying. The Company had a profit before tax of Indonesian Rupiah 5,602 Million (₹ 26.919 Million) as against the profit of Indonesian Rupiah 1,986 Million (₹ 9.829 Million) of previous year.

During November 2017, the company acquired 100% shares of PT Sripri Wiring Systems, Indonesia, manufacturing of wiring harness and supplier to the company.

Pricol Asia Pte Limited, Singapore

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

In the financial year 2017-18, the Company achieved sales of USD 29.405 Million (₹ 1,910.667 Million) as against the previous year sales of USD 22.877 Million (₹ 1,500.798 Million). The company made a profit of USD 842,338 (₹ 54.733 Million) during the year 2017-18 as against USD 762,345 (₹ 50.011 Million) in 2016-17.

Pricol Espana Sociedad Limitada, Spain

It is an investment arm of Pricol to acquire companies in Europe and the Americas. In August 2017, the Company has acquired the Wiping Systems businesses in Czech Republic and Mexico from Ashok Piramal Group (Pricol Wiping Systems Czech s.r.o and Pricol Wiping Systems Mexico S.A. de C.V). During the financial year, the company has incurred a loss of EURO 1.128 Million (₹ 84.513 Million), as against EURO 0.120 Million (₹ 8.665 Million), in 2016-17.

Pricol do Brasil Componentes Automotivos LtdA, Brazil

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

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

The development of the new CSS Prime business is a major milestone for the Company as it is expected to generate annual revenues of BRL 45 Million (USD 15 Million). Forecast is to initiate ramp up of production from April 2019 onwards.

During the year, the Company has shifted its manufacturing facility from Diadema to Jarinu to reduce employee cost and operational cost. It has started production and supplies to the customer from the new plant from November 2017. During the restructuring, company negotiated with Employee union and retrenched 181 employees at Diadema and hired 125 employees from Jarinu.

In the financial year 2017-18, PdB has achieved a sales of BRL 63.150 Million (₹ 1,278.146 Million) as against the previous year sales of BRL 62.940 Million (₹ 1,233.804 Million). PdB incurred a loss of BRL 45.163 Million (₹ 914.092 Million) during the year 2017-18 as against BRL 22.224 Million (₹ 435.654 Million) in 2016-17. The loss during the year includes BRL 18.556 Million (₹ 375.571 Million) towards employee settlement and BRL 1.516 Million (₹ 30.683 Million) towards relocation expenses.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

Acquisition - Wiping Systems business

Pricol completed the acquisition of the automotive business from Ashok Piramal Group consisting of the Wiping Systems business on 28th August 2017. With manufacturing facilities in Czech Republic, Mexico and India the business is into the manufacture of front and rear wiper motors and assembly of wiper linkages for the automotive segment.

The acquisition of the Wiping Systems business was carried out with an intention to develop a manufacturing footprint at Europe and Mexico, to make further inroads into the Four-wheeler business and expanding the product portfolio. With a strong focus on R & D and quality improvement, Pricol is confident of improving the profitability of the business.

As a part of the acquisition, Pricol Limited incorporated Pricol Wiping Systems India Limited as its wholly owned subsidiary. Pricol Espana Sociedad Limitada, Spain, wholly owned subsidiary of Pricol Limited acquired PMP PAL International s.r.o.,Czech and PMP Auto Mexico SA. de C.V., Mexico. PMP PAL International s.r.o. was acquired by Pricol Espana Sociedad Limitada through its wholly owned subsidiary, Pricol Wiping Systems Czech s.r.o. on August 28, 2017.

Pricol Wiping Systems Czech s.r.o.

With a track record of over 90 years in Czech Republic, PAL serves a wide range of customers including Volkswagen, Skoda, Seat, Fiat Chrysler Automobiles, John Deere, etc., predominantly across the European Union and globally.

With new business wins with customers, Volkswagen, Seat and Audi, PWS Czech recorded an y-o-y increase in Revenue from sale of finished products by 32.6% in FY 2017-18 vis-à-vis FY 2016-17. PAL was merged with PWS Czech with effect from 1st April 2018. During FY 2018-19, Start of Production for Audi's new programme will add to the topline growth of the Company. PWS Czech is working on activities such as productivity improvements, 5S implementation, supplier rationalization strategies which are being taken to improve and sustain long-term profitability.

During the period from September 2017 to March 2018, PWS Czech has achieved a sales of CZK 673.975 Million (₹ 1,965.709 Million) and registered loss before tax of CZK 16.612 Million (₹ 48.451 Million).

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

Pricol Wiping Systems Mexico S.A. de C.V. (PWS Mexico) formerly known as PMP Auto Mexico S.A. de C.V., and located at Puebla, Mexico commenced manufacturing operations in November 2016. PWS Mexico manufactures and supplies Wiping Systems to Volkswagen in Mexico. With the gradual phase out of projects at Mexico, there has been a drop in Revenues at Mexico since October 2017.

Inline with expected synergies of the acquisition, the company has won a water pump program from VW Mexico's EVO engine platform in collaboration with Pricol do Brasil's R & D expertise.

The project will commence production by end of 2020 and will represent an additional business of ₹ 1,300 Million (USD 20 Million) per year. The estimated life of the project is 8 years.

During the period from September 2017 to March 2018, PWS Mexico had revenue of MXN 25.610 Million (₹ 88.780 Million) and incurred loss of MXN 17.155 Million (₹ 59.468 Million).

Pricol Wiping Systems India Limited

With effect from 28th August, 2017, Pricol Wiping Systems India Limited took over the wiping India business and integrated the same successfully and started direct billing to all the OEMs with effect from 1st March, 2018.

On successful integration of the business, Pricol Wiping Systems India Limited intends to establish itself as a major vendor for four wheeler segment in supply of Wiping systems to passenger and commercial vehicle segment in India.

During the period from September, 2017 to March, 2018, the company has achieved sales of ₹ 223.831 Million. The company incurred losses to the extent of ₹ 21.411 Million during the period as per the unaudited financials for the period ended 31st March, 2018.

The company has already secured additional orders from existing and new OEM customers in India, and is expected to be profitable from the FY 2018-19.

OUTLOOK, OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

India

GDP growth estimates for FY 2018-19 are positive and International Monetary Fund predicts India to be amongst the fastest growing economy with growth rates over 7%. The Automotive Industry in India is expected to continue the growth momentum into FY 2018-19. According to SIAM, M & HCVs are expected to grow by 8-10% compared to FY 2017-18 and two-wheeler growth is expected to grow by 11-13%. With GST corrections in Tractors and Off-road vehicles, Government's infra and rural push, and forecasted normal monsoons, growth in Tractors and Off-road Vehicles is expected to be between 15-20% during 2018-19.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

Pricol envisages to outgrow the market through new revenue opportunities from existing product line up such as oil pumps, die-casting, switches and sensors. Pricol aims to achieve its revenue target for 2021 through key strategic partnerships and organic growth.

International

The global auto industry looks set for an interesting year in 2018, especially as improving global economic conditions brighten the mood. Challenges remain - specifically China's car tax reboot, US domestic tax cuts and recent eyebrow-raising tariff initiatives, Europe's flux and the relative health of key recoveries around the world (especially Russia and Brazil).

Brazil

After the recession that impacted Brazil's economy in 2015 (GDP -3.5%) and 2016 (GDP -3.5%), finally the country has seen some relief with 2017 GDP growth of 1% to BRL 6.559 Trillion (USD 2 Trillion).

Forecast for 2018, GDP is expected to grow at 2.75%. The automotive sector has indeed helped on 2017 economic recovery. Vehicle production increased by 25% from 2.15 Million in 2016 to 2.70 Million vehicles in 2017, helped by exports which grew 46% and local sales by 9%. This ends a 3 consecutive year decline in production. Forecast for 2018 is an increase of 13%.

Pricol do Brasil anticipates to outgrow the market, as a result of efforts to increase the share of business with OEMs and increase in aftermarket business volumes.

Europe

For 2018, stable demand developments in Western and Central Europe are expected, while shipments to Eastern Europe and export markets are forecast to grow 8%. As a result, the 2018 production forecast is expected to be at 23 Million units, representing an increase of 2.6% compared with 2017. Output will grow in the Iberian Peninsula (+9%), Central Europe (+5%), and Russia (+9%). From an OEM perspective, the highest performances are expected from Volkswagen, Ford, Volvo, and Jaguar Land Rover owing to the addition of new sport utility vehicle models to their portfolios.

Pricol Wiping Systems Czech expects revenue growth over and above the market growth, resulting mainly from start of new businesses, ramping up of volumes from businesses which had commenced in FY 2018, and a focus on increase in aftermarket volumes, amongst other initiatives.

RISK MANAGEMENT

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

FINANCE

During the year, the Company has not accepted / renewed any fixed deposit from public. The total deposits remained unpaid or unclaimed as at 31st March, 2018 is Nil. There is no default in repayment of deposits or payment of interest thereon during the year.

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

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

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

The particulars of Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013 are given in Note No. 2.64 & 2.65 to the Standalone Financial Statements.

RELATED PARTY TRANSACTIONS

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

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

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

DIRECTORS

As per the provisions of Section 149 of the Companies Act, 2013, Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Directors retirement policy at the age of 70, the Members of the company appointed the independent directors as mentioned below:

Name of Independent Director	Period of Appointment
Mr. C.R.Swaminathan	Upto 28th February 2018
Mr. K.Murali Mohan	Upto 31st March 2018
Mr. Suresh Jagannathan	Upto 31st July 2019
Mr. R.Vidhya Shankar	Upto 31st July 2019
Mr. G.Soundararajan	Upto 31st July 2019
Mrs. Sriya Chari	Upto 26th May 2021

Mr.S.K.Sundararaman was appointed as an Additional Director (Independent) of the Company by the Board of Directors at its meeting held on 30th May 2018 and whose term of office expires at this Annual General Meeting ('AGM'). The Board recommends the appointment of Mr.S.K.Sundararaman as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years commencing from 30th May 2018 to 29th May 2023.

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

In line with the Directors retirement policy, Mr.Vijay Mohan, aged 70 years, non-executive Chairman retired with effect from end of 11th November 2017. The Board wish to place a special appreciation to Mr.Vijay Mohan, Chairman for his leadership and valuable services rendered for nearly 45 years in the formation, growth and success of Pricol, since its inception.

During the year, in line with the Directors retirement policy, Mr.C.R.Swaminathan and Mr.K.Murali Mohan, Independent Directors retired from the Board of Directors of the Company with effect from the end of the day, 28th February 2018 and 31st March 2018 respectively. The Board wish to place its appreciation for the valuable services rendered by them during their tenure of office as Directors of the Company.

Mrs.Vanitha Mohan appointed as Chairman of the Company with effect from 14th November 2017. She 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.J.Sridhar, Director Finance (CFO) & Mr.T.G.Thamizhanban, Company Secretary.

Mr.J.Sridhar, Director Finance (CFO) had been appointed as Key Managerial Personnel with effect from 30th May 2018, in place of Mr.S.Shrinivasan.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

STATUTORY AUDITORS

M/s.Haribhakti & Co. LLP, Chartered Accountants, Coimbatore, (ICAI Registration No. 103523W/W100048), due to their internal restructuring, consequent to which they are unable to continue as Statutory Auditors of the company, resigned with effect from 15th June 2018. Board of Directors at their meeting held on 26th June 2018 appointed M/s.VKS Aiyer & Co, Chartered Accountants, Coimbatore (ICAI Registration No : FRN 000066S) as statutory auditors, in place of casual vacancy caused due to the resignation of M/s.Haribhakti & Co. LLP, from 26th June 2018 to the conclusion of this 7th Annual General Meeting, subject to the approval of shareholders.

M/s. VKS Aiyer & Co., Chartered Accountants are eligible for appointment and have confirmed that their appointment, if approved, will be in compliance with Section141 of the Companies Act, 2013.

Your Board recommends the appointment of M/s. VKS Aiyer & Co., Chartered Accountants, Coimbatore (ICAI Registration No : FRN 000066S) as statutory auditors 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.

COST AUDITOR

The Board of Directors at its meeting held on 30th May 2018 appointed Mr. G. Sivagurunathan, Cost Accountant, as the Cost Auditors for conducting the Cost Audit for the financial year 2018-19. A resolution seeking members' ratification of the remuneration payable to Cost Auditor is included in the 7th AGM notice. The Cost Audit Report will be filed within the stipulated period.

SECRETARIAL AUDITOR

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

SECRETARIAL STANDARDS

The company had complied with the applicable Secretarial Standards.

CSR INITIATIVES

Pricol's Corporate Social Responsibility (CSR) activities reflect its philosophy of enhancing value to the society and the environment around us. The contribution in this regard has been made to the registered trust which is undertaking these schemes in addition to the CSR activities directly undertaken by the Company. The Annual Report on CSR activities for the financial year 2017-18 including CSR Policy is annexed herewith as **"Annexure B"**.

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

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

EXTRACT OF THE ANNUAL RETURN

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

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Monthly meeting with the Union Representatives is being conducted every month and periodic review on the redressal of the points raised in the meeting is also conducted. Monthly Goodwill Meeting with the Operators also conducted to redress the shop floor issues of the operators in their day-to-day working environment. Periodical interactions with the union office bearers and the line operators have improved the conducive Industrial Relations. During the year, the Company incurred ₹ 2 Million towards health and safety. The number of people employed as on 31st March 2018 is 5,121.

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

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any sexual harassment complaint during the year 2017-18.

PARTICULARS OF EMPLOYEES

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

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

DIRECTORS RESPONSIBILITY STATEMENT

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

a) in the preparation of annual accounts for the financial year ended 31st March 2018, 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 2018, on a going concern basis;

e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively and

f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

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

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

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 2017-18.

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
26th June, 2018

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ANNEXURE "A" TO DIRECTOR'S REPORT

Form No. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

[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 (Formerly Pricol Pune 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, (formerly Pricol Pune Limited)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2018, 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 2018 according to the provisions of :

i) The Companies Act, 1956 and the Rules made there under to the extent applicable.

ii) The Companies Act, 2013 (the Act) and the rules made there under ,

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

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

v) 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;

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

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

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

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

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

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

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

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable as the Company has not bought back / proposed to buy back any of its securities during the financial year under review]

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

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

(vii) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016;

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

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

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

ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange 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.

I further report that

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

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

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

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

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

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

Coimbatore
30th May, 2018

★★★★★

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To

The Members,
Pricol Limited ***(Formerly Pricol Pune 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

CS P. Eswaramoorthy
Proprietor
Coimbatore FCS No.: 6510
30th May 2018 CP No.: 7069

ANNEXURE "B" TO DIRECTOR'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

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

   Web Link to the CSR Policy:
   http://www.pricol.com/CSR-Policy.pdf

2. **CSR Committee has Mrs.Vanitha Mohan, Mr. Vikram Mohan, Mr.G.Soundararajan (from 1st February 2018) and Mr.C.R.Swaminathan (upto 1st February 2018) as its members.**
3. **Average Net Profit / (Loss) of the Company for last three financial years** **₹ 168.470 Million**
4. **Prescribed CSR Expenditure** **₹ 3.370 Million**
   (two per cent of the amount as in item 3 above)
5. **Details of CSR spent during the financial year**
   a) Total amount spent for the financial year ₹ 4.150 Million
   b) Amount unspent, if any ; ₹ 0.810 Million

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

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

S. No.	CSR Project or Activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount Spent on the projects or programs (by implementing agency)	Cumulative expenditure from 1-4-2014 to 31-3-2018	Amount Spent : Direct or through implementing agency
1	Eye & Medical Camps (Government School & Public)	Health	Coimbatore, Tamilnadu	250,000	208,072	617,281	ND Foundation
2	Water Purifiers and AMC Charges	Health	Coimbatore & Tirupur, Tamilnadu	---	---	1,117,009	
3	Fire Safety and First Aid Training - To School Students	Education	Coimbatore, Tamilnadu	---	---	136,790	
4	Facilities for Government Schools	Education	Tirupur, Tamilnadu	1,000,000	800,000	1,116,294	
5	Construction of Maternity ward at Primary Health Centre	Health and Sanitation	Tirupur, Tamilnadu	40,000	32,593	2,041,634	
6	Contribution to Swachh Bharat	Environment	Coimbatore, Tamilnadu	400,000	200,000	200,000	
7	Tree Park Construction / Tree plantations	Environment	Coimbatore, Tamilnadu	1,000,000	353,252	1,036,568	
8	Desilting and repair of check dam	Environment	Coimbatore, Tamilnadu	---	---	500,000	
9	Contribution to Wildlife SOS	Environment	Delhi	600,000	600,000	2,030,000	
10	Contribution to Siruthuli	Environment	Coimbatore, Tamilnadu	1,300,000	1,300,000	1,800,000	
11	Contribution for Corpus (Trauma Care Centre)	Health	Coimbatore, Tamilnadu	---	---	3,200,000	
12	Supply of Medical Equipments- To Rapid Action Force	Health	Coimbatore, Tamilnadu	---	---	67,500	
13	Supply of Medical Equipments- To Government Hospital	Health	Pantnagar, Uttarakhand	60,000	55,737	265,737	Pricol Limited
14	Contribution to Sankara Eye Hospital	Health	Coimbatore, Tamilnadu	500,000	500,000	500,000	
15	Supply of Safety related materials to City Police	Safety	Coimbatore, Tamilnadu	---	---	240,250	
16	Supply of materials to Siruthuli	Environment	Coimbatore, Tamilnadu	100,000	100,800	100,800	
17	Flood Relief Chennai	Health / Environment	Cuddalore, Tamilnadu	---	---	2,307,168	
Total				**5,250,000**	**4,150,454**	**17,277,031**	

CSR implementing agency: N D Foundation

Note: During the year, 2017-18, the company contributed ₹ 4.300 Million to ND foundation, out which ₹ 3.494 Million was spend by them.

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

   Not applicable

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

Coimbatore
10th May, 2018

Vikram Mohan
Managing Director
(DIN : 00089968)

Vanitha Mohan
Chairman
(DIN : 00002168)

ANNEXURE "C" TO DIRECTORS' REPORT

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

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

A. CONSERVATION OF ENERGY :

i) the steps taken or impact on conservation of energy

The following steps were taken on the energy conservation :

a) Using LED lightings for Shop floor, street lights & office areas

b) Using of 5% of the natural lights for the shop floors

c) Using Variable Refrigerant Flow (VRF) Technology – Energy Efficient Air Conditioners

d) Using the High Volume Low Speed (HVLS) Large Fans for the Shop floors

e) Zero water loss cooling towers for the utility area

f) Recycled water for gardening

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

In addition to the existing 1.5 MW Roof Solar Systems across all plants, new 1.5 MW Roof Solar Systems installation is planned.

iii) the capital investment on energy conservation equipment's

During the year, we budgeted Rs.17 Million for the upcoming new plants at Sricity & Hosur towards LED lights, VRF Technology Air Conditioners, Modular Aluminium Compressed Air Pipe Line System, HVLS Large Fans.

B. TECHNOLOGY ABSORPTION :

I. Research and Development (R & D)

i) Specific areas of R & D

- The Company has two R & D centres, which are approved by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India, New Delhi. We have further segmented as Pricol Advanced Engineering to focus on next generation technology & products and Sustenance Engineering to cater existing and new customers.
- The new technology developed by the Pricol Advanced Engineering will be adopted by Sustenance Engineering across all business verticals as applicable.
- The new technologies are developed with high degree of localisation content for competitiveness and deployed horizontally for retention & growth to attain market leadership.
- There are 21 inventions filed at various jurisdictions in India and Abroad. Out of which 9 are granted and remaining are under review. The Company continues to foster innovation for growth, across all product development functions.
- Technology road maps are evolved across all business verticals to meet the future needs.
- Developed technologies like TFT to protect from disruption with current LCD technology used on Instrument Cluster.
- Developed advanced engineering display system called connected cluster with Bluetooth, which can be integrated with Telematics & Body Control Module.
- Developed Automatic Lubrication System with more intelligence and low-cost Road Speed Limiting device.
- Aggressive systematic and structured value engineering initiatives taken to minimize wastages and to improve Productivity & Quality to sustain.
- Tear down and Bench marking process established for learning & delivery with adopt-adapt-improvement approach for institutionalization across all products as applicable.
- Developed Continuously Variable Transmission, Auto Clutch, Semi Auto Transmission System and Power Train products for improving fuel efficiency & emission control.

ii) Benefits derived from R & D

- Attain market leadership in Two-wheeler, Commercial & Off-road vehicle segments with high end technology products replacing legacy technology with more features.
- 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.
- Value Engineering month on month realization achieved vide various products to improve bottom line.

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

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

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

Expenditure on R & D 2017-18	**(₹ Million)**
Capital	**24.058**
Revenue	**357.217**
Total	**381.275**
R & D expenditure as a percentage of sales	**3.24 %**

II. Technology Absorption, Adaptation and Innovation

Imported Technology

During 2017-18

a) The company had entered into a technology licensing agreement with Kerdea Technologies Inc, USA for the manufacture of Oxygen Sensor meant for Internal Combustion Engines. The absorption of said technology is under the initial phase. Prototype had been made. T1 sample production is under progress.

b) The company had entered into a technology development agreement with BRT Corporation Pty Limited, Australia to develop a new improved Continuous Variable Transmission (CVT). Prototype had been made and trails on vehicle are successful. The absorption of said technology is under the initial phase.

c) The company had entered into a technology partnership with Dongguan Shengpeng Electronics Co. Ltd., China for introduction of Electric Coolant Pump (ECP) in India. These pumps are used for all EVs, Hybrids and ICEs. Dongguan Shenpeng electronics will support Pricol for new development of ECPs. The absorption of said technology is under the initial phase.

d) The Company had entered into an exclusive agreement with Wenzhou Huirun Electrical Machinery Co. Ltd., (ACHR), China, 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. The absorption of said technology is under the initial phase.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the year, the Company's foreign exchange earnings were ₹ 767.575 Million (₹ 812.865 Million in 2016-17). The revenue expenditure in foreign currency was ₹ 2,270.297 Million (₹ 2,118.513 Million in 2016-17) and the capital expenditure was ₹ 256.068 Million (₹ 168.859 Million in 2016-17).

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

★★★★★

ANNEXURE "D" TO DIRECTORS' REPORT

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2018

[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 (Formerly Pricol Pune Limited)

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

v) **Address of the Registered office and contact details:**
109, Race Course, Coimbatore – 641 018, India
Phone:+91 422 4336000
Fax:+91 422 4336299
E-mail:cs@pricol.co.in.

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

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any :**
Integrated Registry Management Services (P) Ltd.
Unit : Pricol Limited, 2nd Floor, "KENCES Towers",
No.1, Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017, India.
Phone:+91 44 28140801-03
Fax:+91 44 28142479
Email:srirams@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1	Oil Pumps	28132	11
2	Auto Components - Motor Vehicles	29301 & 29304	30
3	Auto Components - Motor Cycles and Three Wheelers	30913	49

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 Ltd A** 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	2(87)
7.	**Pricol Wiping Systems Mexico S.A.de C.V** (Formerly PMP Auto Mexico S.A.de C.V) Calle Aristeo Lote 8 Parque Industrial Bralemex Cuautlancingo, Puebla, Mexico CP72710 Numero De Identificacion Fiscal (N.I.F) / Fiscal Number: - PAM141110HP2	100% Subsidiary of Pricol Espana Sociedad Limitada	2(87)
8.	**PMP PAL International s.r.o** (Effective 1st April 2018 merged with Pricol Czech) Zdibsko 613 25067 Klecany, Czech Republic Regn No - 284 46 968	100% Subsidiary of Pricol Wiping Systems Czech s.r.o	2(87)
9.	**Pricol Wiping Systems India Limited** 109, Race Course, Coimbatore – 641018, India. CIN: U35999TZ2017PLC029193	100%	2(87)
II	**Holding and Associate Company**	—	—

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

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

i) Category - wise Share Holding

Category of share holders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1) Indian									
a) Individual / HUF	24,734,945	—	24,734,945	26.09	24,661,051	—	24,661,051	26.01	(0.08)
b) Central Government	—	—	—	—	—	—	—	—	—
c) State Government(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corporate	10,587,051	—	10,587,051	11.17	10,587,051	—	10,587,051	11.17	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	**35,321,996**	**—**	**35,321,996**	**37.26**	**35,248,102**	**—**	**35,248,102**	**37.18**	**(0.08)**
2) Foreign	—	—	—	—					
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
b) Other - Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corporate	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	**35,321,996**	**—**	**35,321,996**	**37.26**	**35,248,102**	**—**	**35,248,102**	**37.18**	**(0.08)**
B. Public Shareholding	**—**	**—**	**—**	**—**					
1. Institutions	—	—	—	—					
a) Mutual Funds	1,688,402	750	1,689,152	1.78	2,504,996	—	2,504,996	2.64	0.86
b) Banks / FI	15,050	125	15,175	0.02	173,198	125	173,323	0.19	0.17
c) Central Government	—	—	—	—	—	—	—	—	—
d) State Government(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	268,966	—	268,966	0.28	268,966	—	268,966	0.28	—
g) FIIs —	—	—	—	—	—	—	—	—	
h) Foreign Venture Capital Funds- Portfolio investors	1,592,353	—	1,592,353	1.68	267,772	—	267,772	0.28	(1.40)
i) Others									
i) Alternate Investment Funds	—	—	—	—	1,194,540	—	1,194,540	1.26	1.26
Sub-total (B) (1):-	**3,564,771**	**875**	**3,565,646**	**3.76**	**4,409,472**	**125**	**4,409,597**	**4.65**	**0.89**
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	9,103,336	15,940	9,119,276	9.62	10,439,412	14,440	10,453,852	11.03	1.41
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	31,315,324	2,526,809	33,842,133	35.70	29,396,296	2,178,530	31,574,826	33.31	(2.39)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5,374,872	—	5,374,872	5.67	5,551,536	—	5,551,536	5.86	0.19
c) Others (specify)									
i) Non Resident Indians	1,402,010	37,500	1,439,510	1.52	1,359,726	37,500	1,397,226	1.47	(0.05)
ii) Trust	130	—	130	—	130	—	130	—	—
iii) Clearing Member	353,252	—	353,252	0.37	213,757	—	213,757	0.23	(0.14)
iv) IEPF	—	—	—	—	493,755	—	493,755	0.52	0.52
v) Foreign Portfolio Investors-Category III	95,425	—	95,425	0.11	20,000	—	20,000	0.02	(0.09)
vi) Foreign Protfolio Investors-Individuals	—	—	—	—	200,000	—	200,000	0.21	0.21
vii) LLP	4,573,165	—	4,573,165	4.82	4,633,642	—	4,633,642	4.89	0.07
viii) Unclaimed Suspense Account	951,750	—	951,750	1.00	587,820	—	587,820	0.62	(0.38)
ix) NBFC	159,566	—	159,566	0.17	12,478	—	12,478	0.01	(0.16)
Sub-total (B) (2):-	**53,328,830**	**2,580,249**	**55,909,079**	**58.98**	**52,908,552**	**2,230,470**	**55,139,022**	**58.17**	**(0.81)**
Total Public Shareholding (B) = (B) (1) + (B) (2)	**56,893,601**	**2,581,124**	**59,474,725**	**62.74**	**57,318,024**	**2,230,595**	**59,548,619**	**62.82**	**0.08**
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A + B + C)	**92,215,597**	**2,581,124**	**94,796,721**	**100.00**	**92,566,126**	**2,230,595**	**94,796,721**	**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			
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	% Change in shareholding during the year
1	Vijay Mohan	9,140,278	9.64	—	9,140,278	9.64	—	—
2	Pricol Holdings Limited	8,556,926	9.03	—	8,556,926	9.03	—	—
3	Viren Mohan	6,658,409	7.02	—	6,658,409	7.02	—	—
4	Vanitha Mohan	3,726,488	3.93	—	3,726,488	3.93	—	—
5	Vikram Mohan	3,521,175	3.71	—	3,521,175	3.71	—	—
6	Bhavani Infin Services India Private Limited	1,498,790	1.58	—	1,498,790	1.58	—	—
7	Vijay Mohan (BHUF)	660,900	0.70	—	660,900	0.70	—	—
8	Sagittarius Investments Private Limited	340,935	0.36	—	340,935	0.36	—	—
9	Sumanth R	332,145	0.35	—	332,145	0.35	—	—
10	Shrimay Enterprises Private Limited	190,400	0.20	—	190,400	0.20	—	—
11	Madhura Mohan	181,575	0.19	—	181,575	0.19	—	—
12	Gayathri Balaji	159,995	0.17	—	86,101	0.09	—	0.08
13	Manasa Mohan	150,000	0.16	—	150,000	0.16	—	—
14	Vinay Balaji	100,000	0.11	—	100,000	0.11	—	—
15	Sumanth R(BHUF)	81,000	0.09	—	81,000	0.09	—	—
16	Uday Balaji	22,005	0.02	—	22,005	0.02	—	—
17	T Balaji Naidu	975	—	—	975	—	—	—
	Total	**35,321,996**	**37.26**	**—**	**35,248,102**	**37.18**	**—**	**0.08**

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 31-03-2017	9,140,278	9.64		
As on 31-03-2018			9,140,278	9.64
2 PRICOL HOLDINGS LIMITED				
PAN : AABCP7486R				
As on 31-03-2017	8,556,926	9.03		
As on 31-03-2018			8,556,926	9.03
3 VIREN MOHAN				
PAN : AERPM3690K				
As on 31-03-2017	6,658,409	7.02		
As on 31-03-2018			6,658,409	7.02
4 VANITHA MOHAN				
PAN : ADJPM0478J				
As on 31-03-2017	3,726,488	3.93		
As on 31-03-2018			3,726,488	3.93
5 VIKRAM MOHAN				
PAN : ADJPM0476G				
As on 31-03-2017	3,521,175	3.71		
As on 31-03-2018			3,521,175	3.71
6 BHAVANI INFIN SERVICES INDIA PRIVATE LIMITED				
PAN : AABCB1164A				
As on 31-03-2017	1,498,790	1.58		
As on 31-03-2018			1,498,790	1.58
7 VIJAY MOHAN (BHUF)				
PAN : AABHV0239F				
As on 31-03-2017	660,900	0.70		
As on 31-03-2018			660,900	0.70
8 SAGITTARIUS INVESTMENTS PRIVATE LIMITED				
PAN : AADCS0626C				
As on 31-03-2017	340,935	0.36		
As on 31-03-2018			340,935	0.36
9 SUMANTH.R.				
PAN : ALMPS1683A				
As on 31-03-2017	332,145	0.35		
As on 31-03-2018			332,145	0.35
10 SHRIMAY ENTERPRISES PRIVATE LIMITED				
PAN : AADCS0648A				
As on 31-03-2017	190,400	0.20		
As on 31-03-2018			190,400	0.20
11 MADHURA MOHAN				
PAN : BNGPM5200E				
As on 31-03-2017	181,575	0.19		
As on 31-03-2018			181,575	0.19
12 GAYATHRI BALAJI NAIDU				
PAN : ACQPB7352Q				
As on 31-03-2017	159,995	0.17		
Sale 04-01-2018	-895	—	159,100	0.17
Sale 06-01-2018	-500	—	158,600	0.17
Sale 11-01-2018	-12,721	0.01	145,879	0.16
Sale 12-01-2018	-27,393	0.03	118,486	0.13
Sale 15-01-2018	-9,886	0.01	108,600	0.12
Sale 16-01-2018	-10,000	0.01	98,600	0.11
Sale 19-01-2018	-12,499	0.01	86,101	0.10
As on 31-03-2018			86,101	0.10

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
13 MANASA MOHAN				
PAN : BNGPM5199A				
As on 31-03-2017	150,000	0.16		
As on 31-03-2018			150,000	0.16
14 VINAY BALAJI				
PAN : AEHPB2956D				
As on 31-03-2017	100,000	0.11		
As on 31-03-2018			100,000	0.11
15 SUMANTH.R (BHUF)				
PAN : AALHS4915B				
As on 31-03-2017	81,000	0.09		
As on 31-03-2018			81,000	0.09
16 UDAY BALAJI				
PAN : AGFPB8799J				
As on 31-03-2017	22,005	0.02		
As on 31-03-2018			22,005	0.02
17 T BALAJI				
PAN : ACQPB7351P				
As on 31-03-2017	975	—		
As on 31-03-2018			975	—

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 31-03-2017	4,499,000	4.75		
As on 31-03-2018			4,499,000	4.75
2 VRAMATH FINANCIAL SERVICES PVT LTD				
PAN : AAECV1452G				
As on 31-03-2017	4,567,959	4.82		
Sale 07-04-2017	-198	—	4,567,761	4.82
Purchase 21-04-2017	200	—	4,567,961	4.82
Sale 12-05-2017	-100	—	4,567,861	4.82
Purchase 19-05-2017	50	—	4,567,911	4.82
Purchase 26-05-2017	550	—	4,568,461	4.82
Purchase 02-06-2017	1,000	—	4,569,461	4.82
Purchase 09-06-2017	175	—	4,569,636	4.82
Sale 16-06-2017	-1,100	—	4,568,536	4.82
Purchase 23-06-2017	400	—	4,568,936	4.82
Purchase 30-06-2017	47,405	0.05	4,616,341	4.87
Sale 07-07-2017	-47,680	-0.05	4,568,661	4.82
Sale 14-07-2017	-826	—	4,567,835	4.82
Sale 21-07-2017	-24	—	4,567,811	4.82
Purchase 04-08-2017	1	—	4,567,812	4.82
Sale 11-08-2017	-50	—	4,567,762	4.82

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 18-08-2017	46,400	0.05	4,614,162	4.87
Sale 25-08-2017	-46,400	-0.05	4,567,762	4.82
Purchase 01-09-2017	120	—	4,567,882	4.82
Sale 08-09-2017	-20	—	4,567,862	4.82
Purchase 15-09-2017	1,900	—	4,569,762	4.82
Sale 22-09-2017	-1,900	—	4,567,862	4.82
Purchase 30-09-2017	25	—	4,567,887	4.82
Purchase 06-10-2017	500	—	4,568,387	4.82
Sale 20-10-2017	-26	—	4,568,361	4.82
Purchase 27-10-2017	4,000	—	4,572,361	4.82
Sale 31-10-2017	-100	—	4,572,261	4.82
Sale 03-11-2017	-2,900	—	4,569,361	4.82
Purchase 10-11-2017	23,300	0.03	4,592,661	4.85
Sale 17-11-2017	-8,052	-0.01	4,584,609	4.84
Purchase 24-11-2017	16,372	0.02	4,600,981	4.85
Sale 01-12-2017	-31,375	-0.03	4,569,606	4.82
Sale 08-12-2017	-495	—	4,569,111	4.82
Purchase 15-12-2017	475	—	4,569,586	4.82
Purchase 22-12-2017	4,375	0.01	4,573,961	4.83
Sale 29-12-2017	-6,200	-0.01	4,567,761	4.82
Purchase 05-01-2018	51,555	0.05	4,619,316	4.87
Sale 12-01-2018	-23,975	-0.03	4,595,341	4.85
Sale 19-01-2018	-19,900	-0.02	4,575,441	4.83
Sale 26-01-2018	-6,250	-0.01	4,569,191	4.82
Purchase 02-02-2018	10,150	0.01	4,579,341	4.83
Sale 09-02-2018	-114,910	-0.12	4,464,431	4.71
Sale 16-02-2018	-201,300	-0.21	4,263,131	4.50
Sale 23-02-2018	-261,601	-0.28	4,001,530	4.22
Purchase 02-03-2018	17,500	0.02	4,019,030	4.24
Purchase 09-03-2018	23,419	0.03	4,042,449	4.26
Purchase 16-03-2018	77,581	0.08	4,120,030	4.35
Purchase 23-03-2018	14,670	0.02	4,134,700	4.36
Purchase 30-03-2018	130,300	0.14	4,265,000	4.50
As on 31-03-2018			4,265,000	4.50
3 UTI-MID CAP FUND				
PAN :AAATU1088L				
As on 31-03-2017	1,688,402	1.78		
Purchase 02-06-2017	100,000	0.11	1,788,402	1.89
Purchase 09-06-2017	546,322	0.58	2,334,724	2.46
Purchase 16-06-2017	100,000	0.11	2,434,724	2.57
Purchase 23-06-2017	49,917	0.05	2,484,641	2.62
Purchase 30-06-2017	100,000	0.11	2,584,641	2.73
Purchase 07-07-2017	100,000	0.11	2,684,641	2.83
Purchase 15-09-2017	673	—	2,685,314	2.83
Sale 01-12-2017	-149,917	-0.16	2,535,397	2.68
Sale 26-01-2018	-4,352	-0.01	2,531,045	2.67
Sale 02-02-2018	-26,049	-0.03	2,504,996	2.64
As on 31-03-2018			2,504,996	2.64
4 RAJESH MADHAVAN UNNI (HUF)				
PAN : AAPHR9418E				
As on 31-03-2017	1,947,701	2.06		
Sale 14-07-2017	-17,701	-0.02	1,930,000	2.04
Sale 21-07-2017	-10,000	-0.01	1,920,000	2.03
Sale 28-07-2017	-5,000	-0.01	1,915,000	2.02
Purchase 01-09-2017	24,000	0.03	1,939,000	2.05

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
Sale 22-09-2017	-8,000	-0.01	1,931,000	2.04
Sale 03-11-2017	-8,000	-0.01	1,923,000	2.03
Purchase 10-11-2017	8,500	0.01	1,931,500	2.04
Sale 01-12-2017	-360,000	-0.38	1,571,500	1.66
Purchase 08-12-2017	360,000	0.38	1,931,500	2.04
Sale 19-01-2018	-7,000	-0.01	1,924,500	2.03
Sale 26-01-2018	-24,500	-0.03	1,900,000	2.00
As on 31-03-2018			1,900,000	2.00
5 ASHMORE INDIA OPPORTUNITIES FUND				
PAN : AAFTA7838K				
As on 31-03-2017	—	—		
Purchase 01-12-2017	623,000	0.66	623,000	0.66
Purchase 08-12-2017	208,100	0.22	831,100	0.88
Purchase 15-12-2017	134,254	0.14	965,354	1.02
Purchase 22-12-2017	27,978	0.03	993,332	1.05
Purchase 26-01-2018	45,000	0.05	1,038,332	1.10
Purchase 02-02-2018	74,764	0.08	1,113,096	1.17
Purchase 09-02-2018	81,444	0.09	1,194,540	1.26
As on 31-03-2018			1,194,540	1.26
6 UNO METALS LTD				
PAN : AAACU3053E				
As on 31-03-2017	90,000	0.10		
Purchase 26-05-2017	90,431	0.10	180,431	0.19
Purchase 02-06-2017	118,369	0.13	298,800	0.32
Purchase 09-06-2017	80,800	0.09	379,600	0.40
Purchase 16-06-2017	29,400	0.03	409,000	0.43
Purchase 23-06-2017	15,614	0.02	424,614	0.45
Purchase 30-06-2017	101,545	0.11	526,159	0.56
Purchase 11-08-2017	78,882	0.08	605,041	0.64
Purchase 16-08-2017	291,270	0.31	896,311	0.95
Purchase 18-08-2017	99,063	0.11	995,374	1.05
Purchase 25-08-2017	28,645	0.03	1,024,019	1.08
Purchase 01-09-2017	205,981	0.22	1,230,000	1.30
Sale 02-03-2018	-150,000	-0.16	1,080,000	1.14
Sale 09-03-2018	-280,000	-0.30	800,000	0.84
Sale 16-03-2018	-55,000	-0.06	745,000	0.79
Purchase 30-03-2018	280,000	0.30	1,025,000	1.08
As on 31-03-2018			1,025,000	1.08
7 AKG FINVEST LTD				
PAN : AADCA8306P				
As on 31-03-2017	724,678	0.76		
Purchase 07-04-2017	68,919	0.07	793,597	0.84
Purchase 26-05-2017	1,403	—	795,000	0.84
Purchase 01-09-2017	102,551	0.11	897,551	0.95
Purchase 08-09-2017	215,081	0.23	1,112,632	1.17
Purchase 30-09-2017	2,334	—	1,114,966	1.18
Purchase 17-11-2017	30,828	0.03	1,145,794	1.21
Purchase 15-12-2017	157	—	1,145,951	1.21
Purchase 12-01-2018	34,049	0.04	1,180,000	1.25
Sale 02-02-2018	-402,094	-0.42	777,906	0.82
Purchase 09-03-2018	280,000	0.30	1,057,906	1.12

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 16-03-2018	100,000	0.11	1,157,906	1.22
Sale 23-03-2018	-280,000	-0.30	877,906	0.93
Purchase 30-03-2018	32,094	0.03	910,000	0.96
As on 31-03-2018			910,000	0.96
8 VRAMATH INVESTMENT CONSULTANCY PVT LTD				
PAN : AAECV1088J				
As on 31-03-2017	100,100	0.11		
Purchase 05-05-2017	10,000	0.01	110,100	0.12
Purchase 23-06-2017	50,055	0.05	160,155	0.17
Sale 30-06-2017	-45,540	-0.05	114,615	0.12
Sale 07-07-2017	-14,515	-0.02	100,100	0.11
Purchase 21-07-2017	51,000	0.05	151,100	0.16
Purchase 28-07-2017	140,000	0.15	291,100	0.31
Purchase 04-08-2017	10,000	0.01	301,100	0.32
Purchase 15-09-2017	140,000	0.15	441,100	0.47
Purchase 22-09-2017	77,000	0.08	518,100	0.55
Purchase 30-09-2017	138,927	0.14	657,027	0.69
Purchase 13-10-2017	53,250	0.06	710,277	0.75
Purchase 20-10-2017	33,125	0.04	743,402	0.78
Purchase 27-10-2017	6,500	0.01	749,902	0.79
Purchase 31-10-2017	200	—	750,102	0.79
Purchase 10-11-2017	250	—	750,352	0.79
Purchase 17-11-2017	6,500	0.01	756,852	0.80
Sale 24-11-2017	-56,500	-0.06	700,352	0.74
Sale 01-12-2017	-200,000	-0.21	500352	0.53
Sale 15-12-2017	-111,352	-0.12	389,000	0.41
Sale 22-12-2017	-88,900	-0.09	300,100	0.32
Sale 05-01-2018	-150,290	-0.16	149,810	0.16
Purchase 12-01-2018	22,790	0.02	172,600	0.18
Sale 19-01-2018	-22,500	-0.02	150,100	0.16
Purchase 02-02-2018	15,000	0.02	165,100	0.17
Purchase 09-02-2018	115,000	0.12	280,100	0.30
Purchase16-02-2018	200,000	0.21	480,100	0.51
Purchase 23-02-2018	285,000	0.30	765,100	0.81
Sale 30-03-2018	-100,000	-0.11	665,100	0.70
As on 31-03-2018			665,100	0.70
9 SAVITA SURENDRA PAI				
PAN : AFIPP8322D				
As on 31-03-2017	150,000	0.16		
Purchase 29-12-2017	350,000	0.37	500,000	0.53
As on 31-03-2018			500,000	0.53
10 MOTILAL OSWAL SECURITIES LTD - COLLATERAL A/C				
PAN : AAACD3654Q				
As on 31-03-2017	49,817	0.05		
Purchase 07-04-2017	42,255	0.05	92,072	0.10
Sale 14-04-2017	-8,945	-0.01	83,127	0.09
Purchase 21-04-2017	41,429	0.04	124,556	0.13
Sale 28-04-2017	-23,937	-0.03	100,619	0.11
Purchase 05-05-2017	3,724	—	104,343	0.11
Sale 12-05-2017	-37,242	-0.04	67,101	0.07
Sale 19-05-2017	-2,356	—	64,745	0.07
Purchase 26-05-2017	17,327	0.02	82,072	0.09

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 02-06-2017	10,716	0.01	92,788	0.10
Sale 09-06-2017	-18,473	-0.02	74,315	0.08
Purchase 16-06-2017	1,153	—	75,468	0.08
Sale 23-06-2017	-441	—	75,027	0.08
Sale 30-06-2017	-8,391	-0.01	66,636	0.07
Purchase 07-07-2017	11,005	0.01	77,641	0.08
Purchase 14-07-2017	51,221	0.05	128,862	0.14
Sale 21-07-2017	-25,234	-0.03	103,628	0.11
Sale 28-07-2017	-48,734	-0.05	54,894	0.06
Purchase 04-08-2017	64,182	0.07	119,076	0.13
Purchase 11-08-2017	3,215	—	122,291	0.13
Sale 16-08-2017	-8,743	-0.01	113,548	0.12
Sale 18-08-2017	-2,322	—	111,226	0.12
Purchase 25-08-2017	18,317	0.02	129,543	0.14
Sale 01-09-2017	-15,867	-0.02	113,676	0.12
Purchase 08-09-2017	41,504	0.04	155,180	0.16
Sale 15-09-2017	-18,520	-0.02	136,660	0.14
Purchase 22-09-2017	63,697	0.07	200,357	0.21
Purchase 30-09-2017	8,113	0.01	208,470	0.22
Purchase 06-10-2017	35,440	0.04	243,910	0.26
Purchase 13-10-2017	19,934	0.02	263,844	0.28
Purchase 20-10-2017	13,051	0.01	276,895	0.29
Sale 27-10-2017	-27,028	-0.03	249,867	0.26
Purchase 31-10-2017	52,407	0.06	302,274	0.32
Sale 03-11-2017	-34,378	-0.04	267,896	0.28
Purchase 10-11-2017	21,083	0.02	288,979	0.31
Sale 17-11-2017	-25,069	-0.03	263,910	0.28
Purchase 24-11-2017	139,112	0.15	403,022	0.43
Purchase 01-12-2017	244,278	0.26	647,300	0.68
Sale 08-12-2017	-90,875	-0.10	556,425	0.59
Purchase 15-12-2017	15,170	0.02	571,595	0.60
Purchase 22-12-2017	57,780	0.06	629,375	0.66
Purchase 29-12-2017	57,595	0.06	686,970	0.73
Sale 05-01-2018	-25,777	-0.03	661,193	0.70
Sale 12-01-2018	-73,460	-0.08	587,733	0.62
Purchase 19-01-2018	83,668	0.09	671,401	0.71
Sale 26-01-2018	-9,747	-0.01	661,654	0.70
Purchase 02-02-2018	1,079	—	662,733	0.70
Sale 09-02-2018	-306,993	-0.32	355,740	0.38
Purchase 16-02-2018	59	—	355,799	0.38
Purchase 23-02-2018	22,416	0.02	378,215	0.40
Purchase 02-03-2018	6,680	0.01	384,895	0.41
Sale 09-03-2018	-4,023	—	380,872	0.40
Sale 16-03-2018	-3,753	—	377,119	0.40
Purchase 23-03-2018	16,915	0.02	394,034	0.42
Sale 30-03-2018	-1,677	—	392,357	0.41
As on 31-03-2018			392,357	0.41
11 SEEMA GOEL				
PAN : AHAPG8015A				
As on 31-03-2017	290,000	0.31		
As on 31-03-2018			290,000	0.31

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
12 UNITED INDIA INSURANCE COMPANY LIMITED				
PAN : AAACU5552C				
As on 31-03-2017	268,966	0.28		
As on 31-03-2018			268,966	0.28
13 P SURENDRA PAI				
PAN : ABPPP1301H				
As on 31-03-2017	600,000	0.63		
Sale 29-12-2017	-350,000	-0.37	250,000	0.26
As on 31-03-2018			250,000	0.26
14 GOLDMAN SACHS (SINGAPORE) PTE				
PAN : AAFCG0345N				
As on 31-03-2017	613,197	0.65		
Sale 14-04-2017	-32,070	-0.03	581,127	0.61
Sale 21-04-2017	-246,129	-0.26	334,998	0.35
Sale 08-09-2017	-18,825	-0.02	316,173	0.33
Sale 15-09-2017	-316,173	-0.33	—	—
As on 31-03-2018			—	—
15 KEMNAY INVESTMENT FUND LTD				
PAN : AAECK2376C				
As on 31-03-2017	325,000	0.34		
Sale 14-04-2017	-15,200	-0.02	309,800	0.33
Sale 21-04-2017	-30,000	-0.03	279,800	0.30
Sale 28-04-2017	-137,708	-0.15	142,092	0.15
Sale 05-05-2017	-15,630	-0.02	126,462	0.13
Sale 26-05-2017	-34,000	-0.04	92,462	0.10
Sale 02-06-2017	-15,100	-0.02	77,362	0.08
Sale 14-07-2017	-26,862	-0.03	50,500	0.05
Sale 11-08-2017	-10,000	-0.01	40,500	0.04
Sale 25-08-2017	-40,500	-0.04	—	—
As on 31-03-2018			—	—

v) **Shareholding of Directors and Key Managerial Personnel :**

For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
1 Mr.Vijay Mohan				
As on 01-04-2017	9,140,278	9.64		
As on 31-03-2018			9,140,278	9.64
2 Mr.Vijay Mohan (BHUF)				
As on 01-04-2017	660,900	0.70		
As on 31-03-2018			660,900	0.70
3 Mrs.Vanitha Mohan, Chairman				
As on 01-04-2017	3,726,488	3.93		
As on 31-03-2018			3,726,488	3.93
4 Mr. Vikram Mohan, Managing Director				
As on 01-04-2017	3,521,175	3.71		
As on 31-03-2018			3,521,175	3.71
5 Mr. Suresh Jagannathan, Independent Director				
As on 01-04-2017	26,985	0.03		
As on 31-03-2018			26,985	0.03

v) **Shareholding of Directors and Key Managerial Personnel :**

For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
6 Mr.R.Vidhya Shankar, Independent Director				
As on 01-04-2017	—	—		
As on 31-03-2018			—	—
7 Mr.G.Soundararajan, Independent Director				
As on 01-04-2017	—	—		
As on 31-03-2018			—	—
8 Mr.C.R.Swaminathan, Independent Director				
As on 01-04-2017	1,995	0.002		
As on 31-03-2018			1,995	0.002
9 Mrs.Sriya Chari, Independent Director				
As on 01-04-2017	—	—		
As on 31-03-2018			—	—
10 Mr. K.Murali Mohan, Independent Director				
As on 01-04-2017	—	—		
As on 31-03-2018			—	—
11 Mr. S.Shrinivasan, Chief Financial Officer				
As on 01-04-2017	—	—		
As on 31-03-2018			—	—
12 Mr.T.G.Thamizhanban, Company Secretary				
As on 01-04-2017	—	—		
As on 31-03-2018			—	—

V. INDEBTEDNESS

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

₹ Million

Particulars	Secured Loans excluding Deposits	Un-secured Loans	Deposits	Total
As at 01.04.2017				
i) Principal Amount	883.474	200.000	—	1,083.474
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	3.233	1.099	—	4.332
Total (i + ii + iii)	**886.707**	**201.099**	**—**	**1,087.806**
Change during the financial year				
i) Addition	—	449.853	—	449.853
ii) Reduction	260.086	1.090	—	261.176
Net Change (i - ii)	**(260.086)**	**448.763**	**—**	**188.677**
As at 31.03.2018				
i) Principal Amount	624.396	648.131	—	1,272.527
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	2.225	1.731	—	3.956
Total (i + ii + iii)	**626.621**	**649.862**	**—**	**1,276.483**

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ Million

Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
	Mr. Vikram Mohan (Managing Director)	Mrs. Vanitha Mohan (Chairman)	
1. Gross salary			
a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	12.672	5.068	17.740
b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.998	1.909	6.907
c) Profits in lieu of salary u/s 17(3) Income- tax Act, 1961	–	–	–
2. Stock Option –	–	–	
3. Sweat Equity –	–	–	
4. Commission			
- as % of profit	5.580	4.185	9.765
- others	–	–	–
5. Others (Contribution to PF, Gratuity and Superannuation Fund)	1.100	0.530	1.630
Total (A)	**24.350**	**11.692**	**36.042**
Ceiling as per the Act	49.599	49.599	99.198
1. In case of adequate profit	(5% of the Net Profit)	(5% of the Net Profit)	(10% of the Net Profit)
2. In case of no profit or inadequate profit	₹ 13 Million	₹ 13 Million	₹ 26 Million
	plus contribution to PF, Superannuation, Gratuity, Encashment of leave to the extent permitted under the Act		

B. Remuneration to other directors :

₹ Million

Particulars of Remuneration	Mr.C.R.Swaminathan	Mr.K.Murali Mohan	Mr. Suresh Jagannathan	Mr. R. Vidhya Shankar	Mr.G.Soundararajan	Mrs.Sriya Chari	Mr.Vijay Mohan	Total Amount
1. Independent Directors								
Fee for attending board / committee meetings	0.280	0.245	0.065	0.260	0.080	0.085	—	1.015
Commission	0.670	0.600	0.160	0.610	0.200	0.210	—	2.450
Others	—	—	—	—	—	—	—	—
Total (1)	**0.950**	**0.845**	**0.225**	**0.870**	**0.280**	**0.295**	—	**3.465**
2. Other Non-Executive Directors								
Fee for attending board / committee meetings	—	—	—	—	—	—	0.135	0.135
Commission	—	—	—	—	—	—	0.320	0.320
Others	—	—	—	—	—	—	—	—
Total (2)	—	—	—	—	—	—	**0.455**	**0.455**
Total (B) = (1 + 2)	**0.950**	**0.845**	**0.225**	**0.870**	**0.280**	**0.295**	**0.455**	**3.920**

C. Total Managerial Remuneration (A+B) : ₹ 39.962 Million

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

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

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

Particulars of Remuneration	Key Managerial Personnel		Total
	Mr. S. Shrinivasan (CFO)	Mr. T.G. Thamizhanban (CS)	
1. Gross salary	₹ Million		
a) Salary as per provisions contained u/s 17(1) of the Income - Tax Act, 1961	4.059	2.402	6.461
b) Value of perquisites u/s 17(2) of the Income - Tax Act, 1961	—	—	—
c) Profits in lieu of salary u/s 17(3) Income - Tax Act, 1961	—	—	—
2. Stock Option	—	—	—
3. Sweat Equity	—	—	—
4. Commission			
- as % of profit	—	—	—
- others	—	—	—
5. Others (Contribution to PF, Gratuity, Superannuation and Service weightage)	1.071	0.346	1.417
Total	**5.130**	**2.748**	**7.878**

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	—	—	—	—	—

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 Non Whole Time Director	No. of Meetings attended	Ratio
1	Mr. Suresh Jagannathan	4	0.413
2	Mr.C.R.Swaminathan	23	1.744
3	Mr.R.Vidhya Shankar	25	1.597
4	Mr.G.Soundararajan	4	0.514
5	Mr.K.Murali Mohan	16	1.551
6	Mrs.Sriya Chari	5	0.542
7	Mr.Vijay Mohan	12	0.835

S.No.	Name of Whole Time Director	Ratio
1	Mrs.Vanitha Mohan, Chairman	21.464
2	Mr.Vikram Mohan, Managing Director	44.698

(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
		2017-18	2016-17	
1	Mr. Suresh Jagannathan	4	4	—
2	Mr.C.R.Swaminathan	23	21	17.28
3	Mr.R.Vidhya Shankar	25	18	13.73
4	Mr.G.Soundararajan	4	4	24.44
5	Mr.K.Murali Mohan	16	17	12.67
6	Mrs.Sriya Chari	5	3	90.32
7	Mr.Vijay Mohan	12	15	(9.00)

S. No.	Name of Whole Time Director / CFO / CEO / CS	% Increase / (Decrease) in remuneration
1	Mrs. Vanitha Mohan, Chairman	(30.86)
2	Mr. Vikram Mohan, Managing Director	(20.19)
3	Mr. Shrinivasan S (CFO)	8.37
4	Mr. T. G.Thamizhanban (CS)	12.85

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

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

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

iii) The percentage increase in the median remuneration of employees (Staff) in the financial year 10 %

iv) The number of permanent employees (Staff) on the rolls of Company 598

v) 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.

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

KMP's Name & Designation	CTC for 2017-18 ₹ Mn	% Increase / (Decrease) in CTC (2017-18 against 2016-17)	Revenue for 2017-18 ₹ Mn	% Increase in sales (2017-18 against 2016-17)
Mr.Vikram Mohan Managing Director	24.350	(20.19)	12,383	(2.50)
Mr. Shrinivasan S Chief Financial Officer	5.130	8.37		
Mr.T.G.Thamizhanban Company Secretary	2.748	12.85		
Total	**32.228**	**(14.47)**		

(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 Eight lakh and Fifty thousand rupees per month:

Name & (Age)	Designation (Nature of Duties)	Remuneration (₹ Million) Gross	Qualification & Experience (Years)	Date of Commencement of Employment	Last Employment
Mrs.Vanitha Mohan (65)	Chairman (Internal Audit and Corporate Social Responsibilities)	11.692	Commerce Graduate with PG Diploma in Business Management (32)	1st June,1999	—
Mr.Vikram Mohan (43)	Managing Director (Strategy, Finance, Customer Relationship Management and HR)	24.350	Bachelor of Engineering (Production Engineering) (22)	7th November, 2011	Pricol Corporate Services Ltd
Mr.G.Sundararaman (51)	President (Responsible for Engineering and Manufacturing activities)	11.660	B.E (Mechanical) & PG Diploma in Business Administration (29)	27th July, 2015	Royal Enfield (Unit Eicher Motors Ltd)
Mr.Amit Bhushan Dakshini (47)	Chief Strategy Officer (Responsible for Strategy)	7.350	B.Sc., MBA (22)	20th April, 2016	Varroc Engineering (P) Ltd
Mr.PM Ganesh (49)	Chief Marketing Officer (Responsible for Business Development)	5.953	BE, MBA (30)	17th January, 2013	Lucas TVS Ltd
Mr.V.Balaji Chinnappan (53)	Vice President & Head Operations (Global Operations)	5.161	BE, MBA (31)	9th April, 2007	Roots Industries Ltd
Mr.Tarun Tandon (45)	Senior General Manager (Responsible for Operations - Plant II & Plant IX)	5.306	BE., SMP, DMM (24)	16th October, 2009	Mahle Filter Systems India Ltd.
Mr.Shrinivasan S (45)	Chief Finance Officer (Responsible for Finance)	5.130	B Com., CMA(USA), ACMA (25)	27th July, 2015	Archean Chemicals Industries (P) Ltd
Mr.Malar Vannan. R (47)	Chief People Officer (Responsible for Human Resources)	5.252	PGDPM & MHRM, PGDBM (22)	15th July, 2015	Yound Brand Apprarel (P) Ltd
Mr.Ramathilak. V (44)	Vice President (Responsible for Manufacturing)	4.796	B.Tech (24)	1st June, 2012	Tenneco Automotive (P) Ltd
Mr.Udaya Bhanu.S (52)	Vice President (Responsible for Operations Plant III)	4.503	BE., MS (34)	20th June, 2016	Advik Hi Tech (P) Ltd
Mr.Radhakrishnan.H (55) *	Vice President (Responsible for Operations - Plant I)	3.300	BE., MS (37)	3rd October, 2016	Rane NSK Steering Systems Ltd

* Worked for part of the year.

NOTE :
1. Mr.Vijay Mohan, Mrs.Vanitha Mohan and Mr.Vikram Mohan are related to each other. Mrs.Vanitha Mohan is Mr.Vijay Mohan's wife and Mr.Vikram Mohan is the elder son of Mr.Vijay Mohan.
2. Mrs.Vanitha Mohan and Mr.Vikram Mohan owns more than 2% of the equity shares of the Company as on 31st March 2018.
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. Net remuneration is exclusive of contributions to provident fund, gratuity fund, superannuation fund and tax deducted.

ANNEXURE "F" TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

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

2. BOARD OF DIRECTORS :

a. Composition of the Board:

As on 1st April 2018, the Company's Board comprised of 6 Directors. The Board consists of 2 (33%) Executive Directors of whom one is a Woman Director and 4 (67%) Non-Executive Directors, of whom all 4(67%) are Independent Directors of whom one is women 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 assisted by Mrs.Vanitha Mohan, Chairman. The composition of the Company's Board is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

Name of the Director	DIN	Category	Attendance Particulars		No. of Directorships in other Companies			No. of Committee positions held in other Companies #	
			Board Meeting	Last AGM	Public Company	Private Company	Foreign Company	Member	Chairman
Mr.Suresh Jagannathan	00011326	Non-Executive - Independent	3	_	4	4	_	2	_
Mr.R.Vidhya Shankar	00002498	Non-Executive - Independent	5	_	1	_	_	1	_
Mr.G.Soundararajan	00037995	Non-Executive - Independent	4	_	_	6	4	_	_
Mrs.Sriya Chari	07383240	Non-Executive - Independent	4	_	_	2	_	_	_
Mrs.Vanitha Mohan Chairman	00002168	Executive - Promoter	6	✓	3	5	_	_	_
Mr.Vikram Mohan Managing Director	00089968	Executive - Promoter	6	✓	5	3	2	_	_
Mr.Vijay Mohan Chairman - upto 11-Nov-2017	00001843	Non-Executive - Promoter	5	✓	3	3	1	_	_
Mr.C.R.Swaminathan upto 28-Feb-2018	00002169	Non-Executive - Independent	6	_	2	5	_	3	2
Mr.K.Murali Mohan upto 31-Mar-2018	00626361	Non-Executive - Independent	6	✓	3	_	_	_	_

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

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

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

The Company conducts familiarization programmes for the Independent Directors and the details of such programmes have been disclosed on the website of the Company and the web link thereto is http://www.pricol.com/wp-content/uploads/2016/06/Familiarisation-Programme-for-Independent-Directors-March-2018.pdf. An exclusive meeting of the Independent Directors of the Company was held on 1st February, 2018 without the attendance of the Non-Independent Directors and members of the management to discuss inter alia the matters specified under Schedule IV of the Companies Act, 2013.

c. **Board Meetings:**

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

During the year 2017-18, the Board met 6 times on 5th April 2017, 30th May 2017, 17th August 2017, 22nd August 2017, 11th November 2017 and 1st February 2018 and the gap between two meetings did not exceed 120 days.

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

Mrs. Vanitha Mohan, 65 years of age, the Chairman of the Company, is a Commerce Graduate with a Post Graduate Diploma in Business Management from the University of Strathclyde, Glasgow, UK. She is having 32 years of experience and heads the Internal Audit functions and Corporate Social Responsibilities of the Company. She was appointed on the Board of Directors of the Company on 1st November 2016. During the year 2017 - 18, she attended 6 (six) Board meetings of the Company. The remuneration in the form of salary, perquisites and commission for the year 2017 - 18 is ₹ 11.692 Million. Her appointment is liable to retire by rotation. Salary, perquisites and commission will be paid in-accordance with the Shareholders approval.

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

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

Mr.Vijay Mohan, Mrs.Vanitha Mohan and Mr.Vikram Mohan are related to each other. Mrs.Vanitha Mohan is Mr. Vijay Mohan's wife and Mr. Vikram Mohan is the elder son of Mr. Vijay Mohan. None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Vijay Mohan, Mrs. Vanitha Mohan, Mr. Vikram Mohan and their relatives in any way concerned or interested, financially or otherwise, in the re-appointment of Mrs. Vanitha Mohan.

Mr. S. K. Sundararaman, 45 years of age, is a MBA Graduate from Cambridge University, United Kingdom, with 18 years of Business Experience. He is a Managing Director of Shiva Texyarn Limited and also director of Shanthi Gears Limited, Shiva Mills Limited, S K S Agencies Limited, Vedanayagam Hospital Limited, Abirami Ecoplast Private Limited, Sundar Ram Enterprise Private Limited, L K Distributors Private Limited, Abirami Distributors Private Limited, Indian Technical Textile Association. He is a member of Audit Committee of the Company. He is also a member of Audit Committee, Share Transfer Committee & CSR Committee of Shiva Texyarn Limited. He is also a member of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Share Transfer Committee of Shiva Mills Limited. He does not hold any shares of the Company. He is not related to any director or Key Managerial Personnel of the Company. None of their relatives in any way concerned or interested, financially or otherwise, in the appointment of Mr. S. K. Sundararaman.

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

3. AUDIT COMMITTEE :

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

b. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2017-2018

Name of the Member	Category	Date of Meeting / Members present				
		30th May 2017	17th August 2017	22nd August 2017	11th November 2017	30th January 2018
Mr.R.Vidhya Shankar (Chairman)	Non-Executive-Independent	—	✓	✓	✓	✓
Mr.C.R.Swaminathan	Non-Executive-Independent	✓	✓	✓	✓	✓
Mr.K.Murali Mohan	Non-Executive-Independent	✓	✓	✓	✓	✓
Mrs.Vanitha Mohan	Executive - Promoter	✓	✓	✓	✓	✓

Mrs.Sriya Chari and Mr. S. K. Sundararaman, Non-Executive Independent Directors were included as a member of the Committee with effect from 1st February 2018 and 30th May 2018 respectively.

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

4. NOMINATION AND REMUNERATION COMMITTEE :

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

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

c. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2017-2018

Name of the Member	Category	Date of Meeting / Members present			
		16th May 2017	27th October 2017	11th November 2017	2nd January 2018
Mr. C.R.Swaminathan (Chairman)	Non-Executive- Independent	✓	—	✓	✓
Mr. K.Murali Mohan	Non-Executive- Independent	✓	✓	✓	✓
Mr. R.Vidhya Shankar	Non-Executive- Independent	✓	✓	✓	✓

Mr.G.Soundararajan & Mrs.Sriya Chari, Non-Executive Independent Directors were included as a member of the Committee with effect from 1st February 2018.

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

d. Nomination and Remuneration Policy

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

The Objectives of the Policy are:

I. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.

II. To evaluate the performance of the Directors, Key Managerial Personnel and Senior Management and provide necessary reports to the Board for their further evaluation.

III. To recommend the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

IV. To provide to the Key Managerial Personnel and Senior Management, rewards linked directly to their effort, performance, dedication and achievement in relation to the Company's operations.

V. To attract, retain, motivate and promote talent and to ensure the long term sustainability of talented managerial persons and create a competitive advantage.

VI. To devise a policy on Board diversity.

VII. To develop a succession plan for the Board and to regularly review the plan.

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

e. Performance evaluation criteria for independent directors:

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

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

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

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

5. REMUNERATION TO DIRECTORS :

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

The Shareholders have approved remuneration to Non-Executive directors by way of Commission not exceeding one percent of the Net profits of the Company per annum. The sitting fees and commission will be distributed broadly on the basis of Board Meetings and Committee Meetings attended by the Non-Executive Directors. The 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 2017 - 18: **₹ Million**

Name of the Director	Designation	Service Contract	Salary, perquisites & benefits (Gross)	Commission	Total
Mrs.Vanitha Mohan	Chairman	1st April 2016 to 31st March 2018	7.507	4.185	11.692
Mr.Vikram Mohan	Managing Director	1st April 2016 to 31st March 2019	18.770	5.580	24.350

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

The remuneration payable to the Non-Executive Directors for the year 2017-2018 and the shares held by them are given below: **₹ Million**

Name of the Non-Executive Director	Commission	Sitting fee	No. of Shares held on 31st March, 2018
Mr.Vijay Mohan	0.320	0.135	9,801,178
Mr.Suresh Jagannathan	0.160	0.065	26,985
Mr.C.R.Swaminathan	0.670	0.280	1,995
Mr.R.Vidhya Shankar	0.610	0.260	--
Mr.G.Soundararajan	0.200	0.080	--
Mr.K.Murali Mohan	0.600	0.245	--
Mrs.Sriya Chari	0.210	0.085	--

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 ₹ 0.50 Million. The said transaction value does not exceed ten per cent of the gross turnover of his legal firm.

6. STAKEHOLDERS RELATIONSHIP COMMITTEE :

The Committee comprises of Mr.Vijay Mohan, Mrs.Vanitha Mohan, Mr. Vikram Mohan, Mr.C.R.Swaminathan and Mr.R.Vidhya Shankar. The Committee approves the issue of new / duplicate share certificates.

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

The Committee met 5 times during the year on 16th May 2017, 16th August 2017, 2nd November 2017, 24th November 2017 and 19th January 2018. Mr.Vijay Mohan chaired meeting upto 2nd November 2017 and Mr.Vidhya Shankar chaired the remaining meetings. Mr.T.G.Thamizhanban, Company Secretary is the Compliance Officer.

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

7. GENERAL BODY MEETINGS:

<table>
<tr><th>Year</th><th>Date & Time</th><th>Special Resolution</th><th>Location</th></tr>
<tr><td>2015 – 1/2015 EGM</td><td>6th May 2015
10.00 a.m</td><td>a. Name change of Company from “Johnson Controls Pricol Private Limited” to “Pricol Pune Private Limited”</td><td>Registered Office
109, Race Course,
Coimbatore - 641 018</td></tr>
<tr><td>2015 – 4th AGM</td><td>7th August 2015
12.00 p.m.</td><td>NIL</td><td>Survey No. 1065 & 1066, Pirangut (Village), Mulshi (Taluka), Pune - 412 108</td></tr>
<tr><td>2015 – 2/2015 EGM</td><td>12th October 2015
11.00 a.m.</td><td>a. Change in Register Office of the Company</td><td rowspan="5">Registered Office
109, Race Course,
Coimbatore - 641 018</td></tr>
<tr><td>2016 – 1/2016 EGM</td><td>11th January 2016
03.00 p.m.</td><td>a. Sub-division of Equity Shares
b. Conversion of Private into Public Company</td></tr>
<tr><td>2016 – 2/2016 EGM</td><td>22nd July 2016
03.00 p.m.</td><td>a. Change in Object Clause
b. Change in Articles</td></tr>
<tr><td>2016 – 5th AGM</td><td>17th August 2016
12.00 p.m.</td><td>NIL</td></tr>
<tr><td>2016 – 3/2016 EGM</td><td>25th October 2016
11.00 a.m.</td><td>a. Creation of Charge
b. Fixing Borrowing powers of the Board of Directors</td></tr>
<tr><td>2017- 6th AGM</td><td>23rd August 2017
4.30 p.m</td><td>a. Amendment to Articles of Association</td><td>Chamber Hall,
Chamber Towers,
8/732 Avinashi Road,
Coimbatore – 641 018</td></tr>
</table>

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

- Court convened meeting of the members held during the year 2017-18 : NIL
- Special resolution passed during the year 2017 – 18, through postal ballot : NIL
- Person who conducted the postal ballot exercise : – Not Applicable
- During 2018 - 2019, 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 websites, www.bseindia.com and www.nseindia.com. Periodically the Company is making presentations to institutional investors and to analysts.

Management discussion & Analysis forms part of the Annual Report.

9. GENERAL SHAREHOLDER INFORMATION :

a. Annual General Meeting

Date & Time : Wednesday, 22nd August, 2018, 4.30 p.m.

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

b. Financial Year : 1st April 2017 to 31st March, 2018

c. Date of Book closure : 17th August, 2018 to 22nd August, 2018

d. Financial Calendar :

Financial reporting for the quarter ending	Financial Calendar
30th June, 2018	Between 15th July and 14th August 2018
30th September, 2018	Between 15th October and 14th November 2018
31st December, 2018	Between 15th January and 14th February 2019
31st March, 2019	Between 15th April and 30th May 2019

e. Particulars of Dividend : Dividend of ₹1/- per share has been recommended by the Board of Directors and subject to the approval of the shareholders at the ensuing Annual General Meeting is proposed to be paid from 23rd August, 2018.

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 : Annual Listing Fees for the year 2018-19 were paid to National Stock Exchange of India Limited and BSE Limited. Custodial Fees for the year 2018-19 to Central Depository Services (India) Limited and National Securities Depository Limited, were paid

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

j. **Stock Market Data:**

Month	National Stock Exchange				BSE Limited			
	Price (₹)		CNX- 500 (Points)		Price (₹)		BSE- Small Cap (Points)	
	High	Low	High	Low	High	Low	High	Low
April-17	94.50	79.20	8260.35	7983.20	94.10	79.50	15486.40	14466.74
May-17	86.95	75.75	8404.10	8087.00	88.00	75.75	15750.03	14518.20
June-17	84.40	76.00	8496.00	8249.10	85.00	76.20	15810.78	15057.09
July-17	95.40	80.00	8817.35	8348.40	95.00	80.00	16186.13	15445.14
August-17	90.40	78.10	8832.80	8371.20	90.00	78.00	16153.56	14700.83
September-17	93.40	79.00	8976.75	8476.30	93.70	79.60	16981.65	15718.33
October-17	105.80	82.95	9177.20	8640.80	106.05	84.00	17624.84	16162.30
November-17	124.40	86.50	9309.65	8949.00	124.60	85.95	18324.83	17227.39
December-17	126.45	108.40	9496.40	8981.95	126.45	109.00	19262.44	17670.39
January-18	137.55	105.40	9895.00	9377.30	137.65	105.35	20183.45	18621.07
February-18	108.50	81.00	9764.35	8968.50	108.40	85.00	18884.74	16944.94
March-18	98.45	81.25	9297.40	8744.50	98.40	81.30	18239.80	16650.70

k. **Registrar and Transfer Agents:**

For Physical transfer and Dematerialisation of shares:

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

l. **Share Transfer System:**

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

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, 1996, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) with the total issued / paid up capital of the Company.

m. **Distribution of Shareholding as on 31st March 2018:**

Shares held by	No. of holders*	No. of Shares*	% of Total Paid - up Capital
1 to 500	31,387	4,824,364	5.09
501 to 1000	3,721	3,102,695	3.27
1001 to 2000	2,111	3,256,317	3.43
2001 to 3000	856	2,198,253	2.32
3001 to 4000	462	1,646,372	1.74
4001 to 5000	421	1,964,522	2.07
5001 to 10000	666	4,829,640	5.10
10001 and above	594	72,974,558	76.98
Total	**40,218**	**94,796,721**	**100.00**

*** Based on PAN consolidated**

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

n. Dematerialisation of shares and liquidity as on 31st March 2018:

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

Particulars	No. of holders	% of No of holders	No. of Shares	% of Total Paid - up Capital
i) National Securities Depository Limited (NSDL)	25,605	62.25	73,569,268	77.61
ii) Central Depository Services (India) Limited (CDSL)	14,663	35.65	18,996,858	20.04
Demat Form (i + ii)	**40,268**	**97.90**	**92,566,126**	**97.65**
iii) Physical Form	867	2.10	22,30,595	2.35
Total	**41,135**	**100.00**	**94,796,721**	**100.00**

o. Transfer of Unclaimed Shares to Demat Account:

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

Particulars		No. of shareholders	No. of shares
Opening	a	764	1,077,370
Transferred from Unclaimed Shares Suspense account upto 31st March 2017	b	71	125,620
Closing Balance as on 31st March 2017	c = a-b	693	951,750
Claimed during the year 2017-18		247	363,930
Transferred from Unclaimed Shares Suspense account during the year 2017-18	d	247	363,930
Closing Balance as on 31st March 2018	e = c-d	446	587,820

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

p. As on 31st March 2018, 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. 2.55 to Notes to Financial Statements.

r. Plant locations:

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

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

Plant III
4/558, Mettupalayam Road,
Chinnamathampalayam,
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.

Plant XI
SF no.738, 739A, 737 A,
Ponnapalli Village,
Keelamangalam, Hosur,
Krishnagiri - 635 114, Tamilnadu, India.

Plant XII
2/192, Bilichi Village,
Mettupalayam Road, Karamadai,
Coimbatore - 641 104, Tamilnadu, India.

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

s. **Address for correspondence:**

Registrar & Transfer Agents	Company
M/s. Integrated Registry	Secretarial Department
Management Services Private Limited	**Pricol Limited**
Unit: Pricol Limited,	109 Race Course,
2nd Floor, “ Kences Towers ”,	Coimbatore – 641 018, India.
No.1, Ramakrishna Street, North Usman Road,	Phone : + 91 422 4336238 / 6272
T. Nagar, Chennai – 600 017, India.	Fax : + 91 422 4336299
Phone : + 91 44 28140801 – 03	Email : cs@pricol.co.in / investor@pricol.co.in
Fax : + 91 44 28142479	
Email : sirams@integratedindia.in	

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

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

10. DISCLOSURES :

a. The Company has not entered into any materially significant related party transactions that may have potential conflict with the interest of the Company at large. Details of transactions with related parties are provided in Note No.2.64 to Notes to Financial Statements in accordance with the provision of Accounting Standards. The Company has formulated a policy on related party transactions which has been placed on the website of the Company and the web link thereto is http://www.pricol.com/Policy-on-Related-Party-Transaction.pdf.

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

c. The Company has established a Vigil Mechanism / Whistle Blower Policy to enable the Stakeholders of the Company to report their genuine concerns and grievances. The Policy provides for adequate safeguards against victimization of stakeholders who avail of the vigil mechanism and direct access to the Chairman of the Audit Committee of the Company, in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

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

d. The Company has formulated a Policy on Subsidiary & Material Subsidiary Company and has placed it on the website of the Company and the web link thereto is http://www.pricol.com/Pricol-Policy-on-Subsidiary & Material-Subsidiary-Company.pdf

e. Disclosure of commodity price risks and commodity hedging activities. Refer Note No.2.55 to Notes to Financial Statements.

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

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

   - The Company has a non-executive Chairman (upto 11th November 2017) who maintained a Chairman's office at the Company's expense and who is allowed reimbursement of expenses incurred in the performance of his duties.
   - Adopted the best practices to ensure a regime of financial statements with unmodified audit opinion.
   - The Company has appointed separate persons to the post of Chairman and Managing Director.

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

Coimbatore
26th June, 2018

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

CODE OF CONDUCT

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

DECLARATION

All the Board members and senior management personnel affirmed compliance with the code of conduct of the Company for the financial year ended 31st March 2018.

Vikram Mohan
Managing Director
(DIN : 00089968)

Coimbatore
30th May, 2018

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of Pricol Limited
(formerly Pricol Pune Limited)
(CIN: L34200TZ2011PLC022194)

I have examined all the relevant records of Pricol Limited, formerly Pricol Pune 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, 2018. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

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

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

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

P. Eswaramoorthy and Company
Company Secretaries
CS. P.Eswaramoorthy
Proprietor
FCS No. : 6510
C.P.No. 7069

Coimbatore
30th May, 2018

★★★★★

TEN YEARS PERFORMANCE AT A GLANCE

OPERATING RESULTS

₹ Million

Year Ended 31st March		2009	2010	2011	2012	2013	2014	2015	2016	2017	**2018**
		Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Erstwhile Pricol Limited	Pricol Limited	**Pricol Limited**
Net Sales & Services - Domestic		4,765.51	6,338.06	7,100.16	7,886.74	6,996.69	6,899.65	7,842.34	9,799.21	11,315.55	**10,956.41**
- Export		1,375.25	1,085.86	1,062.93	1,428.05	1,285.91	1,402.78	1,162.55	1,005.28	840.96	**810.73**
Total Net Sales & Services		6,140.76	7,423.92	8,163.09	9,314.79	8,282.60	8,302.43	9,004.89	10,804.49	12,156.51	**11,767.14**
Gross Surplus from Operation		335.34	909.50	768.73	737.32	604.37	658.14	232.84	1,066.54	1,318.64	**1,535.29**
Other Income		42.28	33.30	57.15	21.47	15.16	36.22	20.06	70.00	42.95	**36.48**
Depreciation & Amortisation Expense	(a)	364.91	351.78	337.04	291.91	319.50	306.65	352.55	341.74	659.97	**715.65**
Finance Costs	(b)	395.51	316.45	273.12	297.92	163.31	65.20	78.90	93.12	78.41	**113.94**
Profit / (Loss) from operations before Exceptional Items and Tax		(382.80)	274.57	215.72	168.96	136.72	322.51	(178.55)	701.68	623.21	**742.18**
Exceptional Items (Net)		—	—	—	494.20	—	516.33	(46.77)	(100.16)	—	**—**
Profit / (Loss) Before Tax (PBT)	(c)	(382.80)	274.57	215.72	663.16	136.72	838.84	(225.32)	601.52	623.21	**742.18**
Tax Provision incl. Deferred Tax		(82.56)	19.77	(15.43)	99.00	(20.68)	168.85	(45.35)	169.55	156.47	**207.44**
Profit / (Loss) After Tax (PAT)	(d)	(300.24)	254.80	231.15	564.16	157.40	669.99	(179.97)	431.97	466.74	**534.74**
Other Comprehensive Income for the year after tax		NA	NA	NA	NA	NA	NA	NA	NA	(11.29)	**16.06**
Total Comprehensive Income for the year		NA	NA	NA	NA	NA	NA	NA	NA	455.45	**550.80**
Dividend (including tax)	(e)	—	41.98	62.76	83.68	42.12	88.45	—	114.10	114.10	**114.28**
Retained Profit / (Loss)		(300.24)	212.82	168.39	480.48	115.28	581.54	(179.97)	317.87	341.35	**436.52**

As at 31st March		2009	2010	2011	2012	2013	2014	2015	2016	2017	**2018**
SOURCES OF FUNDS											
Share Capital		90.00	90.00	90.00	90.00	90.00	94.50	94.80	94.80	94.80	**94.80**
Reserves & Surplus		1,478.30	1,691.12	1,859.51	2,339.99	2,455.28	3113.32	2,580.59	2,898.47	8,261.20	**8,697.91**
Money received against Share Warrants		—	—	—	20.25	20.25	—	—	—	—	**—**
Networth	(f)	1,568.30	1,781.12	1,949.51	2,450.24	2,565.53	3,207.82	2,675.39	2,993.27	8,356.00	**8,792.71**
Deferred Tax Liability / (Asset)		(29.81)	(56.81)	7.00	51.00	40.00	81.00	14.00	(10.00)	371.40	**546.86**
Loan Funds	(g)	3,090.05	2,559.98	2,380.60	1,738.56	1,049.24	439.42	640.10	500.00	1,083.48	**1,272.53**
Total Capital Employed	(h)	4,628.54	4,284.29	4,337.11	4,239.80	3,654.77	3,728.24	3,329.49	3,483.27	9,810.88	**10,612.10**
APPLICATION OF FUNDS											
Gross Fixed Assets		4,972.66	5,127.37	5,138.11	5,043.79	5,180.64	5,041.60	4,557.01	4,703.33	8,298.32	**8,895.76**
Accumulated Depreciation		2,461.98	2,804.32	2,979.66	3,130.63	3,347.13	3,231.80	2,796.33	2,898.77	1,260.43	**1,947.47**
Net Fixed Assets		2,510.68	2,323.05	2,158.45	1,913.16	1,833.51	1,809.80	1,760.68	1,804.56	7,037.89	**6,948.29**
Investments		182.91	252.41	252.41	302.41	388.05	603.85	527.56	954.42	1,152.64	**1,552.76**
Other Assets (Net)		1,934.95	1,708.83	1,926.25	2,024.23	1,433.21	1,314.59	1,041.25	724.29	1,620.35	**2,111.05**
Net Assets Employed		4,628.54	4,284.29	4,337.11	4,239.80	3,654.77	3,728.24	3,329.49	3,483.27	9,810.88	**10,612.10**
PERFORMANCE INDICATORS											
Equity shares (Nos. in Mn)	(i)	90.00	90.00	90.00	90.00	90.00	94.50	94.80	94.80	94.80	**94.80**
Face Value of Equity Share (₹)		1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	**1.00**
Earnings per share (EPS) (₹)	(d/i)	(3.34)	2.83	2.57	6.27	1.75	7.16	(1.90)	4.56	4.92	**5.64**
Diluted Earnings per share (₹)		(3.34)	2.83	2.57	6.18	1.67	7.16	(1.90)	4.56	4.92	**5.64**
Dividend per share (₹)		-	0.40	0.60	0.80	0.40	0.80	-	1.00	1.00	**1.00**
Networth per share (NWPS) (₹)	(f/i)	17.43	19.79	21.66	27.22	28.51	33.95	28.22	31.58	88.15	**92.75**
Return on Average Networth (RONW) (%)	*	(17.47)	15.21	12.39	25.65	6.28	23.21	(6.12)	15.24	5.69	**6.24**
Return on Average Capital Employed (ROCE) (%)	**	0.26	13.26	11.34	22.41	7.60	24.49	(4.15)	20.39	7.64	**8.38**
Total Debt to Networth	(g / f)	1.97	1.44	1.22	0.71	0.41	0.14	0.24	0.17	0.13	**0.14**
Interest Coverage Ratio	(a + b + c) / b	0.95	2.98	3.02	4.21	3.79	18.57	2.61	11.13	17.36	**13.79**

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

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

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHAREHOLDERS

To the Members of Pricol Limited (Formerly Pricol Pune Limited)

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Pricol Limited (Formerly Pricol Pune Limited)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended 31st March, 2018 and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the (state of affairs) financial position, profit or loss (financial performance including other comprehensive income) cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, its profit (financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the standalone Ind AS financial statements:

Note No. 2.47 to the standalone Ind AS financial statements regarding the Scheme of Amalgamation which was accounted as per the then prevailing Accounting Standard 14 – "Accounting for Amalgamations". The Company had recognised Goodwill on Amalgamation, comprising of Customer relationship & Assembled workforce, and continues to amortise the same over its estimated useful life which is different from the treatment prescribed under Ind AS 103 – "Business Combinations"

Our opinion is not modified in respect of this matter.

Other Matter

Report on Other Legal and Regulatory Requirements

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

2) As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

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

d. In our opinion, the aforesaid standalone Ind AS 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 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

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

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 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 Ind AS financial statements – Refer Note 2.41 on Contingent Liabilities to the standalone Ind AS 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 2.40 to the standalone Ind AS financial statements;

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Kaushik Sidartha
Partner
Membership No.: 217964

Coimbatore
30th May, 2018

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 (Formerly Pricol Pune Limited)** on the standalone Ind AS financial statements for the year ended 31st March, 2018]

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.

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

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

iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.

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

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

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

AND

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

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

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

Name of the statute	Nature of dues	Amount ₹ Million	Period to which the amount relates	Forum where dispute is pending	Remarks
Central Excise Act / Service Tax Act / Customs Act	i) Excise Duty	6.018	1999 to 2017	High Court	* ₹ 6.643 Million has been paid under protest
	ii) Service Tax	15.403		High Court	
	iii) Excise Duty	90.746		CESTAT	
	iv) Service Tax	54.651		CESTAT	
	v) Customs*			CESTAT	
	Customs Duty	20.810			
	Penalty	21.805			
	vi) Customs Duty	0.895		Joint Secretary - Ministry of Finance	
	vii) Excise Duty	50.241		Departmental adjudication	
	viii) Service Tax	2.625		Departmental adjudication	
	ix) Customs Duty	1.283		Departmental adjudication	
Central Sales Tax Act	CST	17.760	2009-10 & 2010-11	Additional Commissioner	—

viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).

ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public issue offer / further public offer (including debt instruments). Money raised by way of term loans has been applied by the company for the purposes for which they were raised.

x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii) In our opinion 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 explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

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

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Kaushik Sidartha
Partner
Membership No.: 217964

Coimbatore
30th May, 2018

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

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Pricol Limited (Formerly Pricol Pune Limited)** on the standalone Ind AS financial statements for the year ended 31st March, 2018]

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 (Formerly Pricol Pune Limited)** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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 31st March, 2018 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Kaushik Sidartha
Partner
Membership No.: 217964

Coimbatore
30th May, 2018

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STANDALONE BALANCE SHEET AS AT 31st MARCH 2018

	Note No.	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
I. ASSETS				
1) Non-current Assets				
a) Property Plant and Equipment	2.1	**3,811.948**	3,761.164	444.406
b) Capital Work-in-progress	2.2	**201.089**	179.069	—
c) Investment Property	2.3	**103.614**	107.833	—
d) Intangible assets	2.4	**2,759.142**	2,988.287	57.947
e) Intangible under Development	2.5	**72.501**	1.541	—
f) Financial Assets				
i) Investments	2.6	**1,552.762**	1,152.642	—
ii) Loans	2.7	**0.043**	0.046	—
iii) Others	2.8	**51.698**	39.586	5.379
g) Other Non-current Assets	2.9	**752.240**	639.119	18.198
Total Non-current Assets		**9,305.037**	8,869.287	525.930
2) Current Assets				
a) Inventories	2.10	**1,921.807**	1,541.234	74.247
b) Financial Assets				
i) Investments	2.11	**18.094**	2.508	—
ii) Trade Receivables	2.12	**2,057.993**	1,744.486	211.285
iii) Cash and Cash equivalents	2.13	**33.316**	33.107	6.344
iv) Bank Balances other than (iii) above	2.14	**52.946**	38.783	6.429
v) Others	2.15	**74.887**	13.021	0.119
c) Other Current Assets	2.16	**185.019**	166.365	11.490
d) Assets held for Sale	2.17	**250.000**	—	—
Total Current Assets		**4,594.062**	3,539.504	309.914
TOTAL ASSETS		**13,899.099**	12,408.791	835.844
II. EQUITY AND LIABILITIES				
1) Equity				
a) Equity Share Capital	2.18	**94.797**	94.797	100.000
b) Other Equity	2.19	**8,697.906**	8,261.201	473.799
Total Equity		**8,792.703**	8,355.998	573.799
2) Non-current Liabilities				
a) Financial Liabilities				
i) Borrowings	2.20	**183.333**	133.333	—
ii) Others	2.21	**11.849**	7.836	1.089
b) Provisions	2.22	**112.303**	130.671	1.064
c) Deferred Tax Liabilities (Net)	2.23	**546.855**	371.400	—
d) Other Non-current Liabilities	2.24	**3.538**	4.704	—
Total Non-current Liabilities		**857.878**	647.944	2.153

STANDALONE BALANCE SHEET AS AT 31st MARCH 2018

	Note No.	**31-3-2018 ₹ Million**	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Standalone Balance Sheet as at 31st March 2018 (Contd.,)				
3) Current Liabilities				
a) Financial Liabilities				
i) Borrowings	2.25	**955.861**	766.808	—
ii) Trade Payables	2.26	**2,745.551**	2,006.455	206.073
iii) Other Financial Liabilities	2.27	**402.207**	511.943	28.102
b) Other Current Liabilities	2.28	**102.351**	68.045	25.620
c) Provisions	2.29	**26.172**	41.176	0.097
d) Current Tax Liabilities	2.30	**16.376**	10.422	—
Total Current Liabilities		**4,248.518**	3,404.849	259.892
TOTAL EQUITY AND LIABILITIES		**13,899.099**	12,408.791	835.844

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

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

J. Sridhar
Director Finance
(ACMA No. : A6533)

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

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2018

	Note No.	2017-18 ₹ Million	2016-17 ₹ Million
REVENUE			
Revenue from Operations (Gross)	2.31	**12,058.950**	13,444.979
Other Operating Revenue	2.32	**1,416.918**	501.968
Other Income	2.33	**36.477**	42.946
Total Revenue		**13,512.345**	13,989.893
EXPENSES			
Cost of Materials Consumed	2.34	**7,938.167**	7,873.652
Purchases of Stock-in-Trade		**642.751**	542.377
Changes in inventories of Work-in-progress, Finished Goods and Stock-in-Trade	2.35	**(128.070)**	(226.519)
Excise Duty		**291.806**	1,288.467
Employee Benefits Expense	2.36	**1,600.250**	1,695.954
Finance Costs	2.37	**113.939**	78.414
Depreciation and Amortisation Expense	2.38	**715.653**	659.973
Other Expenses	2.39	**1,595.667**	1,454.364
Total Expenses		**12,770.163**	13,366.682
Profit before Exceptional Items and Tax		**742.182**	623.211
Add : Exceptional Items		**—**	—
Profit Before Tax		**742.182**	623.211
Less : Tax Expense			
Current Tax		**201.562**	137.000
Deferred Tax		**166.954**	156.473
MAT Credit		**(161.070)**	(137.000)
Profit for the year	**(A)**	**534.736**	466.738
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurement of post employment benefit obligations		**24.565**	(17.260)
Income tax relating to these items		**(8.501)**	5.973
Other Comprehensive Income for the year after tax	**(B)**	**16.064**	(11.287)
Total Comprehensive Income for the year	**(A) + (B)**	**550.800**	455.451
Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees	2.42		
Basic & Diluted		**5.64**	4.92

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

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

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Director Finance
(ACMA No. : A6533)

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

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

a) **Equity Share Capital**	₹ Million
Balance as on 1st April 2016	100.000
Movement during the year 2016-17	
Add : Shares allotted pursuant to Scheme of Amalgamation	94.797
Less : Shares cancelled pursuant to Scheme of Amalgamation	100.000
Balance as on 31st March 2017	94.797
Movement during the year 2017-18	—
Balance as on 31st March 2018	**94.797**

₹ Million

b) **Other Equity**	**General Reserve**	**Securities Premium**	**Retained Earnings**	**Other Comprehensive Income**	**Total**
Balance as at 1st April 2016	—	684.000	(210.201)	—	473.799
- Profit for the year 2016-17	—	—	466.738	—	466.738
- Pursuant to Scheme of Amalgamation	—	7,412.156	(109.936)	—	7,302.220
- Ind AS Adjustments consequent to Amalgamation	—	—	29.731	—	29.731
- Other Comprehensive Income, Net of Income Tax	—	—	—	(11.287)	(11.287)
Balance as on 31st March 2017	—	8,096.156	176.332	(11.287)	8,261.201
- Profit for the year 2017-18	**—**	**—**	**534.736**	**—**	**534.736**
- Other Comprehensive Income, Net of Income Tax	**—**	**—**	**—**	**16.064**	**16.064**
- Payment of Dividend including Dividend Distribution Tax	**—**	**—**	**(114.095)**	**—**	**(114.095)**
Balance as on 31st March 2018	**—**	**8,096.156**	**596.973**	**4.777**	**8,697.906**

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

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
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J. Sridhar
Director Finance
(ACMA No. : A6533)

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

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

		2017-18 ₹ Million		2016-17 ₹ Million
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		**742.182**		623.211
Adjustments for :				
Depreciation & Amortisation Expense	**715.653**		659.973	
Bad debts written off	**28.396**		1.679	
Provision for doubtful debts and advances written back	**(30.269)**		(2.243)	
Provision for doubtful debts and advances	**16.784**		36.646	
Provision for Diminiution in Value of Current Investments written back	**—**		(0.014)	
(Profit) / Loss on sale of assets (Net)	**(3.215)**		(1.341)	
Assets Discarded / Written off	**2.026**		13.564	
Gain on Sale of investment in Subsidiary	**—**		(5.337)	
Interest received	**(4.740)**		(5.985)	
Exchange Fluctuation (Gain) / Loss on Re-statement	**0.474**		(1.834)	
Income from Current Investments	**(0.586)**		(0.760)	
Provision for Impairment	**191.193**		—	
Finance Costs	**113.939**		78.414	
		1,029.655		772.762
Operating Profit before working capital changes		**1,771.837**		1,395.973
Adjustments for :-				
(Increase) / Decrease in Trade Receivables	**(320.700)**		481.968	
(Increase) / Decrease in Inventories	**(380.573)**		(256.629)	
(Increase) / Decrease in Other Assets	**(52.569)**		(198.126)	
Increase / (Decrease) in Trade Payables	**730.904**		(232.469)	
Increase / (Decrease) in Other Payables	**(34.306)**		(206.799)	
		(57.244)		(412.055)
Cash generated from Operations		**1,714.593**		983.918
Direct taxes		**(201.882)**		(121.657)
Net cash from operating activities		**1,512.711**		862.261
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	**(1,073.427)**		(832.422)	
Sale of Fixed Assets	**7.370**		6.580	
Purchase of Investments	**(415.120)**		(1,822.878)	
Sale of Investments	**—**		1,367.550	
Interest received	**4.740**		5.985	
Net Cash (used in) / from investing activities		**(1,476.437)**		(1,275.185)

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

Standalone Cash Flow Statement for the year ended 31st March 2018 (Contd.,)

		2017-18 ₹ Million		2016-17 ₹ Million
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Increase / (Decrease) in Working Capital Borrowings	**189.053**		566.808	
Increase / (Decrease) in Long Term Borrowings	**—**		(3.333)	
Dividend & Tax on Dividend Paid	**(112.361)**		(112.118)	
Finance Costs paid	**(112.757)**		(76.387)	
Net Cash (used in) / from financing activities		**(36.065)**		374.970
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**0.209**		(37.954)
Cash and Bank Balances as at 1.4.2017 and 1.4.2016 (Opening Balance)		**33.107**		6.344
Add: Pursuant to Scheme of Amalgamation		**—**		64.717
Cash and cash equivalents as at 31.3.2018 and 31.3.2017 (Closing Balance) (Refer to Note No. 2.13)		**33.316**		33.107

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

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

J. Sridhar
Director Finance
(ACMA No. : A6533)

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

SIGNIFICANT ACCOUNTING POLICIES

i. Corporate Information :

Pricol Limited (Formerly Pricol Pune 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 (OEMs) 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.

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. These financial statements for the year ended 31 March 2018 are the first financial statements which the Company has prepared in accordance with Ind AS. For

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

all periods upto and including the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), which have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, with the date of transition to Ind AS being 1st April 2016. For the purpose of comparatives, financial statements for the year ended 31 March 2017 and opening balance sheet as at 1 April 2016 are also prepared as per Ind AS. The financial statements for the year ended 31 March 2018 were authorised and approved for issue by the Board of Directors on 30th May 2018.

iii. Basis of Preparation:

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

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

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

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

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

iv. Use of Estimates:

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

vi. Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupee which is also the functional and presentation currency of the Company. All amounts have been rounded-off to the nearest rupee.

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. 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 recognized in the statement of profit and loss in the year in which they arise.

vii. Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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 recognized 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 crystalised.

viii. Property, Plant and Equipment:

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz., April 1, 2016.

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 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 Property, Plant and Equipment (PPE) are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except leasehold buildings under operating lease arrangements, which

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

are amortised over the leasehold period and Dies, Tools and Moulds which are depreciated over a period of 3 years.

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

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

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

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

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

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

ix. Investment property :

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

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

x. Intangible assets and amortisation :

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

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

New Product Development Cost including Technology Fee payable to Technology providers will be appropriately capitalised as and when the liability gets crystallised with mutual consent of parties concerned

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

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

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

xi. Impairment of Non Financial assets :

The Company periodically assesses whether there is any indication that an asset or a company 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 company of assets that does not generate largely independent cash inflows, the recoverable amount is

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 recognized 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 recognized.

xii. Impairment of Financial assets:

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

xiii. 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 economic best 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:

- **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 recognized 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.

xiv. Financial instruments:

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

1. 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

- 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 amortized cost if both the following conditions are met:

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

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

Debt instrument at FVTOCI:

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

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

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

Debt instrument at FVTPL:

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

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

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

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

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized 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 Company 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 as per Ind AS 27.

2. Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized 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:

a. 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.

b. 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.

c. 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.

3. Offsetting of financial instruments

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

xv. Borrowing costs:

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

xvi. Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

xvii. Employee benefits

1. Short Term and other long term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

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

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

2. Post-Employment Benefits

a. 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.

b. Defined Benefit Plans

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

xviii. Provisions:

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

xix. Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the 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.

xx. Earnings per share:

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

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

xxi. Government Grants:

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

xxii. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in 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.

xxiii. Inventories:

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

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

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

xxiv. Leases:

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

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.

xxv. Business combination:

The Company elected not to apply Ind AS 103, "Business Combinations" retrospectively and wishes to apply the same prospectively and the policy is described below.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

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

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

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

Any goodwill that arises on account of such business combination is tested annually for impairment as per Ind AS 103.

xxvi. Financial guarantee contracts:

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

Significant accounting Judgments, estimates and assumptions:

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

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

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

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

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

b) **Provision and contingent liability :**

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2018 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.

Standards issued or modified but not yet effective up to the date of issuance of the company's financial statements:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28th March, 2018, Ministry of Corporate Affairs("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency The amendment will come into force from 1st April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

Ind AS 115 : Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1st April 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1st April 2018. The standard permits two possible methods of transition: Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect, if any, on adoption of Ind AS 115 is expected to be insignificant"

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.1. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ Million

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Deemed Cost										
As at 1st April, 2016	195.064	—	144.204	—	100.851	1.156	0.967	2.107	0.057	444.406
Additions during 2016-17	—	—	58.791	24.870	522.540	29.032	2.116	0.226	56.573	694.148
Assets acquired on Amalgamation	859.260	77.252	1,184.797	4.033	956.003	30.688	24.037	3.048	142.091	3,281.209
Sales / Deletions during 2016-17	2.200	—	0.193	—	21.658	1.536	0.143	0.083	0.421	26.234
As at 31st March, 2017	1,052.124	77.252	1,387.599	28.903	1,557.736	59.340	26.977	5.298	198.300	4,393.529
Additions during 2017-18	35.152	13.491	146.964	7.870	715.065	5.132	0.044	0.482	39.072	963.272
Sales / Deletions during 2017-18	—	—	—	—	14.566	0.409	—	—	0.287	15.262
Re-classified as held for Sale	197.318	48.244	215.161	—	—	—	—	—	—	460.723
As at 31st March, 2018	**889.958**	**42.499**	**1,319.402**	**36.773**	**2,258.235**	**64.063**	**27.021**	**5.780**	**237.085**	**4,880.816**

Accumulated Depreciation

₹ Million

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 1st April, 2016	—	—	—	—	—	—	—	—	—	—
Depreciation for the year 2016-17	—	0.829	71.222	1.691	223.498	5.115	3.662	1.247	34.390	341.654
Adjustments on Amalgamation (Net)	—	1.059	65.690	1.344	189.380	4.318	2.249	0.723	33.381	298.144
Withdrawn during the year 2016-17	—	—	0.014	—	6.585	0.440	0.111	0.034	0.249	7.433
As at 31st March, 2017	—	1.888	136.898	3.035	406.293	8.993	5.800	1.936	67.522	632.365
Depreciation for the year 2017-18	**—**	**0.767**	**75.290**	**3.699**	**327.598**	**6.538**	**3.783**	**1.362**	**46.077**	**465.114**
Withdrawn during the year 2017-18	—	—	—	—	8.565	0.328	—	—	0.188	9.081
Re-classified as held for Sale	—	1.485	18.045	—	—	—	—	—	—	19.530
As at 31st March, 2018	**—**	**1.170**	**194.143**	**6.734**	**725.326**	**15.203**	**9.583**	**3.298**	**113.411**	**1,068.868**

Net Carrying Amount

₹ Million

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 1st April, 2016	195.064	—	144.204	—	100.851	1.156	0.967	2.107	0.057	444.406
As at 31st March, 2017	1,052.124	75.364	1,250.701	25.868	1,151.443	50.347	21.177	3.362	130.778	3,761.164
As at 31st March, 2018	**889.958**	**41.329**	**1,125.259**	**30.039**	**1,532.909**	**48.860**	**17.438**	**2.482**	**123.674**	**3,811.948**

Certain Property, Plant and Equipment have been given as security against borrowings availed by the company (Refer to Note No. 2.20 & 2.25).

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

2.1. (a) The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind AS(s), measured as per previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016) as per the following details:-

PROPERTY, PLANT AND EQUIPMENT (PPE) **₹ Million**

Particulars	Gross Block at Cost	Accumulated Depreciation	Net Block as per Previous GAAP/ Deemed cost as per Ind AS (As at 1st April 2016)	Ind AS Adjustments	Gross Block as per Ind AS
Freehold Land	195.064	—	195.064	—	195.064
Leasehold Land	—	—	—	—	—
Freehold Buildings	165.959	21.755	144.204	—	144.204
Leasehold Buildings	—	—	—	—	—
Plant & Machinery	183.022	82.171	100.851	—	100.851
Furniture and Fixtures	1.791	0.635	1.156	—	1.156
Vehicles	1.033	0.066	0.967	—	0.967
Office Equipments	2.937	0.830	2.107	—	2.107
Computer Equipments	1.160	1.103	0.057	—	0.057
Total	550.966	106.560	444.406	—	444.406

2.2. CAPITAL WORK-IN-PROGRESS

₹ Million

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Capital Work-in-progress	**201.089**	179.069	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.3. INVESTMENT PROPERTY

₹ Million

Particulars	Freehold Land	Freehold Building	Total
Deemed Cost			
As at 1st April, 2016	—	—	—
Additions during 2016-17	—	—	—
Assets acquired on Amalgamation	46.200	70.000	116.200
Adjustments on Amalgamation (Net)	—	—	—
Sales / Deletions during 2016-17	—	—	—
As at 31st March, 2017	46.200	70.000	116.200
Additions during 2017-18	—	—	—
Sales / Deletions during 2017-18	—	—	—
As at 31st March, 2018	**46.200**	**70.000**	**116.200**

Accumulated Depreciation

₹ Million

As at 1st April, 2016	—	—	—
Depreciation for the year 2016-17	—	4.143	4.143
Adjustments on Amalgamation (Net)	—	4.224	4.224
Withdrawn during the year 2016-17	—	—	—
As at 31st March, 2017	—	8.367	8.367
Depreciation for the year 2017-18	**—**	**4.219**	**4.219**
Withdrawn during the year 2017-18	—	—	—
As at 31st March, 2018	**—**	**12.586**	**12.586**

Net Carrying Amount

₹ Million

As at 1st April, 2016	—	—	—
As at 31st March, 2017	46.200	61.633	107.833
As at 31st March, 2018	**46.200**	**57.414**	**103.614**

The Company has identified the following property to be in the nature of investment property as they are being held to earn rentals:-

(i) Land and Building at Karamadai

2.3. (a). The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for its Investment properties, measured as per previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016).

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

₹ Million

Particulars	**2017-18**	2016-17
Rental Income	**2.442**	0.376
Less: Depreciation expense	**4.219**	4.143
Profit / (Loss) from Investment Property	**(1.777)**	(3.767)

ii) Fair Valuation of Investment Property - ₹ 116.200 Million

The fair valuation of investment property was obtained at the date of transition to Ind AS.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.4. INTANGIBLE ASSETS

₹ Million

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Goodwill $	Total
Deemed Cost						
As at 1st April, 2016	0.080	—	—	—	57.867	57.947
Additions during 2016-17	21.384	—	—	—	—	21.384
Assets acquired on Amalgamation	84.469	51.082	491.400	1,411.600	1,490.100	3,528.651
Sales / Deletions during 2016-17	0.002	—	—	—	—	0.002
As at 31st March, 2017	105.931	51.082	491.400	1,411.600	1,547.967	3,607.980
Additions during 2017-18	17.175	—	—	—	—	17.175
Sales / Deletions during 2017-18	—	—	—	—	—	—
As at 31st March, 2018	**123.106**	**51.082**	**491.400**	**1,411.600**	**1,547.967**	**3,625.155**

Accumulated Amortisation

₹ Million

As at 1st April, 2016	—	—	—	—	—	—
Amortisation for the year 2016-17	29.080	1.022	32.760	94.107	157.207	314.176
Adjustments on Amalgamation (Net)	30.465	48.845	32.760	94.107	99.340	305.517
Withdrawn during the year 2016-17	—	—	—	—	—	—
As at 31st March, 2017	59.545	49.867	65.520	188.214	256.547	619.693
Amortisation for the year 2017-18	**19.466**	**0.647**	**32.760**	**94.107**	**99.340**	**246.320**
Withdrawn during the year 2017-18	—	—	—	—	—	—
As at 31st March, 2018	**79.011**	**50.514**	**98.280**	**282.321**	**355.887**	**866.013**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

INTANGIBLE ASSETS (Contd.,)

Net Carrying Amount

₹ Million

As at 1st April, 2016	0.080	—	—	—	57.867	57.947
As at 31st March, 2017	46.386	1.215	425.880	1,223.386	1,291.420	2,988.287
As at 31st March, 2018	**44.095**	**0.568**	**393.120**	**1,129.279**	**1,192.080**	**2,759.142**

$ Refer to Note No. 2.47 in relation to Scheme of Amalgamation and accounting treatment.

2.4. (a) The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS(s), measured as per previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016) as per the following details:-

Intangible Assets

₹ Million

Particulars	Gross Block at Cost	Accumulated Amortisation	Net Block as per Previous GAAP / Deemed cost as per Ind AS (As at 1st April 2016)	Ind AS Adjustments	Gross Block as per Ind AS
Computer Software	0.683	0.603	0.080	—	0.080
Goodwill	300.845	242.978	57.867	—	57.867
Total	**301.528**	**243.581**	**57.947**	**—**	**57.947**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.5. INTANGIBLE UNDER DEVELOPMENT			
Intangibles under development	**72.501**	1.541	—
2.6. INVESTMENTS			
Investments in Equity Instruments			
In Subsidiaries (at Cost)			
In Equity Shares, unquoted			
a) 13,941,642 Equity Shares of Euro 1/- each fully paid-up in Pricol Espana S.L. Spain. # (Previous year - 8,884,790 Equity Shares of Euro 1/- each) (Extent of holding - 100%)	**1,074.817**	685.035	—
b) 7,500 Equity Shares of USD 1,000/- each fully paid-up in PT Pricol Surya Indonesia - (Previous year - 7,500 Equity Shares of USD 1,000/- each) (Extent of holding - 100%)	**452.569**	452.569	—
c) 250,000 Equity Shares of USD 1/- each fully paid-up in Pricol Asia Pte Limited, Singapore - (Previous year - 250,000 Equity Shares of USD 1/- each) (Extent of holding - 100%)	**15.038**	15.038	—
d) 10,000,000 Equity Shares of ₹ 1/- each fully paid-up in Pricol Wiping Systems India Limited (Previous year - Nil) (Extent of holding - 100%)	**10.338**	—	—
	1,552.762	1,152.642	—

\# These shares have been given as a security against foreign currency term loan availed by Pricol Espana S.L. Spain. All the above investments have been acquired by the company on account of merger of Pricol Limited (erstwhile) with the company except for Pricol Wiping Systems India Limited which was formed by the company as 100% subsidiary during the year.

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Investments in Equity Instruments			
Aggregate value of quoted instruments	**—**	—	—
Aggregate market value of quoted instruments	**—**	—	—
Aggregate value of unquoted instruments	**1,552.762**	1,152.642	—
Aggregate value of impairment in value of investments	**—**	—	—
	1,552.762	1,152.642	—

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.7. LOANS			
Unsecured Considered good			
Loans to Employees	**0.043**	0.046	—
	0.043	0.046	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.8. OTHER FINANCIAL ASSETS

		31-3-2018 ₹ Million		31-3-2017 ₹ Million		1-4-2016 ₹ Million
Unsecured Considered good						
Security Deposits		**51.698**		38.894		5.379
Unsecured Considered Doubtful						
Security Deposits	**2.610**		2.610		—	
Less : Allowance for Doubtful Deposits	**2.610**		2.610		—	
		—		—		—
Fixed Deposits (with original maturity of period of more than 12 months)		**—**		0.692		—
		51.698		39.586		5.379

2.9. OTHER NON-CURRENT ASSETS

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Unsecured Considered good			
Capital Advances	**112.598**	165.451	1.208
Deposits with Government Authorities	**7.860**	7.861	7.399
Prepaid Rental Expenses	**10.188**	11.557	—
Others			
Advance Tax, Net of Provision	**85.858**	79.584	9.591
MAT Credit Entitlement (Refer to Note No. 2.57)	**535.736**	374.666	—
	752.240	639.119	18.198

2.10. INVENTORIES

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
(Valued at Lower of Cost and Net Realisable Value)			
Raw Materials & Components	**1,017.971**	743.578	54.491
Goods in Transit	**104.094**	130.865	6.768
Work-in-progress	**115.120**	94.580	9.772
Finished Goods	**604.553**	371.157	3.216
Land - Stock-in-Trade	**17.314**	141.900	—
Stores & Spares	**36.348**	31.467	—
Traded Goods	**26.407**	27.687	—
	1,921.807	1,541.234	74.247

Inventories other than Land held as Stock-in-Trade have been given as securities for the borrowings availed by the Company. Refer to Note No. 2.25.

Cost of Inventory recognised as an expense

₹ Million

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Cost of Materials Consumed	**7,938.167**	7,873.652
Cost of Traded Goods sold	**644.031**	543.808
Cost of Land held as Stock-in-Trade	**124.586**	—
Stores and Spares	**45.690**	42.055

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.11. INVESTMENTS

₹ Million

Sl.No.	Particulars	31-3-2018	31-3-2017	1-4-2016
	Investments in Mutual Funds (at Fair Value through P&L)			
	Quoted			
1.	ICICI Prudential MIP - 25 - Regular Plan - Growth #	**0.902**	0.836	—
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan) #	**0.878**	0.807	—
3.	Birla Sun Life MIP II - Wealth 25 Plan - Growth - Regular Plan #	**0.916**	0.865	—
4.	ICICI Banking & PSU Fund	**7.712**	—	—
5.	Kotak Flexi Debt	**7.686**	—	—
	Total	**18.094**	2.508	—
	Aggregate Value of Quoted Investments	**18.094**	2.508	—
	Aggregate Market Value of Quoted Investments	**18.094**	2.508	—

\# These investments have been acquired by the company on account of merger of Pricol Limited (erstwhile) with the company.

No. of Units as on the closing date

Sl.No.	Particulars	31-3-2018	31-3-2017	1-4-2016
1.	ICICI Prudential MIP - 25 - Regular Plan - Growth	**22,904.26**	22,904.26	—
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	**38,980.00**	38,980.00	—
3.	Birla Sun Life MIP II - Wealth 25 Plan - Growth - Regular Plan	**23,972.27**	23,972.27	—
4.	ICICI Banking & PSU Fund	**3,86,016.32**	—	—
5.	Kotak Flexi Debt	**3,44,800.00**	—	—

₹ Million

2.12. TRADE RECEIVABLES

	Particulars		31-3-2018		31-3-2017		1-4-2016
i)	Unsecured Considered Good		**2,057.993**		1,744.486		211.285
ii)	Unsecured Considered Doubtful	**61.146**		74.630		1.374	
	Less : Allowance for Bad and Doubtful Debts	**61.146**		74.630		1.374	
			—		—		—
			2,057.993		1,744.486		211.285

Trade Receivables have been given as securities for the borrowings availed by the Company. Refer to Note No. 2.25.

Trade Receivables are non interest bearing and or generally on credit terms in the range of 30 - 90 days.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.13. CASH AND CASH EQUIVALENTS

		31-3-2018 ₹ Million		31-3-2017 ₹ Million		1-4-2016 ₹ Million
Balances with Banks						
In Current Account	**22.037**		9.193		6.317	
In Fixed Deposit Account (with original maturity of 3 months or less)	**9.791**		22.513		—	
Cash on hand	**1.488**		1.401		0.027	
		33.316		33.107		6.344
Of the above, the balances that meet the definition of Cash and Cash equivalent as per Ind AS 7 Statement of Cash Flow is		**33.316**		33.107		6.344

2.14. BANK BALANCES OTHER THAN ABOVE

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Earmarked Balances			
In Unclaimed Dividend Account	**8.857**	7.123	—
In Margin Money Account #	**11.672**	11.961	6.429
Others			
In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)	**32.417**	19.699	—
	52.946	38.783	6.429

Margin Money with banks is towards issue of Letter of Comfort, Letter of Credit and Buyers Credit for Imports.

2.15. OTHER FINANCIAL ASSETS

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Accured Income #	**3.411**	3.284	0.119
Receivable from Wholly Owned Subsidiary (Refer to Note No. 2.64)	**71.476**	9.737	—
	74.887	13.021	0.119

Accrued income includes Export Incentives Receivable and Interest Accrued from Banks.

2.16. OTHER CURRENT ASSETS

		31-3-2018 ₹ Million		31-3-2017 ₹ Million		1-4-2016 ₹ Million
Unsecured Considered Good						
Advances to Employees		**4.787**		2.391		0.005
Advances to Suppliers		**36.856**		54.580		1.653
Balances with Government Authorities		**112.371**		84.536		8.001
Unsecured Considered Doubtful						
Advances to Suppliers	**1.133**		1.133		—	
Less : Provision for Doubtful Advances	**1.133**		1.133		—	
		—		—		—
Others						
Prepaid Expenses		**22.397**		24.858		1.208
Gratuity Fund (Refer to Note No. 2.54)		**8.608**		—		0.623
		185.019		166.365		11.490

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million

2.17. ASSETS HELD FOR SALE

(Measured at Fair Value less costs to sell)

		31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Land and Building	**441.193**		—	—
Less : Provision for Impairment	**191.193**		—	—
		250.000	—	—
		250.000	—	—

An impairment loss of ₹ 191.193 Million for write down of the disposed group to its lower of its carrying amount and its fair value less cost to sell has been recognised under other expenses. During the year 2017-18, the company has identified certain assets not in use to be disposed off and is committed to a plan to sell the non current asset. Accordingly, these assets are presented as "Assets held for Sale". These assets do not meet the definition of discontinued operation as per Ind AS 105 "Non-current Assets Held for Sale and Discontinued operation".

2.18. EQUITY SHARE CAPITAL

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Authorised			
582,000,000 Equity Shares of ₹ 1/- each * (As at 31st March 2017- 582,000,000 As at 1st April 2016 - 100,000,000)	**582.000**	582.000	100.000
Issued,Subscribed and Paid-up			
94,796,721 Equity Shares of ₹ 1/- each (As at 31st March 2017- 94,796,721 As at 1st April 2016 - 100,000,000)	**94.797**	94.797	100.000

* Pursuant to the Scheme of Amalgamation, the Authorised Share Capital of the Company stands increased to ₹ 582.000 Million from ₹ 100.000 Million.

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

Equity Shares	**31-3-2018** No. of Shares in Million	**31-3-2018** ₹ Million	31-3-2017 No. of Shares in Million	31-3-2017 ₹ Million	1-4-2016 No. of Shares in Million	1-4-2016 ₹ Million
At the beginning of the period	**94.797**	**94.797**	100.000	100.000	100.000	100.000
Add : Shares allotted pursuant to Scheme of Amalgamation	—	—	94.797	94.797	—	—
Less : Shares cancelled pursuant to Scheme of Amalgamation	—	—	100.000	100.000	—	—
At the closing of the period	**94.797**	**94.797**	94.797	94.797	100.000	100.000

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.,)

EQUITY SHARE CAPITAL (Contd.,)

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

	31-3-2018		31-3-2017		1-4-2016	
	No. of Shares	**% held**	No. of Shares	% held	No. of Shares	% held
- Erstwhile Pricol Limited, India (Holding Company)	—	—	—	—	100,000,000	100.00%
- Vijay Mohan	**9,801,178**	**10.34%**	9,801,178	10.34%	—	—
- Pricol Holdings Limited	**8,556,926**	**9.03%**	8,556,926	9.03%	—	—
- Viren Mohan	**6,658,409**	**7.02%**	6,658,409	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 2018.

Details of Shares issued for consideration other than Cash :

94,796,721 shares of ₹ 1/- each were allotted for consideration other than cash during the current financial year 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 preceeding five years.

		31-3-2018 ₹ Million		31-3-2017 ₹ Million		1-4-2016 ₹ Million
2.19. OTHER EQUITY						
Securities Premium Reserve						
Opening Balance	**8,096.156**		684.000		684.000	
Add : Pursuant to Scheme of Amalgamation	**—**		7,412.156		—	
		8,096.156		8,096.156		684.000
Surplus / (Deficit) in the Statement of Profit & Loss						
Opening Balance	**176.332**		(210.201)		(300.495)	
Add : Profit for the year	**534.736**		466.738		90.294	
Add : Pursuant to Scheme of Amalgamation (Refer to Note No. 2.47)	**—**		(109.936)		—	
Add : Ind AS Adjustments consequent to Amalgamation	**—**		29.731		—	
Less : Payment of Dividend and Dividend Distribution Tax	**114.095**		—		—	
		596.973		176.332		(210.201)
Other Comprehensive Income						
Opening Balance	**(11.287)**		—		—	
Add : Addition during the year	**16.064**		(11.287)		—	
		4.777		(11.287)		—
		8,697.906		8,261.201		473.799

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.20. BORROWINGS

	Non-current portion			Current Maturities		
	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million	**31-3-2018 ₹ Million**	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Secured Loans :						
Rupee Term Loan From Banks	**183.333**	133.333	—	**133.333**	183.333	20.000
	183.333	133.333	—	**133.333**	183.333	20.000

Term Loan of ₹ 200 Million from HDFC Bank is repayable in 12 quarterly instalments of ₹ 16.667 Million each. Interest is payable on monthly basis at the rate of Bank One year MCLR. The loan is secured by exclusive charge by hypothecation of specific plant and machinery. Present Outstanding as on 31st March, 2018 is ₹ 200 Million. (Balance as on 31st March, 2017 - Nil, As on 1st April, 2016 - Nil).

Term Loan of ₹ 116.667 Million from Bank of Bahrain and Kuwait B.S.C is repayable in 8 quarterly instalments of ₹ 16.667 Million each. Interest is payable on monthly basis at the rate of Bank One year MCLR plus 0.10% . The loan is secured by 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. Present Outstanding as on 31st March, 2018 is ₹ 116.667 Million. (Balance as on 31st March, 2017 - Nil, As on 1st April 2016 - Nil).

For Current Maturities of Long Term Debt Refer to Note No. 2.27.

		31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.21. OTHER FINANCIAL LIABILITIES				
Obligations under Financial Lease Arrangements		**1.152**	1.152	—
Fair valuation of Financial Guarantees		**4.137**	1.087	—
Rental Advance Received		**6.560**	5.597	1.089
		11.849	7.836	1.089
2.22. PROVISIONS				
For Employee Benefits :				
- Gratuity (Refer to Note No. 2.54)		**—**	21.384	—
- Leave Encashment		**—**	—	0.676
For Central Excise Demands (Refer to Note No. 2.40)		**69.158**	69.158	—
For Potential Statutory Liabilities (Refer to Note No. 2.40)		**43.145**	40.129	0.388
		112.303	130.671	1.064
2.23. DEFERRED TAX LIABILITIES - NET				
Deferred Tax Liability - Refer to Note No. 2.52 (b)				
On Fixed Assets		**649.217**	614.348	—
	(A)	**649.217**	614.348	—
Deferred Tax Asset - Refer to Note No. 2.52 (b)				
On Disallowance under the Income Tax Act		**96.624**	51.633	—
On Unused tax losses		**—**	185.700	—
On Other temporary differences		**5.738**	5.615	—
	(B)	**102.362**	242.948	—
Deferred Tax Liabilities - Net	(A) - (B)	**546.855**	371.400	—
2.24. OTHER NON - CURRENT LIABILITIES				
Deferred Income From Government grants		**3.538**	4.704	—
		3.538	4.704	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.25. BORROWINGS			
Secured Loans			
Working Capital Facilities from Banks			
- In Rupee	**307.730**	566.808	—
Unsecured Loans			
Working Capital Facilities from Banks			
- In Rupee	**498.150**	200.000	—
Working Capital Facilities from Financial Institution and others			
- In Rupee	**149.981**	—	—
	955.861	766.808	—

Working Capital Facilities from State Bank of India, ICICI Bank and HDFC Bank are secured by pari-passu first charge on the current assets of the company. Working Capital Facilities are further secured by pari-passu second charge on the specific immovable properties situated at Plant I - Perianaickenpalayam, Coimbatore District, Tamilnadu.

Working Capital Facilities from Banks are repayable on demand and carries interest rates varying from 7.80% to 9.65% p.a.

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.26. TRADE PAYABLES			
- Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer to Note No. 2.59)	**27.105**	31.641	—
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	**2,718.446**	1,974.814	206.073
	2,745.551	2,006.455	206.073

There are no interest amounts paid / payable to Micro, Small and Medium Enterprises. The information in relation to dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.27. OTHER FINANCIAL LIABILITIES			
Current Maturities of Long Term Debt (Refer to Note No. 2.20)	**133.333**	183.333	20.000
Interest accrued and not due on borrowings	**6.219**	5.037	0.199
Unclaimed Dividend	**8.857**	7.123	—
Employee Benefits Payable	**197.855**	253.247	5.268
Royalty Payable	**5.569**	6.139	—
Payable for Expenses	**50.374**	57.064	2.635
	402.207	511.943	28.102
2.28. OTHER CURRENT LIABILITIES			
Statutory Dues Payable	**41.529**	42.646	9.580
Other Payables	**60.695**	25.170	16.040
Unamortised portion of financial instruments	**0.127**	0.229	—
	102.351	68.045	25.620

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.29. PROVISIONS			
For Employee Benefits :			
- Gratuity (Refer to Note No. 2.54)	**—**	15.004	—
- Leave Encashment	**—**	—	0.097
For Labour Settlement (Refer to Note No. 2.40)	**26.172**	26.172	—
	26.172	41.176	0.097
2.30. CURRENT TAX LIABILITIES			
For Taxation	**16.376**	10.422	—
	16.376	10.422	—

2.31. REVENUE FROM OPERATIONS

		2017-18 ₹ Million		2016-17 ₹ Million
Sale of Products and Services				
Domestic	**11,089.040**		12,448.779	
Export	**810.726**		840.961	
Traded Goods	**140.502**		104.695	
Service Income	**18.682**		50.544	
		12,058.950		13,444.979

	2017-18 ₹ Million	2016-17 ₹ Million
Details of Sale of Products and Services :-		
1. Dashboard Instruments & Accessories		
a) Dashboard Instruments	**5,201.205**	4,671.459
b) Speedometer Cables	**0.349**	12.416
c) Sensors (all types)	**1,436.189**	1,300.446
d) Accessories & Sub-assembly Components	**605.604**	318.024
2. Oil Pumps	**1,348.246**	1,112.166
3. Chain Tensioners	**483.381**	448.347
4. Idle Speed Control Valve Assembly	**36.378**	68.935
5. Other Auto Components	**189.892**	407.709
6. Road Speed Limiter	**54.591**	1,886.453
7. Other Products & Service Income	**2,411.309**	1,930.557
	11,767.144	12,156.512
Excise Duty	**291.806**	1,288.467
	12,058.950	13,444.979

Note : Revenue from operations, was disclosed Gross of Excise Duty till 30th June, 2017. The Government of India has implemented Goods and Services Tax ("GST") from 1st July, 2017 replacing excise duty, service tax and other indirect taxes. Accordingly, the excise duty for the year ended 31st March 2017 and excise duty till 30th June, 2017 has been shown under Expenditure.

2.32. OTHER OPERATING REVENUE

	2017-18 ₹ Million	2016-17 ₹ Million
Sale of Land held as Stock-in-Trade	**837.563**	—
Export Incentives	**11.485**	10.253
Sale of Traded Goods - Others	**567.870**	491.715
	1,416.918	501.968

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		2017-18 ₹ Million		2016-17 ₹ Million
2.33. OTHER INCOME				
Interest Income				
From Banks		**3.777**		5.608
From other financial assets carried at amortised cost		**0.963**		0.377
Gain on Fair Valuation of Investments at Fair Value through P & L		**0.586**		0.760
Rental Income		**13.569**		21.719
Deferred Income from Government Grant		**1.167**		1.167
Profit on Sale of Assets (Net)		**3.215**		1.341
Miscellaneous Income / Unclaimed Credits Written Back		**9.069**		4.277
Insurance Claim		**4.131**		—
Excess Provision No Longer Required Written Back		**—**		2.346
Provision for Diminution in Value of Current Investments Written Back		**—**		0.014
Gain on Sale of Investment in Subsidiary		**—**		5.337
		36.477		42.946
2.34. COST OF MATERIALS CONSUMED				
Materials Consumed (Refer to Note No. 2.46)		**7,938.167**		7,873.652
2.35. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE				
Opening Stock				
Work-in-progress	**94.580**		9.772	
Finished Goods	**371.157**		3.216	
Traded Goods	**27.687**		—	
Land-Stock-in-Trade	**141.900**		—	
		635.324		12.988
Add : Inventory Acquired on Amalgamation				
Work-in-progress	**—**		84.691	
Finished Goods	**—**		140.108	
Traded Goods	**—**		29.118	
Land-Stock-in-Trade	**—**		141.900	
		—		395.817
Less : Closing Stock				
Work-in-progress	**115.120**		94.580	
Finished Goods	**604.553**		371.157	
Traded Goods	**26.407**		27.687	
Land-Stock-in-Trade	**17.314**		141.900	
		763.394		635.324
		(128.070)		(226.519)
2.36. EMPLOYEE BENEFITS EXPENSE				
a) Pay, Allowances and Bonus	**1,396.294**		1,467.466	
b) Contribution to Provident and other funds	**82.513**		92.390	
c) Welfare Expenses	**121.443**		136.098	
		1,600.250		1,695.954

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

		2017-18 ₹ Million		2016-17 ₹ Million
2.37. FINANCE COSTS				
Interest on Borrowings	**104.217**		71.983	
Other Borrowing Costs	**0.432**		1.258	
Applicable Net Gain / (Loss) on foreign currency transactions & translation	**9.107**		5.029	
Interest on Finance Lease Obligations	**0.124**		0.124	
Unwinding of interest on financial instruments	**0.059**		0.020	
		113.939		78.414
2.38. DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation (Refer to Note No. 2.1 & Note No. 2.3)	**469.333**		345.797	
Amortisation of Intangibles (Refer to Note No. 2.4)	**246.320**		314.176	
		715.653		659.973
2.39. OTHER EXPENSES				
Power & Utilities		**207.395**		190.925
Stores & Spares Consumed		**6.915**		8.467
Repairs and Maintenance :				
- Machinery		**130.322**		144.995
- Building		**17.741**		58.848
- Others		**15.144**		24.125
Printing & Stationery		**11.180**		11.657
Postage & Telephone		**18.784**		20.974
Rent		**52.333**		35.951
Rates, Taxes & Licence		**15.232**		22.695
Insurance		**22.653**		27.531
Bank Charges		**5.651**		8.798
Travelling & Conveyance		**123.046**		125.189
Freight & Forwarding and Selling Expenses		**272.154**		228.503
Advertisement & Sales Promotion		**16.098**		18.352
Commission & Discount on Sales		**55.448**		39.822
Royalty		**7.005**		7.284
Bad Debts Written off	**28.396**		1.679	
Provision for doubtful debts and advances	**16.784**		36.646	
Less : Provision for Doubtful debts and advances written back	**30.269**		2.243	
		14.911		36.082
Provision for Statutory Liabilities		**3.016**		—
Commission / Sitting Fees to Non-Whole Time Directors		**3.920**		3.494
Auditors' Remuneration (Refer to Note No. 2.44)		**6.824**		5.580
Professional Charges		**369.973**		376.971
Loss on Exchange Fluctuation (Net)		**8.085**		16.965
Assets Discarded / Written Off		**2.026**		13.564
Impairment Loss		**191.193**		—
Miscellaneous Expenses		**13.461**		20.627
CSR Expenses (Refer to Note No. 2.58)		**4.957**		3.950
Donations		**0.200**		3.015
		1,595.667		1,454.364

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.40. PROVISIONS AS ON THE CLOSING DATE :

₹ Million

Particulars	Long Term Provisions		Total Long Term Provisions	Short Term Provisions	**Total Provisions**
	Excise Demands	Potential Statutory Liabilities		Labour Settlement	
Balance as on 1-4-2016	—	0.388	0.388	—	**0.388**
Add : Addition / Adjustment on Amalgamation	69.158	42.087	111.245	27.502	**138.747**
Less : Utilised / Reversed	—	2.346	2.346	1.330	**3.676**
Balance as on 31-3-2017	69.158	40.129	109.287	26.172	**135.459**
Add : Addition	—	3.016	3.016	—	**3.016**
Less : Utilised / Reversed	—	—	—	—	**—**
Balance as on 31-3-2018	**69.158**	**43.145**	**112.303**	**26.172**	**138.475**

₹ Million

2.41. CONTINGENT LIABILITIES AND COMMITMENTS AS ON THE CLOSING DATE :

	31-3-2018	31-3-2017	1-4-2016
CONTINGENT LIABILITIES			
a) **On account of Pending Litigations :**			
Sales Tax Matters (excluding Interest if any)	**17.760**	51.073	—
Excise, Service Tax and Customs Matters # (excluding Interest & Penalty if any)	**195.319**	225.633	42.615
# Of which ₹ 6.643 Million has been paid under protest			
b) **Others :**			
Letter of Credit	**105.272**	133.456	—
	318.351	410.162	42.615
COMMITMENTS			
Estimated Value of Contracts remaining to be executed on Capital account	**135.682**	117.702	1.174

2.42. EARNINGS PER SHARE

	2017-18 ₹ Million	2016-17 ₹ Million
Profit After Tax	**534.736**	466.738
Weighted Average No. of Shares Outstanding Basic & Diluted (Nos. in Mn.)	**94.797**	94.797
Basic / Diluted Earnings per share (in ₹)	**5.64**	4.92
Face Value per Equity Share (in ₹)	**1.00**	1.00

2.43. RESEARCH AND DEVELOPMENT EXPENDITURE :

Capital	**24.058**	32.294
Recurring	**357.217**	350.569
	381.275	382.863

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

2.44. REMUNERATION TO AUDITORS (EXCLUSIVE OF SERVICE TAX / GST) :

For Audit	**3.750**	3.500
For Taxation Matters	**1.705**	0.942
For Certification & Others	**1.129**	0.959
Reimbursement of Expenses	**0.240**	0.179
	6.824	5.580

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

2.46. COST OF MATERIALS CONSUMED :

	2017-18		2016-17	
	₹ Million	**%**	₹ Million	%
Imported	**1,776.857**	**22.38**	1,651.689	20.98
Indigenous	**6,161.310**	**77.62**	6,221.963	79.02
	7,938.167	**100.00**	7,873.652	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.

2.47. AMALGAMATION OF ERSTWHILE PRICOL LIMITED WITH THE COMPANY :

The Hon'ble High Court of Judicature at Madras vide its order dated 6th October, 2016 had 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.

The working results of the transferor company for the period 01.04.2015 to 31.03.2016 has been adjusted appropriately in the Retained Earnings.

2.48. FAIR VALUE MEASUREMENTS

i. Financial instruments by category

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

Particulars	Note No.	Cost	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial Assets							
Investments	2.6 & 2.11	**1,552.762**	**18.094**	—	—	**1,570.856**	**1,570.856**
Trade receivables	2.12	—	—	—	**2,057.993**	**2,057.993**	**2,057.993**
Cash and cash equivalents	2.13	—	—	—	**33.316**	**33.316**	**33.316**
Other bank balances	2.14	—	—	—	**52.946**	**52.946**	**52.946**
Loans	2.7	—	—	—	**0.043**	**0.043**	**0.043**
Other Financial assets	2.8 & 2.15	—	—	—	**126.585**	**126.585**	**126.585**
Financial Liabilities							
Borrowings	2.20, 2.25 & 2.27	—	—	—	**1,272.527**	**1,272.527**	**1,272.527**
Trade payables	2.26	—	—	—	**2,745.551**	**2,745.551**	**2,745.551**
Other financial liabilities excluding Current Maturities of Long Term Debt	2.21 & 2.27	—	—	—	**280.723**	**280.723**	**280.723**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FAIR VALUE MEASUREMENTS (Contd.,)

The carrying value of financial instruments by categories as at 31st March 2017 were as follows: ₹ Million

Particulars	Note No.	Cost	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial Assets							
Investments	2.6 & 2.11	1,152.642	2.508	—	—	1,155.150	1,155.150
Trade receivables	2.12	—	—	—	1,744.486	1,744.486	1,744.486
Cash and cash equivalents	2.13	—	—	—	33.107	33.107	33.107
Other bank balances	2.14	—	—	—	38.783	38.783	38.783
Loans	2.7	—	—	—	0.046	0.046	0.046
Other Financial assets	2.8 & 2.15	—	—	—	52.607	52.607	52.607
Financial Liabilities		—	—	—			
Borrowings	2.20, 2.25 & 2.27	—	—	—	1,083.474	1,083.474	1,083.474
Trade payables	2.26	—	—	—	2,006.455	2,006.455	2,006.455
Other financial liabilities excluding Current Maturities of Long Term Debt	2.21 & 2.27	—	—	—	336.446	336.446	336.446

The carrying value of financial instruments by categories as at 1st April 2016 were as follows: ₹ Million

Particulars	Note No.	Cost	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial Assets							
Investments	2.6 & 2.11	—	—	—	—	—	—
Trade receivables	2.12	—	—	—	211.285	211.285	211.285
Cash and cash equivalents	2.13	—	—	—	6.344	6.344	6.344
Other bank balances	2.14	—	—	—	6.429	6.429	6.429
Loans	2.7	—	—	—	—	—	—
Other Financial assets	2.8 & 2.15	—	—	—	5.498	5.498	5.498
Financial Liabilities							
Borrowings	2.20, 2.25 & 2.27	—	—	—	20.000	20.000	20.000
Trade payables	2.26	—	—	—	206.073	206.073	206.073
Other financial liabilities excluding Current Maturities of Long Term Debt	2.21 & 2.27	—	—	—	9.191	9.191	9.191

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.

The Company has measured investments in subsidiaries at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost. 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.

₹ **Million**

Particulars	**Carrying Amount as on 31-3-2018**	**As at 31-3-2018**			Carrying Amount as on 31-3-2017	As at 31-3-2017			Carrying Amount as on 1-4-2016	As at 1-4-2016		
		Level 1	**Level 2**	**Level 3**		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets measured at Fair value excluding investment in subsidiaries - through Profit and Loss												
Investments in Mutual Funds	**18.094**	**18.094**	—	—	2.508	2.508	—	—	—	—	—	—
Financial Assets not measured at Fair value*												
Trade receivables	**2,057.993**	—	—	—	1,744.486	—	—	—	211.285	—	—	—
Cash and cash equivalents	**33.316**	—	—	—	33.107	—	—	—	6.344	—	—	—
Other bank balances	**52.946**	—	—	—	38.783	—	—	—	6.429	—	—	—
Loans	**0.043**	—	—	—	0.046	—	—	—	—	—	—	—
Others Financial assets	**126.585**	—	—	—	52.607	—	—	—	5.498	—	—	—
Financial Liabilities not measured at fair value*												
Borrowings												
- Current	**1,089.194**	—	—	—	950.141	—	—	—	20.000	—	—	—
- Non-Current	**183.333**	—	—	—	133.333	—	—	—	—	—	—	—
Trade payables	**2,745.551**	—	—	—	2,006.455	—	—	—	206.073	—	—	—
Other financial liabilities excluding Current Maturities of Long Term Debt	**280.723**	—	—	—	336.446	—	—	—	9.191	—	—	—

* 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. Valuation technique used to determine fair value

1) The carrying amounts of all current financial instruments are considered to be the same as their fair values, due to their short term in nature.

2) The fair values for security deposits were calculated based on cash flows discounted using lending rate.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.49. 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.,)

Classfication of Financial assets among risk categories: **₹ Million**

Credit rating	Particulars	31-3-2018	31-3-2017	1-4-2016
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	**3,841.739**	3,024.179	229.556
Moderate credit risk	Nil	**—**	—	—
High credit risk	Nil	**—**	—	—

b. Liquidity risk

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

Maturities of financial liabilities: **₹ Million**

31-3-2018	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Borrowings	**1,089.194**	**183.333**	**—**	**1,272.527**
Trade payables	**2,745.551**	**—**	**—**	**2,745.551**
Other financial liabilities excluding Current Maturities of Long Term Debt	**280.723**	**—**	**—**	**280.723**
Total	**4,115.468**	**183.333**	**—**	**4,298.801**

₹ Million

31-3-2017	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	950.141	133.333	—	1,083.474
Trade payables	2,006.455	—	—	2,006.455
Other financial liabilities excluding Current Maturities of Long Term Debt	336.446	—	—	336.446
Total	3,293.042	133.333	—	3,426.375

₹ Million

1-4-2016	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	20.000	—	—	20.000
Trade payables	206.073	—	—	206.073
Other financial liabilities excluding Current Maturities of Long Term Debt	9.191	—	—	9.191
Total	235.264	—	—	235.264

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

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 ₹ Million

Particulars	31-3-2018	31-3-2017	1-4-2016
Fixed rate borrowing	—	—	20.000
Variable rate borrowing	1,272.527	1,083.474	—
Total	**1,272.527**	1,083.474	20.000

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 ₹ Million

Particulars	2017-18	2016-17
Interest rates - increase / decrease by 100 basis points	**14.055**	9.796

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

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

As at 31st March 2018 ₹ Million

Particulars	INR	CHF	EUR	SGD	JPY	USD	GBP	Total
Financial Assets								
i) Loans	0.043	—	—	—	—	—	—	0.043
ii) Others	126.585	—	—	—	—	—	—	126.585
iii) Investments	1,570.856	—	—	—	—	—	—	1,570.856
iv) Trade Receivables	1,890.278	—	36.669	—	0.028	124.563	6.455	2,057.993
v) Cash and Cash equivalents	33.316	—	—	—	—	—	—	33.316
vi) Bank Balances other than (v) above	51.544	—	0.680	—	0.598	0.124	—	52.946
Total Financial Assets	3,672.622	—	37.349	—	0.626	124.687	6.455	3,841.739
Financial Liabilities								
i) Borrowings	1,272.527	—	—	—	—	—	—	1,272.527
ii) Other Financial Liabilities	280.723	—	—	—	—	—	—	280.723
iii) Trade Payables	2,143.664	10.938	7.459	0.024	99.114	484.352	—	2,745.551
Total Financial Liabilities	3,696.914	10.938	7.459	0.024	99.114	484.352	—	4,298.801

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

As at 31st March, 2017 ₹ Million

Particulars	INR	CHF	EUR	SGD	JPY	USD	GBP	Total
Financial Assets								
i) Loans	0.046	—	—	—	—	—	—	0.046
ii) Others	52.607	—	—	—	—	—	—	52.607
iii) Investments	1,155.150	—	—	—	—	—	—	1,155.150
iv) Trade Receivables	1,577.613	—	28.096	—	—	138.375	0.402	1,744.486
v) Cash and Cash equivalents	33.107	—	—	—	—	—	—	33.107
vi) Bank Balances other than (v) above	38.026	—	—	—	0.406	0.351	—	38.783
Total Financial Assets	2,856.549	—	28.096	—	0.406	138.726	0.402	3,024.179
Financial Liabilities								
i) Borrowings	1,083.474	—	—	—	—	—	—	1,083.474
iii) Other Financial Liabilities	336.446	—	—	—	—	—	—	336.446
ii) Trade Payables	1,655.366	—	0.769	—	76.389	273.931	—	2,006.455
Total Financial Liabilities	3,075.286	—	0.769	—	76.389	273.931	—	3,426.375

As at 1st April, 2016 ₹ Million

Particulars	INR	CHF	EUR	SGD	JPY	USD	GBP	Total
Financial Assets								
i) Loans	—	—	—	—	—	—	—	—
ii) Others	5.498	—	—	—	—	—	—	5.498
iii) Investments	—	—	—	—	—	—	—	—
iv) Trade Receivables	208.289	—	—	—	—	2.996	—	211.285
v) Cash and Cash equivalents	6.344	—	—	—	—	—	—	6.344
vi) Bank Balances other than (v) above	6.429	—	—	—	—	—	—	6.429
Total Financial Assets	226.560	—	—	—	—	2.996	—	229.556
Financial Liabilities								
i) Borrowings	20.000	—	—	—	—	—	—	20.000
ii) Other Financial Liabilities	9.191	—	—	—	—	—	—	9.191
iii) Trade Payables	142.641	1.515	—	—	1.378	60.539	—	206.073
Total Financial Liabilities	171.832	1.515	—	—	1.378	60.539	—	235.264

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

Impact on Profit / (loss) for the year for a 1% change: ₹ Million

Particulars	**31-3-2018**	31-3-2017
Increase / decrease by 1%	**4.342**	1.842

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

2.50. CAPITAL MANAGEMENT

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

₹ Million

Particulars	31-3-2018	31-3-2017	1-4-2016
Borrowings (long-term and short-term, including current maturities of long term borrowings)	**1,272.527**	1,083.474	20.000
Trade payables	**2,745.551**	2,006.455	206.073
Other payables (current and non-current, excluding current maturities of long term borrowings)	**386.612**	409.195	34.811
Less: Cash and cash equivalents	**33.316**	33.107	6.344
Less: Other Bank Balances (Balances with maturity more than 3 months)	**52.946**	38.783	6.429
Less: Margin Money against Borrowings	**—**	—	—
Net Debt	**4,318.428**	3,427.234	248.111
Equity Share Capital	**94.797**	94.797	100.000
Other Equity	**8,697.906**	8,261.201	473.799
Total Capital	**8,792.703**	8,355.998	573.799
Capital and net debt	**13,111.131**	11,783.232	821.910
Gearing Ratio	**32.94%**	29.09%	30.19%

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, 2018 and March 31, 2017.

2.51. FIRST TIME ADOPTION OF IND AS

1. **Explanation of transition to Ind AS**

   These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies have been applied consistently in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Company's date of transition). An explanation of how the transition from financial statements prepared in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows is set-out in the following tables and notes:

2. **Ind AS optional exemptions**

   Ind-AS 101, 'First-time Adoption of Indian Accounting Standards', allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS. The Company has accordingly applied the following exemptions.

   Deemed cost for property, plant and equipment, investment properties and intangible assets

   Ind AS 101 'First-time Adoption of Indian Accounting Standards' permits a first-time adopter

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, 'Intangible Assets'. Accordingly, the Company has elected to measure all of its property, plant and equipment & intangible assets at their previous GAAP carrying value.

Investment in subsidiaries, associates and joint ventures

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' allows a Company to measure investments in subsidiaries, associates and joint ventures at the deemed cost. The Company has considered the carrying amount under previous GAAP as the deemed cost.

Business Combinations

The Company has elected to apply Ind AS 103 prospectively to business combinations occuring after its transition date. Business combinations which have occured prior to the transition date have not been restated.

3. Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 31 March, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Classification and measurement of Financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109, 'Financial Instruments' are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. Measurement of Financial assets at amortised cost using effective interest rate method, wherever applicable, has been made retrospectively. The measurement exemption applies for financial liailities as well.

De-recognition of Financial assets and liabilities

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' requires a first-time adopter to apply the de-recognition provisions of Ind AS 109, 'Financial Instruments' prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101, 'First-time Adoption of Indian Accounting Standards' allows a first-time adopter to apply the de-recognition requirements in Ind AS 109, 'Financial Instruments' retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109,'Financial Instruments' to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109, 'Financial Instruments' prospectively from the date of transition to Ind AS.

First-time Ind AS adoption reconciliations

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, we did not revise estimates previously made except where required by Ind ASs.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

BALANCE SHEET AS ON 1-4-2016

₹ Million

Particulars	Descriptive Notes	Previous GAAP as at 1-4-2016	Reclassi-fication	Other Accounting Adjustment	Ind AS as at 1-4-2016
I. ASSETS					
1) Non-current assets					
a) Property Plant and Equipment		444.406	—	—	444.406
b) Capital Work-in-progress		—	—	—	—
c) Investment Property		—	—	—	—
d) Intangible assets		57.947	—	—	57.947
e) Intangibles under development		—	—	—	—
f) Financial Assets					
i) Investments		—	—	—	—
ii) Loans	10	13.986	(13.986)	—	—
iii) Other Financial Assets	10	—	5.379	—	5.379
g) Other Non-current Assets	10	9.591	8.607	—	18.198
Total Non-current Assets		**525.930**	**—**	**—**	**525.930**
2) Current Assets					
a) Inventories		74.247	—	—	74.247
b) Financial Assets					
i) Investments		—	—	—	—
ii) Trade Receivables	7	210.416	—	0.869	211.285
iii) Cash and Cash equivalents	10	12.773	(6.429)	—	6.344
iv) Bank Balances other than (iii) above	10	—	6.429	—	6.429
v) Loans	10	9.659	(9.659)	—	—
vi) Other Financial Assets	10	—	0.119	—	0.119
c) Other Current Assets	10	1.950	9.540	—	11.490
Total Current Assets		**309.045**	**—**	**0.869**	**309.914**
TOTAL ASSETS		**834.975**	**—**	**0.869**	**835.844**
II. EQUITY AND LIABILITIES					
1) Equity					
a) Equity Share Capital		100.000	—	—	100.000
b) Other Equity	7	472.930	—	0.869	473.799
Total Equity		**572.930**	**—**	**0.869**	**573.799**
2) Non-current Liabilities					
a) Financial Liabilities					
i) Borrowings		—	—	—	—
ii) Other Financial Liabilities		—	1.089	—	1.089
b) Provisions		1.064	—	—	1.064
c) Deferred Tax Liabilities (Net)		—	—	—	—
d) Other Non-current Liabilities		—	—	—	—
Total Non-current Liabilities		**1.064**	**1.089**	**—**	**2.153**
3) Current Liabilities					
a) Financial Liabilities					
i) Borrowings		—	—	—	—
ii) Trade Payables	10	206.073	—	—	206.073
iii) Other Financial Liabilities	10	—	28.102	—	28.102
b) Other Current Liabilities	10	54.811	(29.191)	—	25.620
c) Provisions		0.097	—	—	0.097
d) Current Tax Liabilities		—	—	—	—
Total Current Liabilities		**260.981**	**(1.089)**	**—**	**259.892**
TOTAL EQUITY AND LIABILITIES		**834.975**	**—**	**0.869**	**835.844**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

BALANCE SHEET AS ON 31-3-2017

₹ Million

Particulars	Descriptive Notes	Previous GAAP as at 31-3-2017	Reclassi-fication	Other Accounting Adjustment	Ind AS as at 31-3-2017
I. ASSETS					
1) Non-current assets					
a) Property Plant and Equipment	5,6 & 10	3,859.924	(107.833)	9.073	3,761.164
b) Capital Work-in-progress		180.610	(1.541)	—	179.069
c) Investment Property	10	—	107.833	—	107.833
d) Intangible assets		2,988.287	—	—	2,988.287
e) Intangibles under development		—	1.541	—	1.541
f) Financial Assets					
i) Investments	4	1,151.555	—	1.087	1,152.642
ii) Loans	10	222.191	(222.145)	—	0.046
iii) Other Financial Assets	1 & 10	—	51.338	(11.752)	39.586
g) Other Non-current Assets	1 & 10	455.505	172.057	11.557	639.119
Total Non-current Assets		**8,858.072**	**1.250**	**9.965**	**8,869.287**
2) Current Assets					
a) Inventories		1,541.234	—	—	1,541.234
b) Financial Assets					
i) Investments	2	2.100	—	0.408	2.508
ii) Trade Receivables	7	1,725.924	(9.739)	28.301	1,744.486
iii) Cash and Cash equivalents	10	72.582	(39.475)	—	33.107
iv) Bank Balances other than (iii) above	10	—	38.783	—	38.783
v) Loans	10	141.507	(141.507)	—	—
vi) Other Financial Assets	10	—	13.021	—	13.021
c) Other Current Assets	10	28.142	138.223	—	166.365
Total Current Assets		**3,511.489**	**(0.694)**	**28.709**	**3,539.504**
TOTAL ASSETS		**12,369.561**	**0.556**	**38.674**	**12,408.791**
II. EQUITY AND LIABILITIES					
1) Equity					
a) Equity Share Capital		94.797	—	—	94.797
b) Other Equity	1 to 9	8,232.867	—	28.334	8,261.201
Total Equity		**8,327.664**	**—**	**28.334**	**8,355.998**
2) Non-current Liabilities					
a) Financial Liabilities					
i) Borrowings		133.333	—	—	133.333
ii) Other Financial Liabilities	6	—	5.830	2.006	7.836
b) Provisions		130.671	—	—	130.671
c) Deferred Tax Liabilities (Net)	3	368.000	—	3.400	371.400
d) Other Non-current Liabilities	4 & 5	—	—	4.704	4.704
Total Non-current Liabilities		**632.004**	**5.830**	**10.110**	**647.944**
3) Current Liabilities					
a) Financial Liabilities					
i) Borrowings		766.808	—	—	766.808
ii) Trade Payables	10	1,924.111	82.344	—	2,006.455
iii) Other Financial Liabilities	10	—	511.943	—	511.943
b) Other Current Liabilities	10	667.376	(599.561)	0.230	68.045
c) Provisions	10	51.598	(10.422)	—	41.176
d) Current Tax Liabilities	10	—	10.422	—	10.422
Total Current Liabilities		**3,409.893**	**(5.274)**	**0.230**	**3,404.849**
TOTAL EQUITY AND LIABILITIES		**12,369.561**	**0.556**	**38.674**	**12,408.791**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31-3-2017

₹ Million

Particulars	Descriptive Notes	Previous GAAP for the year 2016-17	Reclassification / Other Accounting Adjustment	Ind AS for the year 2016-17
INCOME				
Revenue from Operations (Gross)		13,435.094	9.885	13,444.979
Less : Excise Duty	10	1,288.467	(1,288.467)	—
		12,146.627	1,298.352	13,444.979
Other Operating Revenue		501.968	—	501.968
Other Income	1, 2, 5 & 10	35.671	7.275	42.946
Total Revenue		**12,684.266**	**1,305.627**	**13,989.893**
EXPENSES				
Cost of Materials Consumed		7,873.652	—	7,873.652
Purchases of Stock-in-Trade		542.377	—	542.377
Changes in inventories of Work-in-progress, Finished Goods and Stock-in-Trade		(226.519)	—	(226.519)
Excise Duty	10	—	1,288.467	1,288.467
Employee Benefits Expense	8	1,713.214	(17.260)	1,695.954
Finance Costs	6	78.270	0.144	78.414
Depreciation and Amortisation Expense	6	659.933	0.040	659.973
Other Expenses	7	1,418.959	35.405	1,454.364
Total Expenses		**12,059.886**	**1,306.796**	**13,366.682**
Profit from operations before Exceptional Items and Tax		**624.380**	**(1.169)**	**623.211**
Add : Exceptional Items	10	5.337	(5.337)	—
Profit Before Tax		**629.717**	**(6.506)**	**623.211**
Less : Tax Expense				
Current Tax		137.000	—	137.000
Deferred Tax	3 & 9	172.000	(15.527)	156.473
MAT Credit		(137.000)	—	(137.000)
Profit for the year		**457.717**	**9.021**	**466.738**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss :				
- Remeasurement of post employment benefit obligations	8	—	(17.260)	(17.260)
- Income tax relating to these items		—	5.973	5.973
Other Comprehensive Income for the year net of tax		**—**	**(11.287)**	**(11.287)**
Total Comprehensive Income for the year		**457.717**	**(2.266)**	**455.451**

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

Equity Reconciliation ₹ Million

Particulars	Amount as at 31-3-2017	Amount as at 1-4-2016
Total equity (shareholders funds) as per IGAAP - A	**8,327.664**	572.930
Adjustments under Ind AS:		
Adjustment in relation to Government Grants	4.044	—
Gain on sale of current investments at FVTPL	0.408	—
Deferred tax impact on adjustment under Ind AS	5.100	—
Adjustment for Finance Lease arrangement for Land	(0.828)	—
Adjustment for Fair valuation of financial instruments	(0.190)	—
Expected Credit loss on Trade Receivables	28.300	0.869
Recognition of Deferred tax on items meeting meeting recognition criteria under Ind AS	(199.500)	—
Recognition of Deferred tax on brought forward losses	191.000	—
Total adjustments - B	**28.334**	0.869
Total equity as per Ind AS - (A+B)	**8,355.998**	573.799

Reconcilation of Total Comprehensive Income for the year ended 31-3-2017 ₹ Million

Particulars	Amount
Profit after tax as per IGAAP	**457.717**
Ind AS Adjustments	
Remeasurements of post employee benefits - To OCI	17.260
Adjustment in relation to Government Grants	1.167
Gain on Fair valuation of investments at FVTPL	0.369
Adjustment for Fair valuation of financial instruments	(0.190)
Adjustment for Land held under Finance Lease arrangement	(0.040)
Deferred tax impact on Ind AS adjustments	15.527
Expected Credit loss on Trade Receivables	(25.072)
Profit after tax as per Ind AS	**466.738**
Other Comprehensive Income (OCI)	
Items that will not be reclassified to profit or loss :	
Remeasurements of post employee benefits - To OCI	(17.260)
- Income tax relating to these items	5.973
Total Comprehensive Income for the year	**455.451**

Note : A Scheme of Amalgamation between Erstwhile Pricol Limited (Transferor Company) and Erstwhile Pricol Pune Limited (Transferee Company) was approved by the Hon'ble High Court of Judicature at Madras on 6th October, 2016 as explained in Note No. 2.47. Necessary effect for the Scheme was given during the financial year 2016-17 after the scheme was approved by the high court. Consequently, the Ind AS adjustments pertaining to the Transferor Company is appropriately given effect in the figures of 2016-17 as detailed above.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

Reconciliation of Statement of Cashflows:

Impact of Ind AS adoption on the statement of cash flow for the year ended 31st March, 2017 **₹ Million**

Particulars	Notes to Reconciliation	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
Net cash outflow from operating activities	1,2,7,8,9,10	893.666	(31.405)	862.261
Net cash inflow from investing activities	10	(1,273.687)	(1.498)	(1,275.185)
Net cash outflow from financing activities	6	375.113	(0.143)	374.970
Net Increase / (Decrease) in cash and cash equivalents		(4.908)	(33.046)	(37.954)
Cash and cash equivalents as at the beginning of the year	10	12.773	(6.429)	6.344
Bank Balances not considered as Cash and Cash equivalents	10	61.988	(61.988)	—
Pursuant to Scheme of Amalgamation	10	64.717	—	64.717
Cash and cash equivalents as at the end of the year	10	10.594	22.513	33.107

(vii) Notes to the reconciliation

1. **Financial Assets at Amortised cost :**

   Under previous GAAP, the security deposits (received and paid) were carried at nominal value. Ind AS requires these liabilities / assets to be measured at fair value and subsequently these liabilities / assets are measured at amortised cost. At the initial recognition, the company has recognised the difference between deposit fair value and nominal value as, unearned rental income in case of rental advance received and prepaid rental expenses in case of rental advance paid, and same is being recognised as rental income / rental expenses on straight line basis over the lease period. Further, Company recognises notional interest expense / interest income on these deposits over the lease term.

2. **Financial assets carried at fair value through profit and loss** :

   Under previous GAAP, investments in Mutual funds were carried at cost or net realisable value, whichever was lower as per AS 13. Under Ind AS, such investments are carried at fair value through profit or loss.

3. **Deferred tax:**

   Recognition of deferred tax on unused tax losses :

   Under previous GAAP, deferred tax assets were not recognised due to lack of virtual certainty over the existence of future taxable profits against which the unused tax losses can be adjusted. Consequent to amalgamation, the company expects that it is probable that taxable profit will be available against which the losses can be utilised. Hence, deferred tax assets have been recognised on unused tax losses of the amalgamated entity.

   Recognition / Reversal of Deferred Tax on items meeting recognition :

   Under previous GAAP, no deferred tax was recognised on the enhanced value of Buildings on account of amalgamation as the same was treated to be as a permanent difference. However deferred tax has been recognised on the same as it meets the recognition criteria as per Ind AS.

4. **Financial Guarantee Contracts** :

   Under previous GAAP, financial guarantee contracts were disclosed under "Contingent liabilities". As per Ind AS, financial guarantee contracts are recognised initially as liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequenty, the liablity 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.

5. **Government Grants :**

   As per Ind AS 20, Government grants related to depreciable assets are usually recognised in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognised. Grants received in relation to certain PPE were reduced from the carrying value of the PPE under previous GAAP. Consequent to the above Ind AS, such grants have been recognised as Deferred Income, with retrospective adjustment in the reserves and surplus.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

6. **Land held under Finance Lease:**

   The company holds certain Land under long term lease arrangement which was out of the purview of AS 19 "Leases". As per Ind AS 17, A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset and assets includes land. Based on conditions mentioned in Ind AS 17, the above arrangements were classified as a Finance lease transaction and were measured at lower of fair value or present value of minimum lease payments and liabilities is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

7. **Provision for loss allowance for Trade receivables:**

   As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowances for doubtful debts. The company has re-estimated the provision for loss allowance for debtors using the expected credit loss model and has made adjustments in respect of the same.

8. **Other comprehensive income :**

   Under previous GAAP, there was no concept of 'Other Comprehensive income' (OCI). Under Ind AS, certain items of income and expenses needs to be recognised under the Other Comprehensive Income, such as remeasurement gains / losses of defined employee benefits, fair valuation gains / losses of financial assets designated through OCI, etc. A reconciliation of the profit / loss as per previous GAAP to profit / loss as per Ind AS has been presented.

9. **Tax impact on adjustments :**

   Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

10. **Reclassifications under Ind AS :**

    Assets and Liabilities have been regrouped / reclassified wherever required to conform to the requirements of Ind ASs.

₹ Million

2.52. NOTES ON TAXATION:

	As at 31-3-2018	As at 31-3-2017
a. Income tax expense for the year reconciled to the accounting profit :		
Profit before Tax	**742.182**	623.211
Enacted tax rate in India	**34.61%**	34.61%
Income tax expense	**256.854**	215.681
Tax Effect on the following:		
- Weighted Deductions u/s 35(2AB) & 32AC(1A)	**(20.435)**	(73.383)
- Expenses not deductible in determining taxable profits	**2.755**	9.250
- Non-recognition of brought forward capital tax losses	**(42.669)**	—
- Others	**10.941**	4.925
Tax Expense for the year	**207.446**	156.473
Effective Income tax rate	**27.95%**	25.11%
Income tax recognised in other comprehensive income		
Deferred tax		
Remeasurement of defined benefit obligation		
- (Expense) / Income	**(8.501)**	5.973
Total income tax recognised in OCI	**(8.501)**	5.973

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

NOTES ON TAXATION (Contd.,)

b. Statement of Changes in Deferred Tax Assets / Liabilities ₹ Million

Particulars	Deferred Tax Liabilities (a)	Deferred Tax Assets (b)			Total (a) - (b)
	On Fixed Assets	On Disallowance under the Income Tax Act	On Unused Tax losses	On Other temporary differences	
As at 1st April, 2016	—	—	—	—	**—**
Pursuant to Amalgamation	460.839	39.727	191.000	9.212	**220.900**
Recognised in Profit and Loss	153.509	5.933	(5.300)	(3.597)	**156.473**
Recognised in OCI	—	5.973	—	—	**(5.973)**
As at 31st March 2017	614.348	51.633	185.700	5.615	**371.400**
Recognised in Profit and Loss	34.869	53.492	(185.700)	0.123	**166.954**
Recognised in OCI	—	(8.501)	—	—	**8.501**
As at 31st March 2018	**649.217**	**96.624**	**—**	**5.738**	**546.855**

Particulars	As at		
	31-3-2018	31-3-2017	1-4-2016
Tax Losses			
Tax Losses carried forward (including Capital Losses)	**346.012**	971.538	139.661
Tax Losses for which no deferred asset were recognised (including Capital Losses)	**346.012**	469.303	139.661

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 and are subject to change based on income tax assessments and appeals, if any (Refer to Note No. 2.57).

2.53. DISCLOSURE REQUIREMENTS UNDER IND AS 17 "LEASES"

As Lessee:

Finance Lease Arrangements:

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

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

* The company is in the process of disposing this Land. Refer to Note No. 2.17 on "Assets held for Sale".

The minimum lease payments and the present value of minimum lease payments as at 31 March, 2018 in respect of aforesaid plant and equipment acquired under the finance leases are as follows :

₹ Million

Particulars	As at 31st March 2018		As at 31st March 2017		As at 1st April 2016	
	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Present value of minimum lease payments
Not Later than 1 year	**0.012**	—	0.124	—	—	—
Later than one year but not later than five years	**0.047**	—	0.496	—	—	—
Later than five years	**0.889**	—	9.417	—	—	—
Total	**0.948**	—	10.037	—	—	—
Less: future finance charges	—	—	—	—	—	—
Total	**0.948**	—	10.037	—	—	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

DISCLOSURE REQUIREMENTS UNDER IND AS 17 "LEASES" (Contd.,

Operating Lease Arrangements

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

₹ Million

Particulars	2017-18	2016-17
Operating Lease Expenses Charged to the Statement of Profit and Loss (Net of adjustments made under Ind ASs)	**52.333**	35.951

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

₹ Million

Particulars	As at 31-3-2018	As at 31-3-2017	As at 1-4-2016
Not later than one year	**31.996**	38.477	—
Later than one year but not later than five years	**142.895**	137.759	—
Later than five years	**104.574**	150.729	—
Total	**279.465**	326.965	—

As Lessor :

Finance Lease Arrangements

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

Operating Lease Arrangements

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

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

₹ Million

Particulars	2017-18	2016-17
Rental Income (Net of adjustments made under Ind ASs)	**13.569**	21.719

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

2.54. 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.

₹ Million

Particulars	2017-18	2016-17
Employer's Contribution to Provident Fund	**57.432**	62.311
Employer's Contribution to Superannuation Fund	**2.584**	3.089

Particulars	2017-18	2016-17
Defined contribution plan contribution towards Key Managerial Personnel	**1.774**	1.613

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

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 :

₹ Million

	Particulars	Gratuity (Funded)	
		2017-18	2016-17
i)	**Reconciliation of opening and closing balances of Defined Benefit Obligation**		
	Defined Benefit Obligation at beginning of the year	**310.701**	293.979
	Current Service Cost	**18.125**	18.262
	Interest Cost	**21.270**	20.054
	Remeasurements		
	Effect of changes in demographic assumptions	**—**	—
	Effect of changes in financial assumptions	**(10.799)**	7.638
	Effect of experience adjustments	**(16.077)**	11.484
	Benefits Paid	**(24.773)**	(34.008)
	Transfer of obligation due to Transfer of Employees to Group Entities	**—**	(6.708)
	Defined Benefit Obligation at year end	**298.447**	310.701
	- Non-current	**274.702**	295.697
	- Current	**23.745**	15.004
ii)	**Reconciliation of opening and closing balances of fair value of Plan Assets**		
	Fair value of Plan Assets at beginning of year	**274.313**	172.407
	Interest Income	**20.726**	16.076
	Remeasurements:		
	Return on plan assets (excluding interest income)	**(2.311)**	1.862
	Employer Contribution	**39.100**	124.684
	Benefits Paid	**(24.773)**	(34.008)
	Transfer of obligation due to Transfer of Employees to Group Entities	**—**	(6.708)
	Fair value of Plan Assets at year end	**307.055**	274.313
iii)	**Reconciliation of fair value of Assets and Obligations**		
	Fair value of Plan Assets	**307.055**	274.313
	Present value of Obligation	**298.447**	310.701
	Amount recognised in Balance Sheet - Surplus / (Deficit)	**8.608**	(36.388)
	- Non-current	**32.353**	(21.384)
	- Current	**(23.745)**	(15.004)

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

(iv) Expenses recognised during the year ₹ Million

Particulars	Gratuity (Funded)	
	2017-18	2016-17
In Income Statement		
Current Service Cost	**18.125**	18.262
Interest Cost	**21.270**	20.054
Return on Plan Assets	**20.726**	16.076
Net (Income) / Expense for the period recognised in Statement of Profit and Loss	**18.669**	22.240
In Other Comprehensive Income		
Remeasurement of net defined benefit liability		
Effect of changes in demographic assumptions	**—**	—
Effect of changes in financial assumptions	**(10.799)**	7.638
Effect of experience adjustments	**(16.077)**	11.484
Return on plan assets (excluding interest income)	**2.311**	(1.862)
Changes in asset ceiling (excluding interest income)	**—**	—
Net (Income) / Expense for the period recognised in OCI	**(24.565)**	17.260

v) Investment Details :

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ Million	**% invested**	₹ Million	% invested
GOI Securities	**74.584**	**24.29**	57.112	20.82
State Government Securities	**173.762**	**56.59**	124.428	45.36
NCD / Bonds	**42.189**	**13.74**	75.436	27.50
Others (including bank balances)	**16.520**	**5.38**	17.337	6.32
Total	**307.055**	**100.00**	274.313	100.00

vi) Actuarial assumptions

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Discount Rate (per annum)	**7.57%**	7.13%
Rate of escalation in Salary (per annum)	**Uniform 10.0%**	Uniform 10.0%
Attrition Rate	**Uniform 4.0%**	Uniform 4.0%
Retirement Age	**58**	58
Pre-retirement mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
Disability	**Nil**	Nil

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

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

Particulars	Amount ₹ Million
a) Expected contribution to the fund during the year ending March 31, 2019	18.626
b) Estimated benefit payments from the fund for the year ending March 31:	
Year 1	23.745
Year 2	18.127
Year 3	22.850
Year 4	22.313
Year 5	24.733
Next 5 years	122.991
Total	**234.759**

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:

₹ Million

Particulars	As at 31-3-2018	As at 31-3-2017
Discount rate +100 basis points	**276.013**	286.825
Discount rate -100 basis points	**324.011**	338.025
Salary Increase Rate +1%	**321.709**	335.524
Salary Increase Rate -1%	**277.553**	288.484
Attrition Rate +1%	**295.116**	306.464
Attrition Rate -1%	**302.119**	315.387

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:

₹ Million

Particulars	Gratuity (Funded)	
	2017-18	2016-17
Expense towards defined benefit plan for Key Management Personnel	**3.379**	2.671

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

Particulars	Foreign Currency	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
		Amount of Foreign Currency in Million			Equivalent Amount in ₹ Million		
Buyers Credit	USD	**4.311**	3.454	—	**278.133**	233.450	—

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

Particulars	Foreign Currency	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
		Amount of Foreign Currency in Million			Equivalent Amount in ₹ Million		
Trade Payables	CHF	**0.160**	—	0.022	**10.938**	—	1.515
	EUR	**0.093**	0.011	—	**7.459**	0.769	—
	SGD	**0.001**	—	—	**0.024**	—	—
	JPY	**161.057**	131.796	2.334	**99.114**	76.389	1.378
	USD	**1.704**	0.624	0.665	**110.844**	40.481	44.082
Trade Receivables	EUR	**0.455**	0.406	—	**36.669**	28.096	—
	USD	**1.915**	2.134	0.045	**124.563**	138.375	2.996
	JPY	**0.046**	—	—	**0.028**	—	—
	GBP	**0.070**	0.005	—	**6.455**	0.402	—
Buyers Credit	USD	**1.466**	—	0.248	**95.375**	—	16.457

2.56. SEGMENT REPORTING :

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

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

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

2.58. CSR EXPENDITURE :

₹ Million

		2017-18	2016-17
i)	Gross amount required to be spent by the company during the year	**3.370**	—
ii)	Amount spent during the year	**4.957**	3.950

Particulars	Incurred	Yet to be incurred	Total
a) Construction / acquisition of any asset	—	—	—
b) On other purpose other than (a) above	4.957	—	4.957

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

₹ Million

Particulars	As at 31-3-2018	As at 31-3-2017	As at 1-4-2016
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	**27.105**	31.641	—
Interest due on above	**—**	—	—
Total	**27.105**	31.641	—
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.	**—**	—	—
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	**—**	—	—
The amount of interest accrued and remaining unpaid at the end of each accounting year.	**—**	—	—
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	**—**	—	—
The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have confirmed.			

2.60. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorisation of these standalone financial statements.

2.61. The Board of Directors of the Company have recommended a final dividend of ₹ 1/- per share, (100% on the face value of ₹ 1/-) aggregating to ₹ 94.797 Million, on the equity shares of the company, for the year ended 31st March, 2018, which is subject to the approval of the shareholders at the Annual General Meeting.

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

2.63. All figures are in Million unless otherwise stated.

2.64. 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, Integral Investments Limited (Disposed off during the year 2016-17)

Step Down Subsidiaries : Pricol Do Brasil Componentes Automotivos LtdA, Brazil - Subsidiary of Pricol Espana Sociedad Limitada, Pricol Wiping Systems Czech s.r.o, Czech Republic - Subsidiary of Pricol Espana Sociedad Limitada, PMP PAL International s.r.o, Czech Republic - Subsidiary of Pricol Wiping Systems Czech s.r.o, Pricol Wiping Systems Mexico S.A.de C.V, Mexico - Subsidiary of Pricol Espana Sociedad Limitada, PT Sripri Wiring Systems, Indonesia - Subsidiary of PT Pricol Surya Indonesia.

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

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

   a) **Partnership firms under common control :** Bhavani Global Enterprises, Ellargi & Co, Libra Industries, Ramani & Shankar, Pricol Gourmet and Retreats (Formerly, V.M. Hospitality).

   b) **Private Companies :** Bull Machines (P) Limited, C.R.I. Pumps Private Limited.

   c) **Public Companies :** Pricol Holdings Limited, PPL Enterprises Limited, Pricol Travel Limited, Pricol Properties Limited, Pricol Engineering Industries Limited, Pricol Corporate Services Limited, Target Manpower Services Limited.

   d) **Trusts under common control :** N D Foundation, Siruthuli.

   e) **Key Management Personnel :** Mr. Vijay Mohan - Non Executive Director, upto 11th November, 2017, Mrs. Vanitha Mohan, Chairman - Executive Director, Mr. Vikram Mohan - Managing Director - Executive Director, Mr. R. Vidhya Shankar - Non Executive Director, Mr. Suresh Jagannathan - Non Executive Director, Mr. G. Soundararajan - Non Executive Director, Mr. C.R. Swaminathan - Non Executive Director, upto 28th February, 2018, Mr. K. Murali Mohan - Non Executive Director - upto 31st March, 2018, Mrs. Sriya Chari - Non Executive Director, Mr.G.Sundararaman - President.

ii) **Related party transactions:** ₹ Million

Nature of Transaction	Subsidiary & Step Down Subsidiary Companies		Key Management Personnel and their Relatives		Others	
	2017-18	2016-17	**2017-18**	2016-17	**2017-18**	2016-17
Transactions during the year						
Purchase / Labour Charges	**1,882.491**	1,465.003	**—**	—	**292.179**	250.456
Sales / Job Work Charges	**26.260**	70.238	**—**	—	**24.037**	5.350
Receiving of Services / Reimbursement of Expenses Paid	**7.911**	—	**52.037**	60.753	**698.245**	720.109
Rendering of Services / Reimbursement of Expenses Received	**86.568**	3.203	**—**	—	**22.256**	24.689
Donation / CSR Expenses	**—**	—	**—**	—	**4.300**	3.500
Loans and Advances :						
a. Loans and advances given	**—**	—	**—**	—	**—**	3.395
b. Loans and advances repaid	**—**	—	**—**	—	**—**	0.685
Investments :						
a. Made during the year	**400.121**	483.556	**—**	—	**—**	—
b. Disposed during the year	**—**	22.500	**—**	—	**—**	—
Guarantees :						
a. Made during the year	**2,611.234**	—	**—**	—	**—**	—
b. Released during the year	**420.000**	487.166	**—**	—	**—**	—

iii) **Amount outstanding as at the balance sheet date :** ₹ Million

Nature of Transaction	Subsidiary & Step Down Subsidiary Companies			Key Management Personnel and their Relatives			Others		
	As on 31-3-2018	As on 31-3-2017	As on 1-4-2016	**As on 31-3-2018**	As on 31-3-2017	As on 1-4-2016	**As on 31-3-2018**	As on 31-3-2017	As on 1-4-2016
Trade Receivables & Other Receivables	**85.516**	46.041	—	**—**	—	—	**78.036**	74.761	—
Trade Payables & Other Payables	**133.746**	24.091	—	**12.553**	25.954	—	**102.615**	97.874	—
Investments	**1,552.762**	1,152.642	—	**—**	—	—	**—**	—	—
Guarantees	**2,821.234**	630.000	—	**—**	—	—	**—**	—	—

NOTES TO STANDALONE FINANCIAL STATEMENTS (Contd.,)

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

Name of the Company	As at 31-3-2018			As at 31-3-2017		
	Currency	**Foreign Currency in Million**	**₹ Million**	Foreign Currency in Million	₹ Million	Purpose
Pricol Espana S.L. Spain	**USD**	**26.880**	**1,748.385**	* 6.000	420.000	Term Loan / Working Capital
PT Pricol Surya Indonesia	**USD**	**3.000**	**210.000**	3.000	210.000	Term Loan / Working Capital
Pricol do Brasil (Step down subsidiary of Pricol Espana S.L. Spain)	**Euro**	**9.400**	**757.849**	—	—	Term Loan / Working Capital
Pricol Wiping Systems India Limited	**INR**	**—**	**105.000**	—	—	Term Loan / Working Capital

* Released during the year 2016-17

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

As at 31st March 2018

₹ Million

Name of the Company	Status	Outstanding Amount Loan / Advance	Maximum Loan / Advance outstanding during the year	Investment in shares of the Company	Direct investment in shares of subsidiaries of the Company
Pricol Espana S.L. Spain	Subsidiary	—	—	—	**1,071.435**
PT Pricol Surya Indonesia	Subsidiary	—	—	—	**452.152**
Pricol Asia Pte Limited, Singapore	Subsidiary	—	—	—	**15.038**
Pricol Wiping Systems India Limited	Subsidiary	—	—	—	**10.000**

As at 31st March 2017

Name of the Company	Status	Outstanding Amount Loan / Advance	Maximum Loan / Advance outstanding during the year	Investment in shares of the Company	Direct investment in shares of subsidiaries of the Company
Pricol Espana S.L. Spain	Subsidiary	—	—	—	684.365
PT Pricol Surya Indonesia	Subsidiary	—	—	—	452.152
Pricol Asia Pte Limited, Singapore	Subsidiary	—	—	—	15.038
Integral Investments Limited, India #	Subsidiary	—	—	—	22.500
Pricol Wiping Systems India Limited	Subsidiary	—	—	—	—

Disposed off during the year 2016-17

As at 1st April, 2016 - Nil

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

J. Sridhar
Director Finance
(ACMA No. : A6533)

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

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATMENTS

To the Members of Pricol Limited (Formerly Pricol Pune Limited)

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Pricol Limited (Formerly Pricol Pune Limited) (hereinafter referred to as "the Holding Company")** and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2018, their consolidated loss, consolidated changes in equity and their consolidated cash flows for the year ended on that date.

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

Emphasis of Matter

We draw attention to the following matters in the notes to the Consolidated Ind AS Financial Statements:

a) Note No. 2.40 to the Consolidated Ind AS financial statements regarding the Scheme of Amalgamation which was accounted as per the then prevailing Accounting Standard 14 - "Accounting for Amalgamations". The Company had recognised Goodwill on Amalgamation, comprising of Customer relationship & Assembled workforce, and continues to amortise the same over its estimated useful life which is different from the treatment prescribed under Ind AS 103 - "Business Combinations"

b) Note No. 2.41 to the Consolidated Ind AS financial statements with regard to the modified opinion given by the component auditor of Pricol do Brasil Componentes Automotivos Ltd A. on the recognition of deferred tax asset from tax losses and other temporary differences and the accounting treatment in the consolidated financial statements.

Our opinion is not modified in respect of these matters.

Other Matters

a) We did not audit the Ind AS financial statements / financial information of 6 subsidiaries, whose Ind AS financial statements / financial information reflects total assets of ₹ 7,088.885 Million and net assets of ₹ 1,327.478 Million as at March 31, 2018, total revenues of ₹ 5,255.570 Million and net cash flows amounting to ₹ 323.778 Million for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These Ind AS financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

These subsidiaries are located outside India whose financial statements / financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company.

b) We did not audit the Ind AS financial statements / financial information of 3 subsidiaries, whose Ind AS financial statements / financial information reflects total assets of ₹ 833.135 Million and net assets of ₹ 202.759 Million as at March 31, 2018, total revenues of ₹ 662.548 Million and net cash flows amounting to ₹ 3.144 Million for the year ended on that date, as considered in the Consolidated Ind AS Financial Statements. These Ind AS financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited Ind AS financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these Ind AS financial statements / financial information are not material to the Group.

Our opinion on the Consolidated Ind AS 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 Ind AS financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

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

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

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept by the Company so far as it appears from our

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

examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;

d. In our opinion, the aforesaid Consolidated Ind AS 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, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group, incorporated in India is disqualified as on March 31, 2018 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 the Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure".

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

i) The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 2.43 to the Consolidated Ind AS Financial Statements;

ii) Provision has been made in the Consolidated Ind AS 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 Ind AS Financial Statements in respect of such items as it relates to the Group;

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India;

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Kaushik Sidartha
Partner
Membership No.: 217964

Coimbatore
30th May, 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **Pricol Limited (Formerly Pricol Pune Limited)** on the Consolidated Ind AS financial statements for the year ended 31st March, 2018]

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

In conjunction with our audit of the Consolidated Ind AS financial statements of Pricol Limited (Formerly Pricol Pune Limited) ("the Company") as of and for the year ended 31st March, 2018. 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

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

adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly 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 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W/W100048
Kaushik Sidartha
Partner
Membership No.: 217964

Coimbatore
30th May, 2018

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CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

	Note No.	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
I. ASSETS				
1) Non-current Assets				
a) Property Plant and Equipment	2.1	**4,809.763**	4,281.628	444.406
b) Capital Work-in-progress	2.2	**622.211**	264.987	—
c) Investment Property	2.3	**103.614**	107.833	—
d) Intangible assets	2.4	**2,857.574**	3,001.871	57.947
e) Intangible under Development	2.5	**76.960**	1.541	—
f) Goodwill on Consolidation		**573.025**	—	—
g) Financial Assets				
i) Loans	2.6	**120.661**	0.046	—
ii) Others	2.7	**51.823**	39.585	5.379
h) Other Non-current Assets	2.8	**823.111**	665.853	18.198
Total Non-current Assets		**10,038.742**	8,363.344	525.930
2) Current Assets				
a) Inventories	2.9	**2,880.588**	1,729.437	74.247
b) Financial Assets				
i) Investments	2.10	**18.094**	2.508	—
ii) Trade Receivables	2.11	**2,963.261**	2,136.856	211.285
iii) Cash and Cash equivalents	2.12	**643.008**	239.558	6.344
iv) Bank Balances other than (iii) above	2.13	**52.946**	38.783	6.429
v) Others	2.14	**3.870**	3.284	0.119
c) Other Current Assets	2.15	**572.275**	437.061	11.490
d) Assets held for Sale	2.16	**250.000**	—	—
Total Current Assets		**7,384.042**	4,587.487	309.914
TOTAL ASSETS		**17,422.784**	12,950.831	835.844
II. EQUITY AND LIABILITIES				
1) Equity				
a) Equity Share Capital	2.17	**94.797**	94.797	100.000
b) Other Equity	2.18	**6,561.246**	7,159.176	473.799
Total Equity		**6,656.043**	7,253.973	573.799
2) Non-current Liabilities				
a) Financial Liabilities				
i) Borrowings	2.19	**2,154.651**	243.105	—
ii) Others	2.20	**11.977**	6.749	1.089
b) Provisions	2.21	**187.716**	201.365	1.064
c) Deferred Tax Liabilities (Net)	2.22	**602.697**	425.798	—
d) Other Non-current Liabilities	2.23	**77.954**	103.355	—
Total Non-current Liabilities		**3,034.995**	980.372	2.153

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2018

	Note No.	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Consolidated Balance Sheet as at 31st March 2018 (Contd.,)				
(3) Current Liabilities				
a) Financial Liabilities				
i) Borrowings	2.24	**2,266.115**	941.966	—
ii) Trade Payables	2.25	**4,290.341**	2,490.202	206.073
iii) Other Financial Liabilities	2.26	**658.293**	994.015	28.102
b) Other Current Liabilities	2.27	**462.676**	229.118	25.620
c) Provisions	2.28	**26.172**	41.176	0.097
d) Current Tax Liabilities	2.29	**28.149**	20.009	—
Total Current Liabilities		**7,731.746**	4,716.486	259.892
TOTAL EQUITY AND LIABILITIES		**17,422.784**	12,950.831	835.844

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

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

J. Sridhar
Director Finance
(ACMA No. : A6533)

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

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2018

	Note No.	2017-18 ₹ Million	2016-17 ₹ Million
REVENUE			
Revenue from Operations (Gross)	2.30	**15,984.013**	15,518.868
Other Operating Revenue	2.31	**1,416.918**	501.968
Other Income	2.32	**59.503**	98.128
Total Revenue		**17,460.434**	16,118.964
EXPENSES			
Cost of Materials Consumed	2.33	**10,422.965**	9,096.811
Purchases of Stock-in-Trade		**642.751**	542.377
Changes in inventories of Work-in-progress, Finished Goods and Stock-in-Trade	2.34	**(139.466)**	(245.903)
Excise Duty		**297.975**	1,288.467
Employee Benefits Expense	2.35	**3,014.632**	2,399.428
Finance Costs	2.36	**301.827**	176.692
Depreciation and Amortisation Expense	2.37	**858.355**	734.864
Other Expenses	2.38	**2,345.762**	1,866.035
Total Expenses		**17,744.801**	15,858.771
Profit / (Loss) before Exceptional Items and Tax		**(284.367)**	260.193
Add : Exceptional Items		**—**	—
Profit / (Loss) Before Tax		**(284.367)**	260.193
Less : Tax Expense			
Current Tax		**215.400**	148.831
Deferred Tax		**150.751**	156.497
MAT Credit		**(161.060)**	(137.000)
For earlier years		**—**	(0.210)
Profit / (Loss) for the year	**(A)**	**(489.458)**	92.075
Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Remeasurement of post employment benefit obligations		**25.172**	(17.260)
Income tax relating to these items		**(8.653)**	5.973
Items that will be reclassified to profit or loss :			
Changes in Foreign Currency Translation Reserve		**8.047**	(31.042)
Other Comprehensive Income for the year after tax	**(B)**	**24.566**	(42.329)
Total Comprehensive Income for the year	**(A) + (B)**	**(464.892)**	49.746
Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees			
Basic & Diluted	2.39	**(5.16)**	0.97

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

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

J. Sridhar
Director Finance
(ACMA No. : A6533)

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

		2017-18 ₹ Million		2016-17 ₹ Million
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) Before Tax		**(284.367)**		260.193
Adjustments for :				
Depreciation & Amortisation Expense	**858.355**		734.864	
Bad debts written off	**57.921**		1.679	
Provision for doubtful debts and advances written back	**(30.269)**		(2.243)	
Provision for doubtful debts and advances	**81.509**		29.761	
Provision for Diminiution in Value of Current Investments written back	**—**		(0.370)	
(Profit) / Loss on sale of assets (Net)	**(5.815)**		(3.772)	
Assets Discarded / Written off	**2.026**		13.564	
Gain on Sale of investment in Subsidiary	**—**		(10.500)	
Interest received	**(8.614)**		(10.553)	
Effect of Change in Foreign Currency Translation Reserve	**(45.393)**		(104.431)	
Exchange Fluctuation (Gain) / Loss on Re-statement	**17.969**		(1.834)	
Income from Current Investments	**(0.586)**		(0.851)	
Provision for Impairment	**94.984**		—	
Finance Costs	**301.827**		176.692	
		1,323.914		822.006
Operating Profit before working capital changes		**1,039.547**		1,082.199
Adjustments for :-				
(Increase) / Decrease in Trade Receivables and other Receivables	**(443.921)**		262.190	
Adjustment on Amalgamation (Net)	**—**		(28.152)	
(Increase) / Decrease in Inventories	**(400.824)**		(255.202)	
Increase / (Decrease) in Trade Payables and other Payables	**968.729**		(332.491)	
		123.984		(353.655)
Cash generated from Operations		**1,163.531**		728.544
Direct taxes		**(226.279)**		(150.032)
Net cash from operating activities		**937.252**		578.512
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	**(1,464.239)**		(895.297)	
Acquisition of Subsidiary	**(994.294)**		—	
Sale of Fixed Assets	**18.305**		21.823	
Purchase of Investments	**(15.000)**		(1,338.900)	
Sale of Investments	**—**		1,370.235	
Interest received	**8.614**		10.553	
Net Cash (used in) / from investing activities		**(2,446.614)**		(831.586)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

	2017-18 ₹ Million		2016-17 ₹ Million	
Consolidated Cash Flow Statement for the Year Ended 31st March 2018 (Contd.,)				
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Increase / (Decrease) in Working Capital Borrowings	**607.707**		557.393	
Increase / (Decrease) in Long Term Borrowings	**1,637.997**		(41.140)	
Dividend & Tax on Dividend Paid	**(112.361)**		(112.118)	
Finance Costs paid	**(296.850)**		(174.521)	
Net Cash (used in) / from financing activities		**1,836.493**		229.614
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		**327.131**		(23.460)
Cash and Bank Balances as at 1.4.2017 and 1.4.2016 (Opening Balance)		**239.558**		6.344
Add: Pursuant to Scheme of Amalgamation		—		256.674
Add : Upon addition of Subsidiaries		**76.319**		—
Cash and cash equivalents as at 31.3.2018 and 31.3.2017 (Closing Balance) (Refer to Note No. 2.12)		**643.008**		239.558

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

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

J. Sridhar
Director Finance
(ACMA No. : A6533)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2018

a) Equity Share Capital

	₹ Million
Balance as on 1st April 2016	100.000
Movement during the year 2016-17	
Add : Shares allotted pursuant to Scheme of Amalgamation	94.797
Less : Shares cancelled pursuant to Scheme of Amalgamation	100.000
Balance as on 31st March 2017	94.797
Movement during the year 2017-18	—
Balance as on 31st March 2018	**94.797**

b) Other Equity

	Reserves and Surplus				Other Comprehensive Income		
	General Reserve	Securities Premium	Capital Reserve	Retained Earnings	Foreign Exchange Translation Reserve	Remeasurement of Post Employment benefit obligations	Total
Balance as at 1st April 2016	—	684.000	—	(210.201)	—	—	473.799
- Profit for the year 2016-17	—	—	—	92.075	—	—	92.075
- Pursuant to Scheme of Amalgamation (Net of Ind AS Adjustments)	4.283	7,412.156	222.124	(942.834)	(61.834)	—	6,633.895
- Fluctuation Differences	—	—	—	—	(29.306)	—	(29.306)
- Other Comprehensive Income, Net of Income Tax	—	—	—	—	—	(11.287)	(11.287)
Balance as on 31st March 2017	4.283	8,096.156	222.124	(1,060.960)	(91.140)	(11.287)	7,159.176
- Profit for the year 2017-18	**—**	**—**	**—**	**(489.458)**	**—**	**—**	**(489.458)**
- Addition during the year	**—**	**—**	**38.465**	**—**	**—**	**—**	**38.465**
- Fluctuation Differences	**—**	**—**	**—**	**—**	**(49.361)**	**—**	**(49.361)**
- Other Comprehensive Income, Net of Income Tax	**—**	**—**	**—**	**—**	**—**	**16.519**	**16.519**
- Payment of Dividend including Dividend Distribution Tax	**—**	**—**	**—**	**(114.095)**	**—**	**—**	**(114.095)**
Balance as on 31st March 2018	**4.283**	**8,096.156**	**260.589**	**(1,664.513)**	**(140.501)**	**5.232**	**6,561.246**

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

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

J. Sridhar
Director Finance
(ACMA No. : A6533)

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2018

SIGNIFICANT ACCOUNTING POLICIES

1. Significant Accounting Policies

i. Corporate Information:

Pricol Limited (Formerly Pricol Pune 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 Company along with its 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. These financial statements for the year ended 31 March 2018 are the first financial statements which the Group has prepared in accordance with Ind AS. For all periods up to and including the year ended 31 March 2017, the Group had prepared its financial statements in accordance with Accounting Standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP), which have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, with the date of transition to Ind AS being 1st April 2016. For the purpose of comparatives, financial statements for the year ended 31 March 2017 and opening balance sheet as at 1 April 2016 are also prepared as per Ind AS. The financial statements for the year ended 31 March 2018 were authorized and approved for issue by the Board of Directors on 30th May 2018.

iii. Basis of Preparation:

These financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India.

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

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

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

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

iv. Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles which require the management of the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 assumption”.

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. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

vi. Principles of Consolidation:

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of 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 owners of the company and to Non Controlling Interest (NCI) wherever applicable, even if this results in NCI having a deficit balance. When necessary, adjustments are made to the financial statements of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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. If the Group loses control over a subsidiary, it :

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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.

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. 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 recognized in the statement of profit and loss in the year in which they arise

c) Foreign Operations:

The assets and liabilities of foreign operations (Subsidiaries) 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:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Dividend

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

Interest Income

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

Claims

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

ix. Property, Plant and Equipment and Depreciation:

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz., April 1, 2016.

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

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

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

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

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

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

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

x. Investment property :

Investment property is a property, being a land or a building or part of a building or both, held by the owner

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

or by the lessee under a finance lease, to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

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

xi. Intangible assets and amortisation:

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

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

New Product Development Cost including Technology Fee payable to Technology providers will be appropriately capitalised as and when the liability gets crystallised with mutual consent of parties concerned

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

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

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

xii. 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 recognized 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 recognized.

xiii. 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.

xiv. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 economic best 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 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:

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 recognized 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.

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.

1. Financial assets

Initial recognition and measurement

All financial assets are recognized 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 amortized 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 amortized 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 amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI :

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

- 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 recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL :

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

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized 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 FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in the OCI. Any gains or losses on de-recognition is recognized 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' arrangementand either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to 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.

2. Financial Liabilities

Initial recognition and measurement

All financial liabilities are recognized 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:

a. 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 recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 as finance costs in the statement of profit and loss.

b. 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.

c. 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.

3. 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 recognized 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, net of outstanding bank overdrafts as they are considered an integral part of the

Group's cash management.

xviii. Employee benefits

1. Short Term and other long term employee benefits :

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

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

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

2. Post-Employment Benefits

a. 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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.

b. **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 recognized 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 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 recognized but are disclosed when the inflow of economic benefits are probable.

xxi. Earnings per share:

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

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

xxii. Government Grants:

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

xxiii. Taxes on Income:

Tax expense comprises of current and deferred tax.

a. **Current income tax :**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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.

xxiv. Inventories :

Inventories are valued at lower of cost and estimated net realizable 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.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.

xxv. Leases:

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

Assets acquired on lease where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals on assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

xxvi. Business combination:

The Group elected not to apply Ind AS 103, “Business Combinations” retrospectively and wishes to apply the same prospectively and the policy is described below.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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 recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized 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.

Any goodwill that arises on account of such business combination is tested annually for impairment as per Ind AS 103.

xxvii. 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.

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 recognized 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 recognized 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

SIGNIFICANT ACCOUNTING POLICIES (Contd.,)

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

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2018 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 :**

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.

Standards issued or modified but not yet effective up to the date of issuance of the Group's financial statements:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28th March, 2018, Ministry of Corporate Affairs("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency The amendment will come into force from 1st April 2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115:

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 (“amended rules”). As per the amended rules, Ind AS 115 “Revenue from contracts with customers” supersedes Ind AS 11, “Construction contracts” and Ind AS 18, “Revenue” and is applicable for all accounting periods commencing on or after 1st April, 2018. Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable from 1st April 2018. The standard permits two possible methods of transition : Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect, if any, on adoption of Ind AS 115 is expected to be insignificant.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.1. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ Million

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
Deemed Cost										
As at 1st April, 2016	195.064	—	144.204	—	100.851	1.156	0.967	2.107	0.057	444.406
Additions during 2016-17	—	—	60.455	24.870	545.475	29.053	2.116	1.650	56.573	720.192
Assets acquired on Amalgamation	936.342	77.252	1,288.894	9.794	2,191.213	40.509	24.970	44.710	143.847	4,757.531
Sales / Deletions during 2016-17	2.200	—	0.193	—	38.460	1.536	0.143	2.778	0.517	45.827
Translation Adjustment	(0.735)	—	(3.311)	0.783	139.543	1.334	0.127	1.475	(0.037)	139.179
As at 31st March, 2017	1,128.471	77.252	1,490.049	35.447	2,938.622	70.516	28.037	47.164	199.923	6,015.481
Additions during 2017-18	35.152	13.491	146.964	7.870	891.138	5.132	0.064	1.211	39.106	1,140.128
Assets acquired on Business Combination	—	83.613	25.840	0.720	327.248	2.462	0.592	0.831	1.616	442.922
Sales / Deletions during 2017-18	—	—	—	—	186.801	0.409	—	—	0.287	187.497
Re-classified as held for Sale	197.318	48.244	215.161	—	—	—	—	—	—	460.723
Translation Adjustment	(2.325)	—	(2.735)	(0.340)	(51.101)	(0.574)	(0.067)	(1.571)	(0.027)	(58.740)
As at 31st March, 2018	**963.980**	**126.112**	**1,444.957**	**43.697**	**3,919.106**	**77.127**	**28.626**	**47.635**	**240.331**	**6,891.571**

Accumulated Depreciation

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 1st April, 2016	—	—	—	—	—	—	—	—	—	—
Depreciation for the year 2016-17	—	0.829	76.364	1.730	288.608	5.546	3.975	4.162	34.390	415.604
Adjustments on Amalgamation (Net)	—	1.059	109.520	7.160	1,058.450	12.966	2.381	39.397	35.137	1,266.070
Withdrawn during the year 2016-17	—	—	0.014	—	13.171	0.440	0.111	0.133	0.345	14.214
Translation Adjustment	—	—	(1.477)	0.585	68.036	0.892	0.032	(1.638)	(0.037)	66.393
As at 31st March, 2017	—	1.888	184.393	9.475	1,401.923	18.964	6.277	41.788	69.145	1,733.853
Depreciation for the year 2017-18	**—**	**1.517**	**80.802**	**3.774**	**443.950**	**7.082**	**4.309**	**2.236**	**46.877**	**590.547**
Withdrawn during the year 2017-18	—	—	—	—	172.406	0.328	—	0.059	0.188	172.981
Re-classified as held for Sale	—	1.485	18.045	—	—	—	—	—	—	19.530
Translation Adjustment	—	—	(1.336)	(0.332)	(46.396)	(0.525)	(0.030)	(1.489)	0.027	(50.081)
As at 31st March, 2018	—	**1.920**	**245.814**	**12.917**	**1,627.071**	**25.193**	**10.556**	**42.476**	**115.861**	**2,081.808**

Net Carrying Amount

Particulars	Freehold Land	Leasehold Land	Freehold Buildings	Leasehold Buildings	Plant & Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computer Equipments	Total
As at 1st April, 2016	195.064	—	144.204	—	100.851	1.156	0.967	2.107	0.057	444.406
As at 31st March, 2017	1,128.471	75.364	1,305.656	25.972	1,536.699	51.552	21.760	5.376	130.778	4,281.628
As at 31st March, 2018	**963.980**	**124.192**	**1,199.143**	**30.780**	**2,292.035**	**51.934**	**18.070**	**5.159**	**124.470**	**4,809.763**

Certain Property, Plant and Equipment have been given as security against borrowings availed by the company (Refer to Note No. 2.19 & 2.24).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

2.1. (a) The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its Property, Plant and Equipment as recognised in the financial statements as at the date of transition to Ind AS(s), measured as per previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016) as per the following details:-

PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ Million

Particulars	Gross Block at Cost	Accumulated Depreciation	Net Block as per Previous GAAP/ Deemed cost as per Ind AS (As at 1st April 2016)	Ind AS Adjustments	Gross Block as per Ind AS
Freehold Land	195.064	—	195.064	—	195.064
Leasehold Land	—	—	—	—	—
Freehold Buildings	165.959	21.755	144.204	—	144.204
Leasehold Buildings	—	—	—	—	—
Plant & Machinery	183.022	82.171	100.851	—	100.851
Furniture and Fixtures	1.791	0.635	1.156	—	1.156
Vehicles	1.033	0.066	0.967	—	0.967
Office Equipments	2.937	0.830	2.107	—	2.107
Computer Equipments	1.160	1.103	0.057	—	0.057
Total	550.966	106.560	444.406	—	444.406

2.2. CAPITAL WORK-IN-PROGRESS

₹ Million

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Capital Work-in-progress	**622.211**	264.987	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.3. INVESTMENT PROPERTY

₹ Million

Particulars	Freehold Land	Freehold Building	Total
Deemed Cost			
As at 1st April, 2016	—	—	—
Additions during 2016-17	—	—	—
Assets acquired on Amalgamation	46.200	70.000	116.200
Adjustments on Amalgamation (Net)	—	—	—
Sales / Deletions during 2016-17	—	—	—
As at 31st March, 2017	46.200	70.000	116.200
Additions during 2017-18	—	—	—
Sales / Deletions during 2017-18	—	—	—
As at 31st March, 2018	**46.200**	**70.000**	**116.200**

Accumulated Depreciation

₹ Million

Particulars	Freehold Land	Freehold Building	Total
As at 1st April, 2016	—	—	—
Depreciation for the year 2016-17	—	4.143	4.143
Adjustments on Amalgamation (Net)	—	4.224	4.224
Withdrawn during the year 2016-17	—	—	—
As at 31st March, 2017	—	8.367	8.367
Depreciation for the year 2017-18	**—**	**4.219**	**4.219**
Withdrawn during the year 2017-18	—	—	—
As at 31st March, 2018	—	**12.586**	**12.586**

Net Carrying Amount

₹ Million

Particulars	Freehold Land	Freehold Building	Total
As at 1st April, 2016	—	—	—
As at 31st March, 2017	46.200	61.633	107.833
As at 31st March, 2018	**46.200**	**57.414**	**103.614**

The Company has identified the following property to be in the nature of investment property as they are being held to earn rentals:-

i) Land and Building at Karamadai

2.3. a) The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for its Investment properties, measured as per previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016).

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

₹ Million

Particulars	2017-18	2016-17
Rental Income	**2.442**	0.376
Less: Depreciation expense	**4.219**	4.143
Profit / (Loss) from Investment Property	**(1.777)**	(3.767)

ii) Fair Valuation of Investment Property - ₹ 116.200 Million

The fair valuation of investment property was obtained at the date of transition to Ind AS.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.4. INTANGIBLE ASSETS

₹ Million

Particulars	Computer Software	Technical Knowhow	Brand / Trade Mark	Patents & Developed Technology	Goodwill $	Total
Deemed Cost						
As at 1st April, 2016	0.080	—	—	—	57.867	57.947
Additions during 2016-17	22.298	—	—	—	—	22.298
Assets acquired on Amalgamation	100.618	51.082	508.957	1,411.600	1,490.100	3,562.357
Sales / Deletions during 2016-17	0.038	—	—	—	—	0.038
Translation Adjustment	2.194	—	2.386	—	—	4.580
As at 31st March, 2017	125.152	51.082	511.343	1,411.600	1,547.967	3,647.144
Additions during 2017-18	85.259	—	—	—	—	85.259
Assets acquired on Business Combination	29.338	—	—	—	—	29.338
Sales / Deletions during 2017-18	—	—	—	—	—	—
Translation Adjustment	4.595	—	(1.021)	—	—	3.574
As at 31st March, 2018	**244.344**	**51.082**	**510.322**	**1,411.600**	**1,547.967**	**3,765.315**
Accumulated Amortisation						
As at 1st April, 2016	—	—	—	—	—	—
Amortisation for the year 2016-17	29.080	1.022	33.701	94.107	157.207	315.117
Adjustments on Amalgamation (Net)	46.120	48.845	39.539	94.107	99.340	327.951
Withdrawn during the year 2016-17	0.036	—	—	—	—	0.036
Translation Adjustment	1.506	—	0.735	—	—	2.241
As at 31st March, 2017	76.670	49.867	73.975	188.214	256.547	645.273
Amortisation for the year 2017-18	**35.758**	**0.647**	**33.737**	**94.107**	**99.340**	**263.589**
Withdrawn during the year 2017-18	—	—	—	—	—	—
Translation Adjustment	(0.655)	—	(0.466)	—	—	(1.121)
As at 31st March, 2018	**111.773**	**50.514**	**107.246**	**282.321**	**355.887**	**907.741**
Net Carrying Amount						
As at 1st April, 2016	0.080	—	—	—	57.867	57.947
As at 31st March, 2017	48.482	1.215	437.368	1,223.386	1,291.420	3,001.871
As at 31st March, 2018	**132.571**	**0.568**	**403.076**	**1,129.279**	**1,192.080**	**2,857.574**

$ Refer to Note No. 2.40 in relation to Scheme of Amalgamation and accounting treatment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

INTANGIBLE ASSETS (Contd.,)

2.4. (a) The company has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS(s), measured as per previous GAAP and use that as its deemed cost as at the date of transition (April 1, 2016) as per the following details:-

INTANGIBLE ASSETS

₹ Million

Particulars	Gross Block at Cost	Accumulated Amortisation	Net Block as per Previous GAAP / Deemed cost as per Ind AS (As at 1st April 2016)	Ind AS Adjustments	Gross Block as per Ind AS
Computer Software	0.683	0.603	0.080	—	0.080
Goodwill	300.845	242.978	57.867	—	57.867
	301.528	243.581	57.947	—	57.947

2.5. INTANGIBLE UNDER DEVELOPMENT

₹ Million

Particulars	**As at 31st March 2018**	As at 31st March 2017	As at 1st April 2016
Intangibles under development	**76.960**	1.541	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		31-3-2018 ₹ Million		31-3-2017 ₹ Million		1-4-2016 ₹ Million
2.6. LOANS						
Unsecured Considered good						
Loans to Employees		**0.043**		0.046		—
Other Receivables		**120.618**		—		—
		120.661		0.046		—
2.7. OTHER FINANCIAL ASSETS						
Unsecured Considered good						
Other Deposits #		**51.698**		38.893		5.379
Unsecured Considered Doubtful						
Other Deposits #	**2.610**		2.610		—	
Less : Allowance for Doubtful Deposits	**2.610**		2.610		—	
		—		—		—
Fixed Deposits (with original maturity of period of more than 12 months)		**0.125**		0.692		—
		51.823		39.585		5.379

Other Deposits include Rental & Security Deposits

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.8. OTHER NON CURRENT ASSETS			
Unsecured Considered good			
Capital Advances	**133.596**	165.451	1.208
Deposits with Government Authorities	**24.246**	13.842	7.399
Prepaid Rental Expenses	**10.188**	11.558	—
Others			
Advance Tax, Net of Provision	**119.345**	100.336	9.591
MAT Credit Entitlement	**535.736**	374.666	—
	823.111	665.853	18.198
2.9. INVENTORIES			
(Valued at Lower of Cost and Net Realisable Value)			
Raw Materials & Components	**1,621.585**	834.417	54.491
Goods in Transit	**248.641**	130.865	6.768
Work-in-progress	**206.215**	123.890	9.772
Finished Goods	**693.209**	407.470	3.216
Land - Stock-in-Trade	**17.314**	141.900	—
Stores & Spares	**67.217**	63.208	—
Traded Goods	**26.407**	27.687	—
	2,880.588	1,729.437	74.247

Inventories other than Land held as Stock-in-Trade have been given as securities for the borrowings availed by the Company. Refer to Note No. 2.24.

Cost of Inventory recognised as an expense

₹ Million

Particulars	For the year ended 31st March 2018	For the year ended 31st March 2017
Cost of Materials Consumed	**10,422.965**	9,096.811
Cost of Traded Goods Sold	**644.031**	543.808
Cost of Land held as Stock in Trade	**124.586**	—
Stores and Spares	**52.295**	48.241

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.10. INVESTMENTS

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Investments in Mutual Funds (at Fair Value through P&L) Quoted			
1. ICICI Prudential MIP - 25 - Regular Plan - Growth #	**0.902**	0.836	—
2. IDFC Asset Allocation Fund of Funds Aggressive Plan - Growth - (Regular Plan) #	**0.878**	0.807	—
3. Birla Sun Life MIP II - Wealth 25 Plan - Growth - Regular Plan #	**0.916**	0.865	—
4. ICICI Banking & PSU Fund	**7.712**	—	—
5. Kotak Flexi Debt	**7.686**	—	—
Total	**18.094**	2.508	—
Aggregate Value of Quoted Investments	**18.094**	2.508	—
Aggregate Market Value of Quoted Investments	**18.094**	2.508	—

These investments have been acquired by the company on account of merger of Pricol Limited (erstwhile) with the company.

No. of Units as on the closing date

Sl.No.	Particulars	31-3-2018	31-3-2017	1-4-2016
1.	ICICI Prudential MIP - 25 - Regular Plan - Growth	**22,904.26**	22,904.26	—
2.	IDFC Asset Allocation Fund of Funds Aggressive Plan - Growth - (Regular Plan)	**38,980.00**	38,980.00	—
3.	Birla Sun Life MIP II - Wealth 25 Plan - Growth - Regular Plan	**23,972.27**	23,972.27	—
4.	ICICI Banking & PSU Fund	**386,016.32**	—	—
5.	Kotak Flexi Debt	**344,800.00**	—	—

2.11. TRADE RECEIVABLES

		31-3-2018		31-3-2017		1-4-2016
i) Unsecured Considered Good		**2,963.261**		2,136.856		211.285
ii) Unsecured Considered Doubtful	**93.229**		77.898		1.374	
Less : Allowance for Bad and Doubtful Debts	**93.229**		77.898		1.374	
		—		—		—
		2,963.261		2,136.856		211.285

Trade Receivables have been given as securities for the borrowings availed by the Company. Refer to Note No. 2.24.

The company's exposure to credit and currency risk and loss allowances related to Trade Receivables are disclosed in Note No. 2.47.

Trade Receivables are non interest bearing and or generally on credit terms in the range of 30 - 90 days.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		31-3-2018 ₹ Million		31-3-2017 ₹ Million		1-4-2016 ₹ Million
2.12. CASH AND CASH EQUIVALENTS						
Balances with Banks						
In Current Account	**631.215**		56.938		6.317	
In Fixed Deposit Account (with original maturity of 3 months or less)	**9.791**		181.068		—	
Cash on hand	**2.002**		1.552		0.027	
		643.008		239.558		6.344
Of the above, the balances that meet the definition of Cash and Cash equivalent as per Ind AS 7 Statement of Cash Flow is		**643.008**		239.558		6.344
2.13. BANK BALANCES OTHER THAN ABOVE						
Earmarked Balances						
In Unclaimed Dividend Account		**8.857**		7.123		—
In Margin Money Account #		**11.672**		11.961		6.429
Others						
In Fixed Deposit (with original maturity period of more than 3 months and less than 12 months)		**32.417**		19.699		—
		52.946		38.783		6.429

Margin Money with banks is towards issue of Letter of Comfort, Letter of Credit and Buyers Credit for Imports.

		31-3-2018 ₹ Million		31-3-2017 ₹ Million		1-4-2016 ₹ Million
2.14. OTHER FINANCIAL ASSETS						
Accured Income #		**3.870**		3.284		0.119
		3.870		3.284		0.119

Accrued income includes Export Incentives Receivable and Interest Accrued from Banks.

		31-3-2018 ₹ Million		31-3-2017 ₹ Million		1-4-2016 ₹ Million
2.15. OTHER CURRENT ASSETS						
Unsecured Considered Good						
Advances to Employees		**6.663**		11.863		0.005
Advances to Suppliers		**181.694**		143.063		1.653
Balances with Government Authorities		**335.327**		248.490		8.001
Unsecured Considered Doubtful						
Advances to Suppliers	**1.133**		1.133		—	
Less : Provision for Doubtful Advances	**1.133**		1.133		—	
		—		—		—
Others						
Prepaid Expenses		**39.983**		33.645		1.208
Gratuity Fund (Refer to Note No. 2.50)		**8.608**		—		0.623
		572.275		437.061		11.490
2.16. ASSETS HELD FOR SALE (Measured at Fair Value less costs to sell)						
Land and Building	**441.193**		—		—	
Less : Provision for Impairment	**191.193**		—		—	
		250.000		—		—
		250.000		—		—

An impairment loss of ₹ 191.193 Million for write down of the disposed group to its lower of its carrying amount and its fair value less cost to sell has been recognised under other expenses. During the year 2017-18, the company has identified certain assets not in use to be disposed off and is committed to a plan to sell the non current asset. Accordingly, these assets are presented as "Assets held for Sale". These assets do not meet the definition of discontinued operation in Ind AS 105 "Non-current Assets Held for Sale and Discontinued operation".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million

2.17. EQUITY SHARE CAPITAL

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Authorised			
582,000,000 Equity Shares of ₹ 1/-each * (As at 31st March 2017- 582,000,000 As at 1st April 2016 - 100,000,000)	**582.000**	582.000	100.000
Issued, Subscribed and Paid-up			
94,796,721 Equity Shares of ₹ 1/-each (As at 31st March 2017- 94,796,721, As at 1st April 2016 - 100,000,000)	**94.797**	94.797	100.000

* Pursuant to the Scheme of Amalgamation,the Authorised Share Capital of the Company stands increased to ₹ 582.000 Million from ₹ 100.000 Million.

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

Equity Shares	31-3-2018 No. of Shares in Million	31-3-2018 ₹ Million	31-3-2017 No. of Shares in Million	31-3-2017 ₹ Million	1-4-2016 No. of Shares in Million	1-4-2016 ₹ Million
At the beginning of the period	**94.797**	**94.797**	100.000	100.000	100.000	100.000
Add : Shares allotted pursuant to Scheme of Amalgamation	—	—	94.797	94.797	—	—
Less : Shares cancelled pursuant to Scheme of Amalgamation	—	—	100.000	100.000	—	—
At the closing of the period	**94.797**	**94.797**	94.797	94.797	100.000	100.000

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 :

	31-3-2018 No. of Shares	31-3-2018 % held	31-3-2017 No. of Shares	31-3-2017 % held	1-4-2016 No. of Shares	1-4-2016 % held
- Erstwhile Pricol Limited, India (Holding Company)	—	—	—	—	100,000,000	100.00%
- Vijay Mohan	**9,801,178**	**10.34%**	9,801,178	10.34%	—	—
- Pricol Holdings Limited	**8,556,926**	**9.03%**	8,556,926	9.03%	—	—
- Viren Mohan	**6,658,409**	**7.02%**	6,658,409	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 2018

Details of Shares issued for consideration other than Cash :

94,796,721 shares of ₹ 1/- each were allotted for consideration other than cash during the current financial year 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 preceeding five years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.18. OTHER EQUITY

		31-3-2018 ₹ Million		31-3-2017 ₹ Million		1-4-2016 ₹ Million
Securities Premium Reserve						
Opening Balance	**8,096.156**		684.000		684.000	
Add : Pursuant to Scheme of Amalgamation	**—**		7,412.156		—	
		8,096.156		8,096.156		684.000
Capital Reserve						
Opening Balance	**222.124**		—		—	
Add : Pursuant to Amalgamation	—		222.124		—	
Add : Addition during the year	**38.465**		—		—	
		260.589		222.124		—
General Reserve						
Opening Balance	**4.283**		—		—	
Add : Pursuant to Amalgamation	—		4.283		—	
		4.283		4.283		—
Surplus / (Deficit) in the Statement of Profit & Loss						
Opening Balance	**(1,060.960)**		(210.201)		(300.495)	
Add : Pursuant to Scheme of Amalgamation (Refer to Note No.2.40)	—		(942.834)		—	
Add : Profit for the year	**(489.458)**		92.075		90.294	
Less : Payment of Dividend including Dividend Distribution Tax	**114.095**		—		—	
		(1,664.513)		(1,060.960)		(210.201)
Other Comprehensive Income						
i) **Foreign Exchange Translation Reserve**						
Opening Balance	**(91.140)**		—		—	
Add : Pursuant to Scheme of Amalgamation	—		(61.834)		—	
Add : Addition during the year	**(49.361)**		(29.306)		—	
		(140.501)		(91.140)		—
ii) Remeasurement of post employment benefit obligations						
Opening Balance	**(11.287)**				—	
Add : Addition during the year	**16.519**		(11.287)		—	
		5.232		(11.287)		—
		6,561.246		7,159.176		473.799

2.19. BORROWINGS

	Non-current portion			Current Maturities		
	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million	**31-3-2018 ₹ Million**	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Secured Loans :						
Rupee Term Loan From Banks	**243.417**	133.333	—	**167.667**	183.333	20.000
Foreign Currency Term Loan from Banks	**1,911.234**	109.772	—	**14.670**	272.554	—
	2,154.651	243.105	—	**182.337**	455.887	20.000

Term Loan of ₹ 200 Million from HDFC Bank is repayable in 12 quarterly instalments of ₹ 16.667 Million each. Interest is payable on monthly basis at the rate of Bank One year MCLR. The loan is secured by exclusive charge by hypothecation of specific plant and machinery. Present Outstanding as on 31st March, 2018 is ₹ 200 Million. (Balance as on 31st March, 2017 - Nil, As on 1st April, 2016 - Nil).

Term Loan of ₹ 116.667 Million from Bank of Bahrain and Kuwait B.S.C is repayable in 8 quarterly instalments of ₹ 16.667 Million each. Interest is payable on monthly basis at the rate of Bank One year MCLR plus 0.10% . The loan is secured by 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. Present Outstanding as on 31st March, 2018 is ₹ 116.667 Million. (Balance as on 31st March, 2017 - Nil, As on 1st April, 2016 - Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

BORROWINGS (Contd.,)

Term Loan of ₹ 103 Million from ICICI Bank is repayable in 12 quarterly instalments of ₹ 8.583 Million each with a moratorium period of 6 months. Interest is payable on monthly basis at the rate of Bank One year MCLR plus 0.30% . The loan is secured by movable fixed assets situated in Satara, Maharashtra and Corporate Guarantee from Holding Company. (Balance as on 31st March, 2017 - Nil, As on 1st April, 2016- Nil).

Term Loan of USD 15.50 Million and USD 4.5 Million from ICICI Bank Limited is repayable in 10 structured half yearly instalments. The first repayment instalment due at the end of 30th month from the utilisation date. The loan is secured by SBLC Facilitiy issued by ICICI Bank India and further secured by First ranking charge on movable and immovable assets at Plant I & III situated at Coimbatore and Plant II Situated at Gurugram, India. Interest is payable on half yearly basis at the rate of 6 months USD Libor plus 2.12% p.a. and 6 months USD Libor plus 3.12% p.a respectively. (Balance as on 31st March, 2017 - Nil, As on 1st April, 2016- Nil)

Term Loan of Euro 8 Million from Citibank N.A. is repayable in 19 equated quarterly instalments. The first repayment instalment due at the end of 18th month from the utilisation date. The loan is secured by Corporate Guarantee issued by Citibank N.A. India. The loan is further secured by movable and immovable property situated at Karamadai, Coimbatore and property situated at Uttarkhand. Interest is payable on quarterly basis at the rate of 6 months Euribor plus 2.01% p.a. (Balance as on 31st March, 2017 - Nil, As on 1st April, 2016- Nil).

Term Loan of USD 2.70 Million from PT Bank SBI Indonesia is secured by way of its land and factory building, inventories and Corporate Guarantee from Holding Company. Interest is payable at the rate of 8% p.a.

For Current Maturities of Long Term Debt Refer to Note No. 2.26.

		31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.20. OTHER FINANCIAL LIABILITIES				
Obligations under Financial Lease Arrangements		**5.417**	1.152	—
Rental Advance Received		**6.560**	5.597	1.089
		11.977	6.749	1.089
2.21. PROVISIONS				
For Employee Benefits :				
- Gratuity (Refer to Note No. 2.50)		**17.174**	46.752	—
- Leave Encashment		**—**	—	0.676
For Central Excise Demands (Refer to Note No. 2.51)		**69.158**	69.158	—
For Potential Statutory Liabilities(Refer to Note No. 2.51)		**43.145**	54.836	0.388
For Labour related Claims(Refer to Note No. 2.51)		**58.239**	30.619	—
		187.716	201.365	1.064
2.22. DEFERRED TAX LIABILITIES - NET				
Deferred Tax Liability - Refer to Note No.2.52 (b)				
On Fixed Assets		**713.435**	679.984	—
	A	**713.435**	679.984	—
Deferred Tax Asset - Refer to Note No.2.52 (b)				
On Disallowance under the Income Tax Act		**99.302**	51.633	—
On Unused tax losses		**—**	196.938	
On Other temporary differences		**11.436**	5.615	
	B	**110.738**	254.186	—
Deferred Tax Liabilities - Net	**(A - B)**	**602.697**	425.798	—
2.23. OTHER NON CURRENT LIABILITIES				
Deferred Income From Government grants		**6.429**	4.704	—
Payable under Special Instalment Programme		**42.803**	55.422	—
Other Taxes Payable		**28.722**	43.229	—
		77.954	103.355	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.24. BORROWINGS			
Secured Loans			
Working Capital Facilities from Banks			
- In Rupee	**329.749**	566.808	—
- In Foreign Currency	**1,146.385**	175.158	—
Unsecured Loans			
Working Capital Facilities from Banks			
- In Rupee	**498.150**	200.000	—
Working Capital Facilities from Financial Institution and others			
- In Rupee	**149.981**	—	—
- In Foreign Currency	**141.850**	—	—
	2,266.115	941.966	—

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 properies 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 7.80% to 9.65% p.a.

2.25. TRADE PAYABLES

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
- Total Outstanding Dues of Micro Enterprises and Small Enterprises	**27.105**	31.641	—
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	**4,263.236**	2,458.561	206.073
	4,290.341	2,490.202	206.073

There are no interest amounts paid / payable to Micro, Small and Medium Enterprises. The information in relation to dues to Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the auditors.

2.26. OTHER FINANCIAL LIABILITIES

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Current Maturities of Long Term Debt (Refer to Note No. 2.19)	**182.337**	455.887	20.000
Interest accrued and not due on borrowings	**10.014**	5.037	0.199
Unclaimed Dividend	**8.857**	7.123	—
Employee Benefits Payable	**401.142**	462.765	5.268
Royalty Payable	**5.569**	6.139	—
Payable for Expenses	**50.374**	57.064	2.635
	658.293	994.015	28.102

2.27. OTHER CURRENT LIABILITIES

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
Statutory Dues Payable	**167.480**	132.406	9.580
Other Payables	**123.563**	96.483	16.040
Unamortised portion of financial instruments	**0.127**	0.229	—
Unbilled Revenue	**171.506**	—	—
	462.676	229.118	25.620

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2018 ₹ Million	31-3-2017 ₹ Million	1-4-2016 ₹ Million
2.28. PROVISIONS			
For Employee Benefits :			
- Gratuity (Refer to Note No. 2.50)	**—**	15.004	—
- Leave Encashment	**—**	—	0.097
For Labour Settlement (Refer to Note No. 2.51)	**26.172**	26.172	—
	26.172	41.176	0.097
2.29. CURRENT TAX LIABILITIES			
For Taxation	**28.149**	20.009	—
	28.149	20.009	—

2.30. REVENUE FROM OPERATIONS

	2017-18	2017-18 ₹ Million	2016-17	2016-17 ₹ Million
Sale of Products and Services				
Domestic	**13,117.547**		14,142.040	
Export	**2,702.912**		1,231.474	
Traded Goods	**140.502**		104.695	
Service Income	**23.052**	**15,984.013**	40.659	15,518.868
		15,984.013		15,518.868

2.31. OTHER OPERATING REVENUE

	2017-18 ₹ Million	2016-17 ₹ Million
Sale of Land held as Stock-in-Trade	**837.563**	—
Export Incentives	**11.485**	10.253
Sale of Traded Goods - Others	**567.870**	491.715
	1,416.918	501.968

2.32. OTHER INCOME

	2017-18 ₹ Million	2016-17 ₹ Million
Interest Income		
From Banks	**7.651**	10.553
From other financial assets carried at amortised cost	**0.963**	0.377
Gain on Fair Valuation of Investments at Fair Value through P&L	**0.586**	0.851
Rental Income	**13.544**	21.719
Deferred Income from Government Grant	**1.407**	1.167
Profit on Sale of Assets (Net)	**5.815**	3.772
Miscellaneous Income / Unclaimed Credits Written Back	**25.406**	14.469
Insurance Claim	**4.131**	—
Excess Provision No Longer Required Written Back	**—**	20.871
Provision for Diminution in Value of Current Investments Written Back	**—**	0.370
Gain on Sale of Investment in Subsidiary	**—**	10.500
Gain on Exchange Fluctuation (Net)	**—**	13.479
	59.503	98.128

2.33. COST OF MATERIALS CONSUMED

	2017-18 ₹ Million	2016-17 ₹ Million
Materials Consumed	**10,422.965**	9,096.811

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

		2017-18 ₹ Million		2016-17 ₹ Million
2.34. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE				
Opening Stock				
Work-in-progress	**123.890**		9.772	
Finished Goods	**407.470**		3.216	
Traded Goods	**27.687**		—	
Land-Stock-in-Trade	**141.900**		—	
		700.947		12.988
Add : Inventory Acquired on Amalgamation				
Work-in-progress	**34.252**		109.354	
Finished Goods	**68.480**		161.684	
Traded Goods	**—**		29.118	
Land-Stock-in-Trade	**—**		141.900	
		102.732		442.056
Less : Closing Stock				
Work-in-progress	**206.215**		123.890	
Finished Goods	**693.209**		407.470	
Traded Goods	**26.407**		27.687	
Land-Stock-in-Trade	**17.314**		141.900	
		943.145		700.947
		(139.466)		(245.903)
2.35. EMPLOYEE BENEFITS EXPENSE				
a) Pay, Allowances and Bonus	**2,459.468**		2,170.664	
b) Contribution to Provident and other funds	**330.615**		92.666	
c) Welfare Expenses	**224.549**		136.098	
		3,014.632		2,399.428
2.36. FINANCE COSTS				
Interest on Borrowings	**264.780**		169.414	
Other Borrowing Costs	**27.757**		2.105	
Applicable Net Gain / (Loss) on foreign currency transactions & translation	**9.107**		5.029	
Interest on Finance Lease Obligations	**0.124**		0.020	
Unwinding of interest on financial instruments carried at amortised cost	**0.059**		0.124	
		301.827		176.692
2.37. DEPRECIATION AND AMORTISATION EXPENSE				
Depreciation (Refer to Note No. 2.1 & Note No. 2.3)	**594.766**		419.747	
Amortisation of Intangibles (Refer to Note No. 2.4)	**263.589**		315.117	
		858.355		734.864

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.38. OTHER EXPENSES

		2017-18 ₹ Million		2016-17 ₹ Million
Power & Utilities		**277.047**		241.877
Stores & Spares Consumed		**52.295**		48.241
Repairs and Maintenance :				
- Machinery		**195.125**		144.995
- Building		**37.553**		58.848
- Others		**42.740**		85.811
Printing & Stationery		**15.957**		13.566
Postage & Telephone		**25.046**		24.666
Rent		**127.643**		78.398
Rates, Taxes & Licence		**45.274**		39.081
Insurance		**31.358**		31.230
Bank Charges		**30.740**		9.776
Travelling & Conveyance		**148.119**		140.190
Freight & Forwarding and Selling Expenses		**363.020**		294.256
Advertisement & Sales Promotion		**17.321**		19.831
Commission & Discount on Sales		**55.533**		39.822
Royalty		**7.005**		7.284
Bad Debts Written off	**57.921**		1.679	
Provision for doubtful debts and advances	**81.509**		29.761	
Less : Provision for Doubtful debts and advances written back	**30.269**		2.243	
		109.161		29.197
Provision for Statutory Liabilities		**3.016**		—
Commission / Sitting Fees to Non-Whole Time Directors		**3.920**		3.494
Auditors' Remuneration (Refer to Note No. 2.42)		**11.733**		8.305
Professional Charges		**525.918**		456.737
Loss on Exchange Fluctuation (Net)		**37.840**		—
Assets Discarded / Written Off		**2.026**		13.564
Impairment Loss		**94.984**		—
Relocation Expenses		**30.891**		—
Miscellaneous Expenses		**49.340**		69.901
CSR Expenses		**4.957**		3.950
Donations		**0.200**		3.015
		2,345.762		1,866.035

2.39. EARNINGS PER SHARE

	2017-18 ₹ Million	2016-17 ₹ Million
Profit / (Loss) After Tax	**(489.458)**	92.075
Weighted Average No. of Shares Outstanding :		
Basic & Diluted (Nos. in Mn.)	**94.797**	94.797
Basic & Diluted Earnings per share (in ₹)	**(5.16)**	0.97
Face Value per Equity Share (in ₹)	**1.00**	1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.40. AMALGAMATION OF ERSTWHILE PRICOL LIMITED WITH THE COMPANY :

The Hon'ble High Court of Judicature at Madras vide its order dated 6th October, 2016 had 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.

The working results of the transferor company for the period 01.04.2015 to 31.03.2016 has been adjusted appropriately in the Retained Earnings.

2.41. SIGNIFICANT MATTERS STATED IN THE FINANCIAL STATEMENT OF THE SUBSIDIARIES :

The Component auditor of Pricol do Brasil Componentes Automotivos LtdA. has given a modified opinion in their audit report stating that the component has recorded deferred tax assets from tax losses and other temporary differences which does not meet the criteria defined for recognition of deferred tax asset as per Brazilian generally accepted accounting principles resulting in the non current assets and reserves being overstated by BRL 4,872 (Brazilian Reals in thousands) Equivalent INR ₹ 95.934 Million. Necessary adjustments were made during the year 2015-16 in the consolidated financial statements of Erstwhile Pricol Limited to derecognise the Deferred Tax Asset. Hence no further adjustment is required in the consolidated financial statements.

2.42. REMUNERATION TO AUDITORS (EXCLUSIVE OF SERVICE TAX / GST) :

₹ Million

	2017-18	2016-17
For Audit	**8.659**	6.225
For Taxation Matters	**1.705**	0.942
For Certification and Others	**1.129**	0.959
Reimbursement of Expenses	**0.240**	0.179
Total	**11.733**	8.305

2.43. CONTINGENT LIABILITIES AND COMMITMENTS AS ON THE CLOSING DATE :

₹ Million

	31-3-2018	31-3-2017	1-4-2016
CONTINGENT LIABILITIES			
i) In respect of Holding Company			
a) On account of Pending Litigations			
Sales Tax Matters (excluding Interest if any)	**17.760**	51.073	—
Excise, Service Tax and Customs Matters # (excluding Interest & Penalty if any)	**195.319**	225.633	42.615
# Of which ₹ 6.643 Million has been paid under protest			
b) Others			
Letter of Credit	**105.272**	133.456	—
	318.351	410.162	42.615
COMMITMENTS			
Estimated Value of contracts remaining to be executed on Capital account			
- in respect of Holding Company	**135.682**	117.702	1.174

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.44. 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

₹ Million

	2017-18	2016-17
a) Revenue from Operations including other operating revenue		
Within India	**12,888.972**	13,096.101
Outside India	**4,511.959**	2,924.735
	17,400.931	16,020.836
b) Non Current Assets		
Within India	**7,851.944**	7,677.758
Outside India	**2,014.314**	645.955
Unallocated	**172.484**	39.631
	10,038.742	8,363.344

2.45. BUSINESS COMBINATION :

The details of acquisitions made by the company during the year are as follows :

1. On 28th August, 2017, the company acquired PMP PAL International s.r.o,("PMP PAL") a company incorporated at Czech Republic vide share purchase agreement dated 13th July, 2017 through a Special Purpose Vehicle i.e. Pricol Wiping Systems Czech s.r.o, Czech Republic.The acquisition enables the company to serve a wide range of customers across the European Union.

2. The company has acquired PMP Auto Mexico S.A.de C.V ("PMP Mexico"), a company engaged in wiping business at Mexico during the month of August, 2017 vide share purchase agreement dated 13th July, 2017. The acquisition was carried out with an intention to develop manufacturing footprint at Mexico, to make further inroads into Four wheeler business and expanding the product portfolio.

3. The company has acquired PT Sripri Wiring Sysytems ("PT Sripri"),Indonesia during the November, 2017 which is engaged in the manufacturing of wiring harness and a supplier to the company.

4. On 28th August, 2017, the Company acquired Wiping Business Segment vide Business Transfer Agreement(BTA) dated 13th July, 2017 from PMP Auto Comoponents India Private Limited by incorporating a subsidiary i.e., Pricol Wiping Systems India Limited ("PWS"). This acquisition will enable the Company to manufacture and sell Four wheeler wiping systems to OEM customers in India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

BUSINESS COMBINATION (Contd.,)

The details of the Purchase consideration, the net assets acquired, goodwill and capital reserve are as follows:

Assets and Liabilities acquired

₹ Million

Particulars		PMP Mexico	PMP PAL	PT Sripri	PWS
Property Plant and Equipment		59.754	207.383	17.274	151.362
Capital Work-in-progress		—	89.914	—	—
Intangible assets		7.310	29.300	0.357	0.575
Others Receivables		19.174	37.113	1.393	3.766
Inventories		100.334	592.040	8.430	49.522
Trade Receivables		32.605	491.981	30.962	61.534
Cash and Cash equivalents		12.447	60.725	3.147	—
Total Assets acquired	**(A)**	**231.624**	**1,508.456**	**61.563**	**266.759**
Borrowings		—	557.543	51.069	—
Others Liabilities		1.580	272.209	65.924	17.563
Trade Payables		88.746	446.203	—	107.831
Total Liabilities assumed	**(B)**	**90.326**	**1,275.955**	**116.993**	**125.394**
Net Assets	**(A) - (B)**	**141.298**	**232.501**	**(55.430)**	**141.365**

Calculation of Goodwill / (Capital Reserve)

	PMP Mexico	PMP PAL	PT Sripri	PWS
Consideration paid	246.485	644.381	0.528	102.900
Less: Net assets acquired	141.298	232.501	(55.430)	141.365
Goodwill / (Capital Reserve)	**105.187**	**411.880**	**55.958**	**(38.465)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.46. FAIR VALUE MEASUREMENTS :

i. Financial instruments by category

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

₹ Million

Particulars	Note No.	Cost	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial assets							
Investments	2.10	—	**18.094**	—	—	**18.094**	**18.094**
Trade receivables	2.11	—	—	—	**2,963.261**	**2,963.261**	**2,963.261**
Cash and cash equivalents	2.12	—	—	—	**643.008**	**643.008**	**643.008**
Other bank balances	2.13	—	—	—	**52.946**	**52.946**	**52.946**
Loans	2.6	—	—	—	**120.661**	**120.661**	**120.661**
Other Financial assets	2.7 & 2.14	—	—	—	**55.693**	**55.693**	**55.693**
Financial Liabilities							
Borrowings	2.19, 2.24 & 2.26	—	—	—	**4,603.103**	**4,603.103**	**4,603.103**
Trade payables	2.25	—	—	—	**4,290.341**	**4,290.341**	**4,290.341**
Other financial liabilities excluding Current Maturities of Long Term Debt	2.20 & 2.26	—	—	—	**487.933**	**487.933**	**487.933**

The carrying value of financial instruments by categories as at 31 March 2017 were as follows:

₹ Million

Particulars	Note No.	Cost	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial assets							
Investments	2.10	—	2.508	—	—	2.508	2.508
Trade receivables	2.11	—	—	—	2,136.856	2,136.856	2,136.856
Cash and cash equivalents	2.12	—	—	—	239.558	239.558	239.558
Other bank balances	2.13	—	—	—	38.783	38.783	38.783
Loans	2.6	—	—	—	0.046	0.046	0.046
Other Financial assets	2.7 & 2.14	—	—	—	42.869	42.869	42.869
Financial Liabilities							
Borrowings	2.19, 2.24 & 2.26	—	—	—	1,640.958	1,640.958	1,640.958
Trade payables	2.25	—	—	—	2,490.202	2,490.202	2,490.202
Other financial liabilities excluding Current Maturities of Long Term Debt	2.20 & 2.26	—	—	—	544.877	544.877	544.877

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FAIR VALUE MEASUREMENTS (Contd.,)

The carrying value of financial instruments by categories as at 1st April 2016 were as follows:

₹ Million

Particulars	Note No.	Cost	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Total Fair value
Financial assets							
Investments	2.10	—	—	—	—	—	—
Trade receivables	2.11	—	—	—	211.285	211.285	211.285
Cash and cash equivalents	2.12	—	—	—	6.344	6.344	6.344
Other bank balances	2.13	—	—	—	6.429	6.429	6.429
Loans	2.6	—	—	—	—	—	—
Other Financial assets	2.7 & 2.14	—	—	—	5.498	5.498	5.498
Financial Liabilities							
Borrowings	2.19, 2.24 & 2.26	—	—	—	20.000	20.000	20.000
Trade payables	2.25	—	—	—	206.073	206.073	206.073
Other financial liabilities excluding Current Maturities of Long Term Debt	2.20 & 2.26	—	—	—	9.191	9.191	9.191

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 Level 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 CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FAIR VALUE MEASUREMENTS (Contd.,)

Given below are the fair values based on their hierarchy

₹ Million

Particulars	Carrying Amount as on 31-3-2018	As at 31-3-2018			Carrying Amount as on 31-3-2017	As at 31-3-2017			Carrying Amount as on 1-4-2016	As at 1-4-2016		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets measured at Fair value excluding investment in subsidiaries - through Profit and Loss												
Investments in Mutual Funds	**18.094**	**18.094**	—	—	2.508	2.508	—	—	—	—	—	—
Financial Assets not measured at Fair value*												
Trade receivables	**2,963.261**	—	—	—	2,136.856	—	—	—	211.285	—	—	—
Cash and cash equivalents	**643.008**	—	—	—	239.558	—	—	—	6.344	—	—	—
Other bank balances	**52.946**	—	—	—	38.783	—	—	—	6.429	—	—	—
Loans	**120.661**	—	—	—	0.046	—	—	—	—	—	—	—
Others Financial assets	**55.693**	—	—	—	42.869	—	—	—	5.498	—	—	—
Financial Liabilities not measured at fair value*												
Borrowings												
- Current	**2,448.452**	—	—	—	1,397.853	—	—	—	20.000	—	—	—
- Non-Current	**2,154.651**	—	—	—	243.105	—	—	—	—	—	—	—
Trade payables	**4,290.341**	—	—	—	2,490.202	—	—	—	206.073	—	—	—
Other financial liabilities excluding Current Maturities of Long Term Debt	**487.933**	—	—	—	544.877	—	—	—	9.191	—	—	—

* 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. Valuation technique used to determine fair value

1) The carrying amounts of all current financial instruments are considered to be the same as their fair values, due to their short term in nature.

2) The fair values for security deposits were calculated based on cash flows discounted using lending rate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.47. 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 Curreny Exposure and risk management policy

a. Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses 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 counter parties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Credit risk management

Credit risk rating

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

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

Risk	Exposure arising from	Measurement
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 recognistion.

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

Classfication of Financial assets among risk categories:

₹ Million

Credit rating	Particulars	31-3-2018	31-3-2017	1-4-2016
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	**3,853.663**	2,460.620	229.556
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.

₹ Million

31-3-2018	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Borrowings	**2,448.452**	**2,154.651**	**—**	**4,603.103**
Trade payables	**4,290.341**	**—**	**—**	**4,290.341**
Other financial liabilities excluding Current Maturities of Long Term Debt	**487.933**	**—**	**—**	**487.933**
Total	**7,226.726**	**2,154.651**	**—**	**9,381.377**

₹ Million

31-3-2017	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	1,397.853	243.105	—	1,640.958
Trade payables	2,490.202	—	—	2,490.202
Other financial liabilities excluding Current Maturities of Long Term Debt	544.877	—	—	544.877
Total	4,432.932	243.105	—	4,676.037

₹ Million

1-4-2016	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	20.000	—	—	20.000
Trade payables	206.073	—	—	206.073
Other financial liabilities excluding Current Maturities of Long Term Debt	9.191	—	—	9.191
Total	235.264	—	—	235.264

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

c. Interest rate risk

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

Interest rate risk exposure **₹ Million**

Particulars	**31-3-2018**	31-3-2017	1-4-2016
Fixed rate borrowing	**—**	—	20.000
Variable rate borrowing	**4,603.103**	1,640.958	—
Total	**4,603.103**	1,640.958	20.000

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 **₹ Million**

Particulars	**2017-18**	2016-17
Interest rates – increase / decrease by100 basis points	**23.226**	11.553

d. Financial Currency Risk

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

Adverse movements in the exchange rate between the Rupee and any relevant foreign currency result's 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) up to a specific tenure using forward exchange contracts and hedges based on their Internal Foreign Curreny Exposure and risk management policy as approved by the management and in accordance with the applicable regulations where the Group operates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

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

As at 31st March 2018

₹ Million

Particulars	INR	USD	EURO	CZK	BRL	IDR	MXN	JPY	GBP	CHF	SGD	TOTAL
Financial Assets												
i) Loans	0.043	—	—	120.618	—	—	—	—	—	—	—	120.661
ii) Others	55.110	—	—	0.458	—	—	0.125	—	—	—	—	55.693
iii) Investments	18.094	—	—	—	—	—	—	—	—	—	—	18.094
iv) Trade Receivables	1,939.063	313.348	546.363	18.265	62.149	77.312	0.179	0.028	6.554	—	—	2,963.261
v) Cash and Cash equivalents	34.064	346.237	5.247	167.766	38.620	43.969	7.105	—	—	—	—	643.008
vi) Bank Balances other than (v) above	52.946	—	—	—	—	—	—	—	—	—	—	52.946
Total Financial Assets	2,099.320	659.585	551.610	307.107	100.769	121.281	7.409	0.028	6.554	—	—	3,853.663
Financial Liabilities												
i) Borrowings	1,221.297	—	1,301.096	1,011.100	711.225	176.048	—	—	—	—	—	4,420.766
ii) Other Financial Liabilities	450.265	—	3.795	13.261	186.693	14.671	1.585	—	—	—	—	670.270
iii) Trade Payables	2,114.624	1,142.578	393.847	179.896	252.777	96.480	—	99.114	0.063	10.938	0.024	4,290.341
Total Financial Liabilities	3,786.186	1,142.578	1,698.738	1,204.257	1,150.695	287.199	1.585	99.114	0.063	10.938	0.024	9,381.377

As at 31st March 2017

₹ Million

Particulars	INR	USD	EURO	CZK	BRL	IDR	MXN	JPY	GBP	CHF	SGD	TOTAL
Financial Assets												
i) Loans	0.046	—	—	—	—	—	—	—	—	—	—	0.046
ii) Others	42.869	—	—	—	—	—	—	—	—	—	—	42.869
iii) Investments	2.508	—	—	—	—	—	—	—	—	—	—	2.508
iv) Trade Receivables	1,541.313	287.689	28.096	—	147.015	132.261	—	—	0.482	—	—	2,136.856
v) Cash and Cash equivalents	33.108	158.554	1.701	—	7.769	38.426	—	—	—	—	—	239.558
vi) Bank Balances other than (v) above	38.783	—	—	—	—	—	—	—	—	—	—	38.783
Total Financial Assets	1,658.627	446.243	29.797	—	154.784	170.687	—	—	0.482	—	—	2,460.620
Financial Liabilities												
i) Borrowings	900.141	—	—	—	94.331	190.599	—	—	—	—	—	1,185.071
ii) Other Financial Liabilities	518.693	—	—	—	462.075	19.996	—	—	—	—	—	1,000.764
iii) Trade Payables	1,628.964	497.238	6.863	—	176.272	104.476	—	76.389	—	—	—	2,490.202
Total Financial Liabilities	3,047.798	497.238	6.863	—	732.678	315.071	—	76.389	—	—	—	4,676.037

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FINANCIAL RISK MANAGEMENT (Contd.,)

As at 1st April 2016

₹ Million

Particulars	INR	USD	EURO	CZK	BRL	IDR	MXN	JPY	GBP	CHF	SGD	TOTAL
Financial Assets												
i) Loans	—	—	—	—	—	—	—	—	—	—	—	—
ii) Others	5.498	—	—	—	—	—	—	—	—	—	—	5.498
iii) Investments	—	—	—	—	—	—	—	—	—	—	—	—
iv) Trade Receivables	208.319	2.966	—	—	—	—	—	—	—	—	—	211.285
v) Cash and Cash equivalents	6.344	—	—	—	—	—	—	—	—	—	—	6.344
vi) Bank Balances other than (v) above	6.429	—	—	—	—	—	—	—	—	—	—	6.429
Total Financial Assets	226.590	2.966	—	—	—	—	—	—	—	—	—	229.556
Financial Liabilities												
i) Borrowings	—	—	—	—	—	—	—	—	—	—	—	—
ii) Other Financial Liabilities	29.191	—	—	—	—	—	—	—	—	—	—	29.191
iii) Trade Payables	159.098	44.082	—	—	—	—	—	1.378	—	1.515	—	206.073
Total Financial Liabilities	188.289	44.082	—	—	—	—	—	1.378	—	1.515	—	235.264

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

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

₹ Million

Particulars	**31-3-2018**	31-3-2017
Increase / decrease by 1%	**38.414**	8.262

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.48. CAPITAL MANAGEMENT :

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

₹ Million

	31-3-2018	31-3-2017	1-4-2016
Borrowings (long-term and short-term, including current maturities of long term borrowings)	**4,603.103**	1,640.958	20.000
Trade payables	**4,290.341**	2,490.202	206.073
Other payables (current and non-current, excluding current maturities of long term borrowings)	**1,028.563**	877.350	34.811
Less : Cash and cash equivalents	**643.008**	239.558	6.344
Less : Other Bank Balances (Balances with maturity more than 3 months)	**52.946**	38.783	6.429
Less: Margin Money against Borrowings	**—**	—	—
Net Debt	**9,226.053**	4,730.169	248.111
Equity Share Capital	**94.797**	94.797	100.000
Other Equity	**6,561.246**	7,159.176	473.799
Total Capital	**6,656.043**	7,253.973	573.799
Capital and net debt	**15,882.096**	11,984.142	821.910
Gearing Ratio	**58.09%**	39.47%	30.19%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

2.49. FIRST TIME ADOPTION OF IND AS :

1. **Explanation of transition to Ind AS**

These are the Group's first financial statements prepared in accordance with Ind AS. The accounting policies have been applied consistently in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Group's date of transition). An explanation of how the transition from financial statements prepared in accordance with accounting standards notified under the Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) to Ind AS has affected the Group's financial position, financial performance and cash flows is set-out in the following tables and notes:

2. **Ind AS optional exemptions**

Ind-AS 101, 'First-time Adoption of Indian Accounting Standards', allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind-AS. The Group has accordingly applied the following exemptions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

Deemed cost for property, plant and equipment, investment properties and intangible assets

Ind AS 101 'First-time Adoption of Indian Accounting Standards' permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, 'Intangible Assets'. Accordingly, the Group has elected to measure all of its property, plant and equipment & intangible assets at their previous GAAP carrying value.

Business Combinations

The Group has elected to apply Ind AS 103 prospectively to business combinations occuring after its transition date. Business combinations which have occured prior to the transition date have not been restated.

3. Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.Ind AS estimates as at 31 March 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Classification and measurement of Financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109, 'Financial Instruments' are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. Measurement of Financial assets at amortised cost using effective interest rate method, wherever applicable, has been made retrospectively. The measurement exemption applies for financial liabilities as well.

De-recognition of Financial assets and liabilities

Ind AS 101, 'First-time Adoption of Indian Accounting Standards' requires a first-time adopter to apply the de-recognition provisions of Ind AS 109,'Financial Instruments' prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101, 'First-time Adoption of Indian Accounting Standards' allows a first-time adopter to apply the de-recognition requirements in Ind AS 109,'Financial Instruments' retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109,'Financial Instruments' to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109,'Financial Instruments' prospectively from the date of transition to Ind AS.

First-time Ind AS adoption reconciliations

In preparing our opening Ind AS balance sheet, we have adjusted amounts reported in financial statements prepared in accordance with previous GAAP. An explanation of how the transition from previous GAAP to Ind AS has affected our financial performance, cash flows and financial position is set out in the following tables and the notes that form part of the tables. On transition, we did not revise estimates previously made except where required by Ind ASs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

BALANCE SHEET AS ON 1.4.2016

₹ Million

		Descriptive Notes	Previous GAAP as at 1-4-2016	Reclassi-fication	Other Accounting Adjustment	Ind AS as at 1-4-2016
I.	**ASSETS**					
1)	**Non-current assets**					
	a) Property Plant and Equipment		444.406	—	—	444.406
	b) Capital Work-in-progress		—	—	—	—
	c) Investment Property		—	—	—	—
	d) Intangible assets		57.947	—	—	57.947
	e) Intangibles under development		—	—	—	—
	f) Financial Assets					
	i) Investments		—	—	—	—
	ii) Loans	10	13.986	(13.986)	—	—
	iiI) Other Financial Assets	10	—	5.379	—	5.379
	g) Other Non - current Assets	10	9.591	8.607	—	18.198
	Total Non - current Assets		**525.930**	**—**	**—**	**525.930**
(2)	**Current Assets**					
	a) Inventories		74.247	—	—	74.247
	b) Financial Assets					
	i) Investments		—	—	—	—
	ii) Trade Receivables	7	210.416	—	0.869	211.285
	iii) Cash and Cash equivalents	10	12.773	(6.429)	—	6.344
	iv) Bank Balances other than (iii) above	10	—	6.429	—	6.429
	v) Loans	10	9.659	(9.659)	—	—
	vi) Other Financial Assets	10	—	0.119	—	0.119
	c) Other Current Assets	10	1.950	9.540	—	11.490
	Total Current Assets		**309.045**	**—**	**0.869**	**309.914**
	TOTAL ASSETS		**834.975**	**—**	**0.869**	**835.844**
II.	**EQUITY AND LIABILITIES**					
(1)	**Equity**					
	a) Equity Share Capital		100.000	—	—	100.000
	b) Other Equity	7	472.930	—	0.869	473.799
	Total Equity		**572.930**	**—**	**0.869**	**573.799**
(2)	**Non - Current Liabilities**					
	a) Financial Liabilities					
	i) Borrowings		—	—	—	—
	ii) Other Financial Liabilities		—	1.089	—	1.089
	b) Provisions		1.064	—	—	1.064
	c) Deferred Tax Liabilities (Net)		—	—	—	—
	d) Other Non - current Liabilities		—	—	—	—
	Total Non - current Liabilities		**1.064**	**1.089**	**—**	**2.153**
(3)	**Current Liabilities**					
	a) Financial Liabilities					
	i) Borrowings		—	—	—	—
	ii) Trade Payables	10	206.073	—	—	206.073
	iii) Other Financial Liabilities	10	—	28.102	—	28.102
	b) Other Current Liabilities	10	54.811	(29.191)	—	25.620
	c) Provisions		0.097	—	—	0.097
	d) Current Tax Liabilities		—	—	—	—
	Total Current Liabilities		**260.981**	**(1.089)**	**—**	**259.892**
	TOTAL EQUITY AND LIABILITIES		**834.975**	**—**	**0.869**	**835.844**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

BALANCE SHEET AS ON 31.3.2017

₹ Million

		Descriptive Notes	Previous GAAP as at 31-3-2017	Reclassi-fication	Other Accounting Adjustment	Ind AS as at 31-3-2017
I	**ASSETS**					
1)	**Non-current assets**					
	a) Property Plant and Equipment	5, 6 & 10	4,380.388	(107.833)	9.073	4,281.628
	b) Capital Work-in-progress		266.528	(1.541)	—	264.987
	c) Investment Property	10	—	107.833	—	107.833
	d) Intangible assets		3,001.871	—	—	3,001.871
	e) Intangibles under development		—	1.541	—	1.541
	g) Financial Assets					
	i) Investments		—	—	—	—
	ii) Loans	10	222.191	(222.145)	—	0.046
	iii) Other Financial Assets	10	—	51.337	(11.752)	39.585
	h) Other Non-Current Assets	10	481.491	172.805	11.557	665.853
	Total Non - Current Assets		**8,352.469**	**1.997**	**8.878**	**8,363.344**
2)	**Current Assets**					
	a) Inventories		1,729.437	—	—	1,729.437
	b) Financial Assets					
	i) Investments		2.100	—	0.408	2.508
	ii) Trade Receivables	7	2,111.824	—	25.032	2,136.856
	iii) Cash and Cash equivalents	10	279.033	(39.475)	—	239.558
	iv) Bank Balances other than (iii) above	10	—	38.783	—	38.783
	v) Loans	10	403.416	(403.416)	—	—
	vi) Other Financial Assets	10	—	3.284	—	3.284
	c) Other Current Assets		36.929	400.132	—	437.061
	Total Current Assets		**4,562.739**	**(0.692)**	**25.440**	**4,587.487**
	TOTAL ASSETS		**12,915.208**	**1.305**	**34.318**	**12,950.831**
II	**EQUITY AND LIABILITIES**					
1)	Equity					
	a) Equity Share Capital		94.797	—	—	94.797
	b) Other Equity	129	7,131.794	—	27.382	7,159.176
	Total Equity		**7,226.591**	**—**	**27.382**	**7,253.973**
2)	Non - Current Liabilities					
	a) Financial Liabilities					
	i) Borrowings		243.105	—	—	243.105
	ii) Other Financial Liabilities	6	—	5.830	0.919	6.749
	b) Provisions		201.365	—	—	201.365
	c) Deferred Tax Liabilities (Net)	3	422.398	—	3.400	425.798
	d) Other Non Current Liabilities	4 & 5	98.651	—	4.704	103.355
	Total Non - Current Liabilities		**965.519**	**5.830**	**9.023**	**980.372**
3)	Current Liabilities					
	a) Financial Liabilities					
	i) Borrowings		941.966	—	—	941.966
	ii) Trade Payables		2,410.180	82.339	(2.317)	2,490.202
	iii) Other Financial Liabilities	10	—	994.015	—	994.015
	b) Other Current Liabilities	10	1,309.767	(1,080.879)	0.230	229.118
	c) Provisions	10	61.185	(20.009)	—	41.176
	d) Current Tax Liabilities		—	20.009	—	20.009
	Total Current Liabilities		**4,723.098**	**(4.525)**	**(2.087)**	**4,716.486**
	TOTAL EQUITY AND LIABILITIES		**12,915.208**	**1.305**	**34.318**	**12,950.831**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

₹ Million

	Descriptive Notes	Previous GAAP as at 31-3-2017	Reclassi-fication / Other Accounting Adjustment	Ind AS as at 31-3-2017
INCOME				
Revenue from Operations (Gross)		15,518.868	—	15,518.868
Less : Excise Duty	10	1,288.467	(1,288.467)	—
		14,230.401	1,288.467	15,518.868
Other Operating Revenue		501.968	—	501.968
Other Income	1, 2, 5 & 10	83.374	14.754	98.128
Total Revenue		**14,815.743**	**1,303.221**	**16,118.964**
EXPENSES				
Cost of Materials Consumed		9,096.811	—	9,096.811
Purchases of Stock-in-Trade		542.377	—	542.377
Changes in inventories of Work-in-progress, Finished Goods and Stock-in-Trade		(245.903)	—	(245.903)
Excise Duty	10	—	1,288.467	1,288.467
Employee Benefits Expense	8	2,416.688	(17.260)	2,399.428
Finance Costs	6	176.548	0.144	176.692
Depreciation and Amortisation Expense	6	734.824	0.040	734.864
Other Expenses	7	1,847.400	18.635	1,866.035
Total Expenses		**14,568.745**	**1,290.026**	**15,858.771**
Profit from operations before Exceptional Items and Tax		**246.998**	**13.195**	**260.193**
Add : Exceptional Items	10	10.500	(10.500)	—
Profit Before Tax		**257.498**	**2.695**	**260.193**
Less : Tax Expense				
Current Tax		148.831	—	148.831
Deferred Tax	3 & 9	172.024	(15.527)	156.497
MAT Credit		(137.000)	—	(137.000)
For earlier years		(0.210)	—	(0.210)
Profit for the year		**73.853**	**18.222**	**92.075**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss :				
- Remeasurement of post employment benefit obligations	8	—	(17.260)	(17.260)
- Income tax relating to these items		—	5.973	5.973
Items that will be reclassified to profit or loss :				
- Changes in Foreign Currency Translation Reserve		—	(31.042)	(31.042)
Other Comprehensive Income for the year net of tax		**—**	**(42.329)**	**(42.329)**
Total Comprehensive Income for the year		**73.853**	**(24.107)**	**49.746**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

Equity Reconciliation

₹ Million

Particulars	Amount as at 31-3-2017
Equity as per previous GAAP - A	**7,226.591**
Adjustments under Ind AS:	
Adjustment in relation to Government Grants	4.044
Gain on fair valuation of investments at FVTPL	0.408
Deferred tax impact on adjustment under Ind AS	5.100
Adjustment for Finance Lease arrangement for Land	(0.828)
Adjustment for Fair valuation of financial instruments	(0.190)
Expected Credit loss on Trade Receivables	25.031
Recognition of Deferred tax on items meeting meeting recognition criteria under Ind AS	(199.500)
Recognition of Deferred tax on brought forward losses	191.000
Other Adjustments	2.317
Total adjustments - B	**27.382**
Total equity as per IND AS - (A + B)	**7,253.973**

Reconcilation of total comprehensive income for the year ended 31-03-2017

₹ Million

Net Profit after tax as per previous GAAP	**73.853**
Ind AS Adjustments	
Remeasurements of post employee benefits - To OCI	17.260
Adjustment in relation to Government Grants	1.167
Gain on fair valuation of investments at FVTPL	0.369
Adjustment for Fair valuation of financial instruments	(0.190)
Adjustment for Land held under Finance Lease arrangement	(0.040)
Deferred tax impact on Ind AS adjustments	15.527
Expected Credit loss on Trade Receivables	(18.188)
Other Adjustments	2.317
Profit after tax as per Ind AS	**92.075**
Other Comprehensive Income	
Remeasurements of post employee benefits - To OCI	(17.260)
- Income tax relating to these items	5.973
Changes in Foreign Currency Translation Reserve	(31.042)
Total Comprehensive Income for the year	**49.746**

Note : A Scheme of Amalgamation between Erstwhile Pricol Limited (Transferor Company) and Erstwhile Pricol Pune Limited (Transferee Company) was approved by the Hon'ble High Court of Judicature at Madras on 6th October, 2016 as explained in Note No. 2.40. Necessary effect for the Scheme was given during the financial year 2016-17 after the scheme was approved by the high court. Consequently, the Ind AS adjustments pertaining to the Transferor Company is appropriately given effect in the figures of 2016-17 as detailed above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

Reconciliation of Statement of Cashflows:

Impact of Ind AS adoption on the statement of cash flow for the year ended 31st March, 2017

₹ Million

	Notes to Reconciliation	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS
Net cash outflow from operating activities	1,2,7,8,9,10	611.558	(33.046)	578.512
Net cash inflow from investing activities	10	(831.586)	—	(831.586)
Net cash outflow from financing activities	6	229.614	—	229.614
Net Increase/(Decrease) in cash and cash equivalents		9.586	(33.046)	(23.460)
Cash and cash equivalents as at the beginning of the year	10	12.773	(6.429)	6.344
Bank Balances not considered as Cash and Cash equivalents	10	(220.543)	220.543	—
Pursuant to Scheme of Amalgamation	10	256.674	—	256.674
Cash and cash equivalents as at the end of the year	10	58.490	181.068	239.558

vii) Notes to the reconciliation

1. Financial Assets at Amortised cost

Under previous GAAP, the security deposits (received and paid) were carried at nominal value. Ind AS requires these liabilities / assets to be measured at fair value and subsequently these liabilities / assets are measured at amortized cost. At the initial recognition, the Group has recognised the difference between deposit fair value and nominal value as, unearned rental income in case of rental advance received and prepaid rental expenses in case of rental advance paid, and same is being recognised as rental income / rental expenses on straight line basis over the lease period. Further, Group recognises notional interest expense / interest income on these deposits over the lease term.

2. Financial assets carried at fair value through profit and loss

Under previous GAAP, investments in Mutual funds were carried at cost or net realisable value, whichever was lower as per AS 13. Under Ind AS, such investments are carried at fair value through profit or loss.

3. Deferred tax:

Recognition of deferred tax on unused tax losses:

Under previous GAAP, deferred tax assets were not recognised due to lack of virtual certainty over the existence of future taxable profits against which the unused tax losses can be adjusted. Consequent to amalgamation, the Group expects that it is probable that taxable profit will be available against which the losses can be utilised. Hence, deferred tax assets have been recognised on unused tax losses of the amalgamated entity.

Recognition / Reversal of Deferred Tax on items meeting recognition

Under previous GAAP, no deferred tax was recognised on the enhanced value of Buildings on account of amalgamation as the same was treated to be as a permanent difference.However deferred tax has been recognised on the same as it meets the recognition criteria as per Ind AS.

4. Financial Guarantee Contracts

Under previous GAAP, financial guarantee contracts were disclosed under "Contingent liabilities". As per Ind AS, financial guarantee contracts are recognised initially as liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequenty, the liablity 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.

5. Government Grants:

As per Ind AS 20, Government grants related to depreciable assets are usually recognised in profit or loss over the periods and in the proportions in which depreciation expense on those assets is recognised. Grants received in relation to certain PPE were reduced from the carrying value of the PPE under previous GAAP. Consequent to the above Ind AS, such grants have been recognised as Deferred Income, with retrospective adjustment in the reserves and surplus.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

FIRST TIME ADOPTION OF IND AS (Contd.,)

6. **Land held under Finance Lease:**

The Group holds certain Land under long term lease arrangement. As per Ind AS 17, A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset and assets includes land. Based on conditions mentioned in Ind AS 17, the above arrangements were classified as a Finance lease transaction and necessary adjustments have been made retrospectively.

7. **Provision for loss allowance for Trade receivables:**

As per Ind AS 109, the Group is required to apply expected credit loss model for recognising the allowances for doubtful debts. The Group has re-estimated the provision for loss allowance for debtors using the expected credit loss model and has made adjustments in respect of the same.

8. **Other comprehensive income**

Under previous GAAP, there was no concept of 'Other Comprehensive income' (OCI). Under Ind AS, certain items of incomes and expenses needs to be recognised under the Other Comprehensive Income, such as remeasurement gains / losses of defined employee benefits, fair valuation gains /losses of financial assets designated through OCI, etc. A reconciliation of the profit/loss as per previous GAAP to profit/loss as per Ind AS has been presented.

9. **Tax impact on adjustments**

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

10. **Reclassifications under Ind AS**

Assets and Liabilities have been regrouped/reclassified where ever required to conform to the requirements of Ind ASs.

2.50. EMPLOYEE BENEFITS :

In respect of Holding Company :

Defined contribution plan

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

₹ Million

Particulars	2017 - 18	2016 - 17
Employer's Contribution to Provident Fund	**57.432**	62.311
Employer's Contribution to Superannuation Fund	**2.584**	3.089

₹ Million

Defined contribution plan contribution towards Key Mannagerial Personnel	**1.774**	1.613

Defined Benefit Plan

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

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

₹ Million

Particulars	Gratuity (Funded)	
	2017 - 18	**2016 - 17**
Defined Benefit Obligation at beginning of the year	**310.701**	293.979
Current Service Cost	**18.125**	18.262
Interest Cost	**21.270**	20.054
Remeasurements		
Effect of changes in demographic assumptions	—	—
Effect of changes in financial assumptions	**(10.799)**	7.638
Effect of experience adjustments	**(16.077)**	11.484
Benefits Paid	**(24.773)**	(34.008)
Transfer of obligation due to Transfer of Employees to Group Entities	—	(6.708)
Defined Benefit Obligation at year end	**298.447**	310.701
- Non-Current	**274.702**	295.697
- Current	**23.745**	15.004

ii) Reconciliation of opening and closing balances of fair value of Plan Assets

₹ Million

Particulars	Gratuity (Funded)	
	2017 - 18	2016 - 17
Fair value of Plan Assets at beginning of year	**274.313**	172.407
Interest Income	**20.726**	16.076
Remeasurements:		
Return on plan assets (excluding interest income)	**(2.311)**	1.862
Employer Contribution	**39.100**	124.684
Benefits Paid	**(24.773)**	(34.008)
Transfer of obligation due to Transfer of Employees to Group Entities	**—**	(6.708)
Fair value of Plan Assets at year end	**307.055**	274.313

iii) Reconciliation of fair value of Assets and Obligations

₹ Million

Particulars	Gratuity (Funded)	
	2017 - 18	2016 - 17
Fair value of Plan Assets	**307.055**	274.313
Present value of Obligation	**298.447**	310.701
Amount recognised in Balance Sheet Surplus / (Deficit)	**8.608**	(36.388)
- Non-Current	**32.353**	(21.384)
- Current	**(23.745)**	(15.004)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

iv) Expenses recognised during the year ₹ Million

Particulars	Gratuity (Funded)	
	2017 - 18	2016 - 17
In Income Statement		
Current Service Cost	**18.125**	18.262
Interest Cost	**21.270**	20.054
Return on Plan Assets	**20.726**	16.076
Net (Income) / Expense For the period Recognised in Statement of Profit and Loss	**18.669**	22.240
In Other Comprehensive Income		
Remeasurement of net defined benefit liability		
Effect of changes in demographic assumptions	**—**	—
Effect of changes in financial assumptions	**(10.799)**	7.638
Effect of experience adjustments	**(16.077)**	11.484
(Return) on plan assets (excluding interest income)	**2.311**	(1.862)
Changes in asset ceiling (excluding interest income)	**—**	—
Net (Income) / Expense For the period Recognised in OCI	**(24.565)**	17.260

v) Actuarial assumptions

Particulars	As at 31-3-2018		As at 31-3-2017	
	₹ in Million	**% invested**	₹ in Million	% invested
GOI Securities	**74.584**	**24.29**	57.112	20.82
State Government Securities	**173.762**	**56.59**	124.428	45.36
NCD / Bonds	**42.189**	**13.74**	75.436	27.50
Others (including bank balances)	**16.520**	**5.38**	17.337	6.32
Total	**307.055**	**100.00**	274.313	100.00

vi) Actuarial assumptions

Particulars	Gratuity (Funded)	
	2017 - 18	2016 - 17
Discount Rate (per annum)	**7.57%**	7.13%
Rate of escalation in Salary (per annum)	**Uniform 10.0%**	Uniform 10.0%
Attrition Rate	**Uniform 4.0%**	Uniform 4.0%
Retirement Age	**58**	58
Pre-retirement mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate
Disability	**Nil**	Nil

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

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

₹ Million

Particulars	Amount
a) Expected contribution to the fund during the year ending March 31, 2019	18.626
b) Estimated benefit payments from the fund for the year ending March 31:	
Year 1	23.745
Year 2	18.127
Year 3	22.850
Year 4	22.313
Year 5	24.733
Next 5 years	122.991
Total	**234.759**

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:

₹ Million

Particulars	**As at 31-3-2018**	As at 31-3-2017
Discount rate +100 basis points	**276.013**	286.825
Discount rate -100 basis points	**324.011**	338.025
Salary Increase Rate +1%	**321.709**	335.524
Salary Increase Rate -1%	**277.553**	288.484
Attrition Rate +1%	**295.116**	306.464
Attrition Rate -1%	**302.119**	315.387

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

EMPLOYEE BENEFITS (Contd.,)

In respect of Subsidiary : ₹ Million

Particulars	As at 31-3-2018	As at 31-3-2017
Funded Status :		
Present Value of Net Obligation	**17.174**	25.368
Movement in the liability recognised in the statement of profit and Loss :		
Obligation at beginning period	**24.691**	24.053
On account of addition of subsidiary	**1.816**	—
Expense recognised during the year	**(0.091)**	6.170
Actual benefit payment	**(8.643)**	(1.289)
Amount recognised in Other Comprehensive Income ("OCI")	**(0.599)**	(3.566)
	17.174	25.368
Details of Post Employment benefit expenses recognised in the Statement of comprehensive income :		
Current Service Cost	**2.328**	4.297
Interest Cost	**1.630**	1.873
Past Service Cost and (Gain) or Loss on Settlements	**(4.049)**	—
	(0.091)	6.170
Actuarial Assumptions :		
Discount Rate	**7.25%**	8.00%
Annual Salary increase Rate	**10.00%**	10.00%
Retirement age (year)	**55**	55
Disability Rate	**10.00%**	10.00%

viii) Sensitivity Analysis

Discount rate +100 basis points	**13.384**	22.370
Discount rate -100 basis points	**16.960**	28.967
Salary Increase Rate +1%	**16.880**	21.058
Salary Increase Rate -1%	**13.415**	2.409

2.51. PROVISIONS AS ON THE CLOSING DATE :

₹ Million

Particulars	Long Term Provisions				Short Term Provisions	Total Provisions
	Excise Demands	Potential Statutory Liabilities	Labour related Claims	Total	Labour Settlement	
Balance as on 1-4-2016	—	0.388	—	0.388	—	**0.388**
Add : Addition / Adjustment on Amalgamation	69.158	56.794	30.619	156.571	27.502	**184.073**
Less : Utilised / Reversed	—	2.346	—	2.346	1.330	**3.676**
Balance as on 31-3-2017	69.158	54.836	30.619	154.613	26.172	**180.785**
Add : Addition	—	3.016	27.620	30.636	—	**30.636**
Less : Utilised / Reversed	—	14.707	—	14.707	—	**14.707**
Balance as on 31-3-2018	**69.158**	**43.145**	**58.239**	**170.542**	**26.172**	**196.714**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.52. NOTES ON TAXATION:

a) Income tax expense for the year reconciled to the accounting profit: ₹ Million

	As at 31-3-2018	As at 31-3-2017
Profit before Tax	**(284.367)**	260.193
Enacted tax rate in India	**34.61%**	34.61%
Income tax expense	**(98.414)**	90.048
Tax Effect on the following:		
- Weighted Deductions u/s 35(2AB) & 32AC(1A)	**(20.435)**	(73.383)
- Expenses not deductible in determining taxable profits	**2.755**	9.250
- Non-recognition of brought forward capital tax losses	**(42.669)**	—
- Current year losses for which no deferred tax asset was recognised	**388.253**	150.746
- Differences in tax rates in foreign jurisdictions	**(35.340)**	(13.466)
- Other	**10.941**	4.923
Tax Expense for the year	**205.091**	168.118

b) Income tax recognised in other comprehensive income (₹ Million)

Deferred tax		
Remeasurement of defined benefit obligation - (Expense) / Income	**(8.653)**	5.973
Total income tax recognised in OCI	**(8.653)**	5.973

Statement of Changes in Deferred Tax Assets / Liabilities ₹ Million

Particulars	Deferred Tax Liabilities	Deferred Tax Assets			Others	Net Charge in P & L and OCI
	On Fixed Assets	On Dis-allowance under the Income Tax Act	Unused Tax Losses	On Other temporary differences		
At 1st April, 2016	—	—	—	—	—	
Pursuant to Amalgamation	460.257	39.146	191.000	9.212	—	
Recognised in Profit and Loss	219.727	6.514	5.938	(3.597)	(54.375)	156.497
Recognised in OCI	—	5.973	—	—	—	(5.973)
At 31st March 2017	679.984	51.633	196.938	5.615	—	
Recognised in Profit and Loss	33.451	56.322	(196.938)	5.821	(17.495)	**150.751**
Recognised in OCI	—	(8.653)	—	—	—	**8.653**
Others	—	—	—	—	—	
At 31st March 2018	**713.435**	**99.302**	**—**	**11.436**	**—**	

2.53. DISCLOSURE REQUIREMENTS UNDER IND AS 17 "LEASES" :

As Lessee:

Finance Lease Arrangements:

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

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

*The Group is in the process of disposing this Land. Refer to Note No. 2.16 on "Assets held for Sale".

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

DISCLOSURE REQUIREMENTS UNDER IND AS 17 "LEASES" (Contd.,)

The minimum lease payments and the present value of minimum lease payments as at 31st March, 2018 in respect of aforesaid plant and equipment acquired under the finance leases are as follows :

₹ Million

Particulars	As at 31-3-2018		As at 31-3-2017		As at 1-4-2016	
	Minimum Lease Payments	**Present value of minimum lease payments**	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Present value of minimum lease payments
Not Later than 1 year	**0.012**	**—**	0.124	—	—	—
Later than one year but not later than five years	**0.047**	**—**	0.496	—	—	—
Later than five years	**0.889**	**—**	9.417	—	—	—
Total	**0.948**	**—**	10.037	—	—	—
Less: future finance charges	**—**	**—**	—	—	—	—
Total	**0.948**	**—**	10.037	—	—	—

Operating Lease Arrangements

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

₹ Million

Particulars	2017 - 18	2016 - 17
Operating Lease Expenses Charged to Statement of Profit and Loss (net of adjustments made under Ind ASs)	**52.333**	35.951

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

Particulars	As at 31-3-2018	As at 31-3-2017	As at 1-4-2016
Not later than one year	**31.996**	38.477	—
Later than one year but not later than five years	**142.895**	137.759	—
Later than five years	**104.574**	150.729	—
Total	**279.465**	326.965	—

As Lessor:

Finance Lease Arrangements

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

Operating Lease Arrangements

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

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

₹ Million

Particulars	2017 - 18	2016 - 17
Rental Income (net of adjustments made under Ind ASs)	**13.569**	21.719

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.54. INTEREST IN OTHER ENTITIES :

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

S.No.	Name of the entity	Country of Incor-poration	As at 31-3-2018	As at 31-3-2017	As at 31-3-2016	Nature of Relationship	Method of Con-solidation	Principal Activities
1.	PT Pricol Surya Indonesia	Indonesia	**100%**	100%	—	Sudsidiary	Line by Line	Manufacture and sale of Automobile Accessories and Trading of Automobile Spares etc.,
2.	Pricol Asia Pte. Limited	Singapore	**100%**	100%	—	Sudsidiary	Line by Line	
3.	Pricol Espana S.L.	Spain	**100%**	100%	—	Sudsidiary	Line by Line	
4.	Pricol Wiping Systems India Limied	India	**100%**	—	—	Sudsidiary	Line by Line	
5.	Pricol do Brasil Componentes Automotivos Ltd A	Brazil	**100%**	100%	-	Sudsidiary of Pricol Espana	Line by Line	
6.	Pricol Wiping Systems Mexico S.A. de C.V.,	Mexico	**100%**	—	—	Sudsidiary of Pricol Espana	Line by Line	
7.	PT Sripri Wiring Systems	Indonesia	**100%**	—	—	Sudsidiary of PT Pricol Surya	Line by Line	
8.	PMP PAL International s.r.o, Czech Republic	Czech	**100%**	—	—	Sudsidiary of Pricol Wiping Systems Czech s.r.o.	Line by Line	
9.	Pricol Wiping Systems Czech s.r.o.	Czech	**100%**	—	—	Sudsidiary of Pricol Espana	Line by Line	
10.	Integral Investments Limited	Czech	**—**	100%	—	Sudsidiary (Upto 15th June 2016)	Line by Line	

2.55. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS :

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

S.No.	Name of the Entity	Net Assets		Share in total comprehensive income	
		As a % of consolidated net assets	Amount	As a % of consolidated profit or (loss)	Amount
	Parent				
1.	Pricol Limited	109.56 %	7,292.306	109.34 %	535.169
	Subsidiaries				
1.	PT Pricol Surya Indonesia	3.64 %	242.134	3.61 %	17.659
2.	PT Sripri Wiring Systems	(0.13) %	(8.366)	(1.53) %	(7.476)
3.	Pricol Asia Pte. Limited	0.55 %	36.670	13.08 %	63.997
4.	Pricol Espana S.L.	(17.96) %	(1,195.746)	(16.73) %	(81.861)
5.	Pricol do Brasil Componentes Automotivos LtdA	(4.05) %	(269.627)	(182.54) %	(893.410)
6.	Pricol Wiping Systems Mexico S.A. de C.V.,	1.82 %	121.400	(12.29) %	(60.174)
7.	PMP PAL International s.r.o. Czech Republic	3.01 %	200.606	(8.36) %	(40.914)
8.	Pricol Wiping Systems Czech s.r.o.	3.14 %	208.989	(0.21) %	(1.037)
9.	Pricol Wiping Systems India Limited	0.42 %	27.677	(4.37) %	(21.411)
	TOTAL	**100.00 %**	**6,656.043**	**(100.00) %**	**(489.458)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

Particulars	Foreign Currency	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
		Amount of Foreign Currency in Million			Equivalent Amount in ₹ Million		
Buyers Credit	USD	**4.311**	3.454	—	**278.133**	233.450	—

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

Particulars	Foreign Currency	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
		Amount of Foreign Currency in Million			Equivalent Amount in ₹ Million		
Trade Payables	CHF	**0.160**	—	0.022	**10.938**	—	1.515
	EUR	**4.811**	0.099	0.126	**387.866**	6.863	—
	SGD	**0.001**	—	—	**0.024**	—	—
	JPY	**161.057**	131.796	2.334	**99.114**	76.389	1.378
	GBP	**0.001**	—	0.005	**0.063**	—	—
	USD	**5.756**	246.556	130.919	**374.396**	48.910	44.082
Trade Receivables	EUR	**6.777**	510.100	80.622	**546.363**	28.096	—
	USD	**3.402**	11.116	65.784	**221.284**	151.408	2.996
	JPY	**0.046**	—	—	**0.028**	—	—
	GBP	**0.071**	0.006	0.187	**6.555**	0.483	—
Buyers Credit	USD	**1.466**	—	0.248	**95.375**	—	16.457

2.57. The Board of Directors of the Company have recommended a final dividend of ₹ 1/- per share, (100% on the face value of ₹ 1/-) aggregating to ₹ 94.797 Million, on the equity shares of the company, for the year ended 31st March, 2018, which is subject to the approval of the shareholders at the Annual General Meeting.

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

2.59. All figures are in Million unless otherwise stated.

2.60. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE :

No adjusting or significant non-adjusting events have occurred between 31 March 2018 and the date of authorisation of these standalone financial statements.

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

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

a) **Partnership firms under common control :**

Bhavani Global Enterprises, Ellargi & Co, Libra Industries, Ramani & Shankar, Pricol Gourmet and Retreats (Formerly, V.M.Hospitality)

b) **Private Companies :**

Bull Machines Private Limited, C.R.I. Pumps Private Limited

c) **Public Companies:**

Pricol Holdings Limited, PPL Enterprises Limited, Pricol Travel Limited, Pricol Properties Limited Pricol Engineering Industries Limited , Pricol Corporate Services Limited, Target Manpower Services Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

d) **Trusts under common control :**

N D Foundation, Siruthuli.

e) **Key Management Personnel :**

Mr. Vijay Mohan - (Non Executive Director) - upto 11th November 2017, Mrs. Vanitha Mohan - (Chairman-Executive Director), Mr. Vikram Mohan - (Managing Director - Executive Director), Mr. R. Vidhya Shankar - (Non Executive Director), Mr. Suresh Jagannathan - (Non Executive Director), Mr. G. Soundararajan - (Non Executive Director), Mr. C. R. Swaminathan - (Non Executive Director) - upto 28th February 2018, Mr. K. Murali Mohan - (Non Executive Director) - upto 31st March 2018, Mrs. Sriya Chari - (Non Executive Director), Mr. G. Sundararaman - (President).

ii) **Related party transactions :** ₹ Million

Nature of Transaction	Key Management Personnel and their Relatives		Others	
	2017-18	2016-17	**2017-18**	2016-17
Transactions during the year :				
Purchase / Labour Charges	—	—	**292.179**	250.456
Sales / Job Work Charges	—	—	**24.037**	5.350
Receiving of Services / Reimbursement of Expenses Paid	**52.037**	60.753	**704.917**	732.771
Rendering of Services / Reimbursement of Expenses Received	—	—	**22.256**	24.689
Donation / CSR Expenses			**4.300**	3.500
Loans and Advances :				
a. Loans and advances given	—	—	—	3.395
b. Loans and advances repaid	—	—	—	0.685

iii) **Amount outstanding as at the balance sheet date :** ₹ Million

Nature of Transaction	Key Management Personnel and their Relatives			Others		
	As on 31-3-2018	As on 31-3-2017	As on 1-4-2016	**As on 31-3-2018**	As on 31-3-2017	As on 1-4-2016
Trade Receivables and Other Receivables	—	—	—	**78.036**	74.761	—
Trade Payables and Other Payables	**12.553**	25.954	—	**104.755**	98.167	—

As per our report of even date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W/W100048
Kaushik Sidartha
Partner
Membership No. 217964
Coimbatore, 30th May 2018

For and on behalf of the Board

Vanitha Mohan
Chairman
(DIN : 00002168)

Vikram Mohan
Managing Director
(DIN : 00089968)

J. Sridhar
Director Finance
(ACMA No. : A6533)

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

Statement Containing Salient Features of The Financial Statement of Subsidiaries / Associate Companies / Joint Ventures

₹ Million

Part - "A" - Subsidiaries

Particulars	PT Pricol Surya Indonesia	PT Sriрi Wiring Systems Indonesia	Pricol Asia Pte Limited, Singapore	Pricol Espana S.L. Spain	Pricol Do Brasil Componentes Automotivos Ltda Brasil (Susbidiary of Pricol Espana)	Pricol Wiping Systems Czech s.r.o, Czech Republic Pricol Espana)	PMP PAL International Republic (Subsidiary of Pricol Wiping Systems czech s.r.o)	Pricol Wiping Systems Mexico S.A. de C.V Mexico (Subsidiary of Pricol Espana)	Pricol Wiping Systems India Limited
Reporting Period	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Sep - Mar	Sep - Mar	Apr - Mar	Jul - Mar
Reporting Currency	Indonesian Rupiah (IDR)	Indonesian Rupiah (IDR)	US Dollar (USD)	Euro	Brazilian Reals (BRL)	Czech Koruna (CZK)	Czech Koruna (CZK)	Mexican Peso (MXN)	Indian Rupee (INR)
Exchange Rate for 1 reporting currency as on 31st March 2018 (INR)	0.00474	0.00474	65.051	80.154	19.707	3.162	3.162	3.581	N.A.
Share Capital	423.608	16.670	16.263	828.804	2,338.255	0.032	158.736	266.196	10.000
Reserves and Surplus	(185.446)	(79.126)	143.359	(100.480)	(2,991.708)	501.396	41.869	(187.424)	17.054
Total Assets	507.111	58.412	568.710	2,399.347	1,339.422	842.416	1,862.265	177.330	270.809
Total Liabilities	507.111	507.111	568.710	2,399.347	1,339.422	842.416	1,862.265	177.330	270.809
Investments	0.524	–	–	2,150.651	–	698.444	–	–	–
Turnover	404.437	17.456	1,910.667	5.473	1,278.146	–	1,965.709	88.780	223.831
Profit / (Loss) before Tax	26.919	(6.989)	63.970	(84.513)	(911.198)	(1.038)	(47.413)	(56.523)	(21.411)
Provision for Taxation	8.546	0.409	9.237	–	2.894	–	-	2.945	–
Profit / (Loss) after Tax	18.373	(7.398)	54.733	(84.513)	(914.092)	(1.038)	(47.413)	(59.468)	(21.411)
Proposed Dividend	–	–	–	–	–	–	–	–	–
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%

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)

J. Sridhar
Director Finance
(ACMA No. : A6533)

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

Coimbatore
30th May 2018

Notes

PASSIONATE
SUSTAINABLE
DYNAMIC
EVOLVING

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