

**Annual Report 2019-20**

**PRICOL WIPING SYSTEMS INDIA LIMITED**

<b>Directors</b>	Mr.J.Sridhar (DIN : 02715298) Mr.S.A.Gopalakrishnan (DIN : 03594629) Mr.P.M.Ganesh* (DIN : 08571325) Mr.V.Balaji Chinappan** (DIN : 08014402) * appointed with effect from 19 <sup>th</sup> February 2020 ** resigned with effect from 19 <sup>th</sup> February 2020
<b>Company Secretary</b>	Mr.T.G.Thamizhanban (FCS : 7897)
<b>Auditors</b>	M/s.VKS Aiyer & Co, Chartered Accountants, (FRN : 000066S) No.380, VGR Puram, Off Alagesan Road Saibaba Colony, Coimbatore – 641011
<b>Bankers</b>	ICICI Bank Limited
<b>Registered Office</b>	109, Race Course Coimbatore – 641018 <b>CIN : U35999TZ2017PLC029193</b> Ph: 91 422 4336000 Fax: 91 0422 4336299 e-mail : cs@pricol.co.in
<b>Plant</b>	K-7, Addl. MIDC Industrial Area Satara 415 004 Maharashtra, India Ph: 91 2162 240414 e-mail : Info@pricol.co.in Web : pricol.com

**PRICOL WIPING SYSTEMS INDIA LIMITED**

CIN : U35999TZ2017PLC029193

109, Race Course, Coimbatore 641 018

Ph: 91 422 4336000 Fax: 91 0422 4336299 e-mail : cs@pricol.co.in

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Third Annual General Meeting of the Shareholders of the Company will be held on Tuesday, 18<sup>th</sup> August 2020, at 2.00 p.m. at 109, Race Course, Coimbatore 641 018, Tamil Nadu, India, to transact the following business:

**ORDINARY BUSINESS**

1. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED that the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2020, together with the Directors' Report and the Auditors' Report thereon as presented to the meeting, be and are hereby approved and adopted."

2. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED that Mr.S.A.Gopalakrishnan (DIN : 03594629), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

By Order of the Board



**T.G.THAMIZHANBAN**

Company Secretary

FCS No: 7897

Coimbatore  
23<sup>rd</sup> July 2020

**NOTES:**

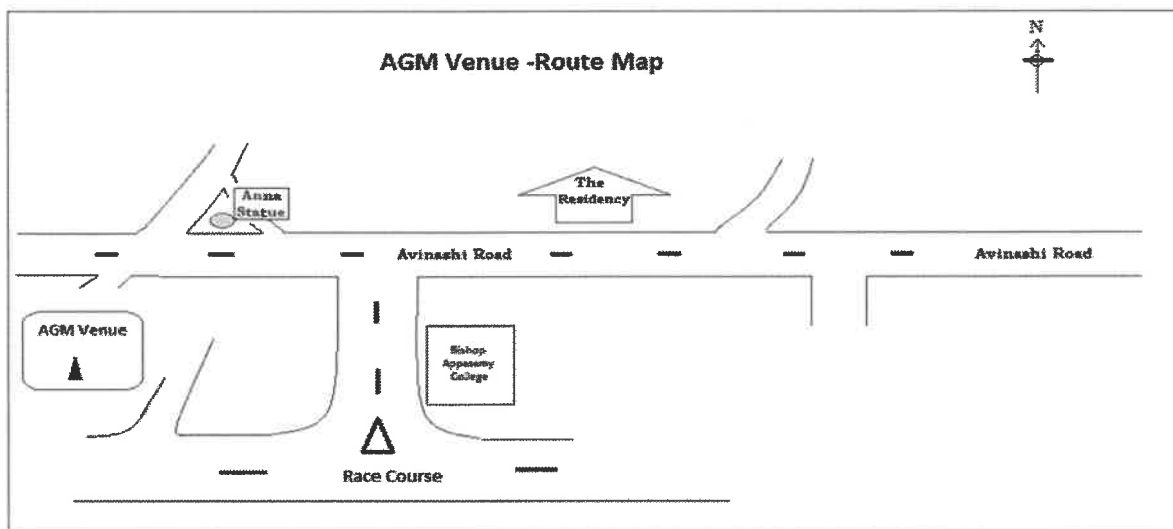
1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf and such a proxy need not be a member of the company.

A person can act as proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

2. The instrument of Proxy in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty-eight hours before the commencement of the Meeting.
3. A body corporate being a member shall be deemed to be personally present at the meeting if represented in accordance with the provisions of Section 113 of the

Companies Act, 2013. The representative so appointed, shall have the right to appoint a proxy.

- 4. A statement of material facts with respect to the special business, if any to be transacted at the meeting, as required under Section 102(1) of the Companies Act, 2013, is annexed hereto.



## PRICOL WIPING SYSTEMS INDIA LIMITED

## DIRECTORS REPORT

Your Directors take pleasure in presenting the Third Annual Report and Audited Accounts for the year ended 31<sup>st</sup> March 2020.

**WORKING RESULTS**

The working results of the Company are summarized as detailed below:

Particulars	₹ In Lakhs	
	2019-20	2018-19
Revenue from Operations	<b>2851.33</b>	3142.69
<b>Profit / (Loss) Before Interest, Depreciation &amp; Other Income</b>	<b>(79.63)</b>	(344.29)
Less : Finance Costs	<b>70.07</b>	87.63
: Depreciation and Amortisation Expense	<b>176.43</b>	145.13
Add: Other Income	<b>1.15</b>	23.73
<b>Profit / (Loss) Before Tax</b>	<b>(324.98)</b>	(553.32)
Less : Tax expenses	-	-
<b>Profit / (Loss) for the year</b>	<b>(324.98)</b>	(553.32)
Add : Other Comprehensive Income	<b>(1.25)</b>	(1.15)
Income tax relating to these items	-	-
<b>Other Comprehensive Income for the year after tax</b>	<b>(1.25)</b>	(1.15)
<b>Total Comprehensive Income for the year</b>	<b>(323.73)</b>	(554.47)

**TRANSFER TO RESERVES**

The Company has not transferred any amount to its reserves during the period under review.

**DIVIDEND**

No dividend has been recommended for the financial period ended 31<sup>st</sup> March, 2020.

**REVIEW OF OPERATIONS & OUTLOOK:**

In the fiscal year 2019-20, the company's turnover decreased to Rs.2851.33 lakhs from Rs.3142.69 lakhs. The Company incurred losses to the extent of Rs. 323.73 lakhs as against loss of Rs.554.47 lakhs in 2018-19.

Revenue for the year 2019-20 dropped by 9.27% when compared to the previous year, Automotive industry slowdown followed by Covid 19 pandemic outbreak in March 2020 have resulted in the reduction. However, the Company was able to reduce the losses by operational efficiency and cost reduction measures.

Revenue for the year 2020-21 is likely to be in the same level as 2019-20 due to Covid 19 pandemic outbreak, lock down imposed by the Government and overall business slow down due to the same. The Company has won many new projects from major OEMS in India and Europe region which are expected to commence in the year 2021-22, resulting in a considerable increase in the revenue of the company.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

During the year under review, the company has no material changes and commitments and also the company has not undergone any changes in external and internal environment including technical, legal and financial, strikes, lockouts and breakdowns affecting the business of the company other than the impact of Covid 19.

**SHARE CAPITAL AND DEBT STRUCTURE**

During the year 2019-20, the Authorised Share Capital of the Company was increased from Rs.7,00,00,000 to Rs.11,00,00,000 by the creation of 4,00,00,000 Equity Shares of Re.1/- each.

On 1st April 2019, the paid up share capital of the Company was Rs.7,00,00,000/-. On 27th April 2019 the company has allotted 1,00,00,000 equity shares and on 14th February 2020 the Company has allotted 50,00,000 equity shares on Right basis to Pricol Limited. As on 31<sup>st</sup> March 2020, the paid up capital of the Company is Rs.8,50,00,000/-. Further as on 31st March 2020 Pricol Limited has given Rs.1,75,00,000/- as a loan with an option to be converted as Equity.

The Company has not issued Equity Shares with differential rights, Sweat Equity Shares, Employee Stock Option, Debentures, Bonds or non-convertible securities, Warrants during the year under review.

No shares held in trust for the benefit of the employees where the voting rights are not exercised directly by the employees.

**DEMATERIALIZATION OF SHARES**

The Company has obtained ISIN (INE02RU01017) for its equity shares and issue / transfer / transmission of securities shall be in dematerialized form. All the shares are held in dematerialized form.

**CREDIT RATING OF SECURITIES**

The Company has not obtained any credit rating, since the company has not accepted any deposit from the public.

**INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

Since the Company has not declared any dividend so far, there is no unpaid dividend with the Company for transfer to the fund.

**MANAGEMENT****DIRECTORS & KEY MANAGERIAL PERSONNEL**

Mr.P.M.Ganesh, (DIN: 08571325), 51 years of age, holding a Bachelor's degree in Engineering and Master's Degree in Business Administration is appointed as Additional Director of the Company by the Board of Directors at their Meeting held on 25th January 2020. The Shareholders have given their approval for the appointment Mr.P.M.Ganesh as Director at the Extra ordinary General Meeting held on 19th February 2020.

Mr.V.Balaji Chinnappan (DIN : 08014402) Director of the Company, resigned from his Directorship with effect from 19<sup>th</sup> February 2020.

Pursuant to section 152 of the Companies Act, 2013 and in accordance with the Articles of association of the Company, Mr.S.A.Gopalakrishnan (DIN : 03594629) Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends his reappointment.

Mr.T.G.Thamizhanban, acts as the Company Secretary of the Company.

### **INDEPENDENT DIRECTORS & DECLARATION BY INDEPENDENT DIRECTORS**

The Company does not fall within the ambit of Section 149 of the Companies Act, 2013

### **BOARD AND COMMITTEE MEETINGS**

The Board of Directors of the Company had met 11 times during the year, on 11<sup>th</sup> April, 2019, 27<sup>th</sup> April 2019, 30<sup>th</sup> May 2019, 4<sup>th</sup> July 2019, 3<sup>rd</sup> September 2019, 18<sup>th</sup> October 2019, 18<sup>th</sup> November 2019, 20<sup>th</sup> December 2019, 25<sup>th</sup> January 2020, 14<sup>th</sup> February 2020 and 19<sup>th</sup> February 2020

The Board constitutes the following Directors:

<b>Name of the Director</b>	<b>Category</b>	<b>Attendance</b>
Mr.J.Sridhar	Non executive –Non independent Director	11
Mr.S.A.Gopalakrishnan	Non executive –Non independent Director	11
Mr.P.M.Ganesh*	Non executive –Non independent Director	1
Mr.V.Balaji Chinnappan**	Non executive –Non independent Director	9

\*Mr.P.M.Ganesh was appointed as Director wef 19<sup>th</sup> February, 2020

\*\*Mr.V.Balaji Chinnappan resigned his Directorship wef 19<sup>th</sup> February 2020.

### **COMMITTEES**

The Company has not constituted any committee during the year under review.

### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013 and BOARD EVALUATION**

The disclosure under Section 178 of the Companies Act, 2013 is not applicable to the Company.

### **DISCLOSURE OF REMUNERATION OF DIRECTORS AND EMPLOYEES**

#### **PARTICULARS OF EMPLOYEES**

Since the Company is an Unlisted Company, provisions of Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, does not apply to the Company.

The disclosure referred to the Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 does not apply to the Company as there were no employees who are in receipt of remuneration in the aggregate at the rate of not less than

Rs.102,00,000/- if employed throughout the year or Rs.8,50,000/- per month if employed for part of the year.

**REMUNERATION RECEIVED BY MANAGING DIRECTOR / WHOLE-TIME DIRECTOR FROM HOLDING / SUBSIDIARY COMPANY**

The Company has not appointed Managing Director / Whole-time Director pursuant to section 196 of the Companies Act, 2013 and hence receiving remuneration from holding / subsidiary company pursuant to section 197 of the Companies Act, 2013 does not arise.

**DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 134(3)(c) of the Companies Act, 2013, the Directors hereby confirm that:

- a) in the preparation of annual accounts for the financial year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 31<sup>st</sup> March, 2020 on a going concern basis and;
- e) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company had laid down internal financial controls and that such internal financial controls are adequate and were operating effectively.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT.**

There have been no frauds reported by the auditors pursuant to Section 143(12) of the Companies Act 2013.

**DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company has no subsidiary, associate and joint venture.



**DEPOSITS**

The Company has not accepted any Deposits from the public during the year and there is no unpaid or unclaimed deposits as at 31<sup>st</sup> March, 2020.

**PARTICULARS ON LOANS, GUARANTEES OR INVESTMENTS**

The Company has not given / made any Loans, Guarantees and Investments under Section 186 of the Companies Act, 2013 during the year.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

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 business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

Also, there were no materially significant related party transactions during the year under review made by the Company with promoters, directors, key managerial personnel or other designated persons which may have potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required. However, the disclosure of transactions with related party for the year, as per Accounting Standard-24-Related Party Disclosures is given in Note to Balance Sheet as on 31st March, 2020.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The disclosure under Section 135 of the Companies Act, 2013 is not applicable to the Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO****a) CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION**

The Company is not a power intensive industry. However, the Company continue its efforts to improve the methods of energy conservation and utilization. The Company has no activities relating to technology absorption.

**b) FOREIGN EXCHANGE EARNINGS & OUTGO**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Foreign Currency outgo for import during the year ended 31st March, 2020 was Rs.360.82 Lakhs (Previous Year- Rs 429.39 Lakhs.)

Foreign Currency earnings during the year ended 31st March, 2020 was Rs 25 Lacs. (Previous Year- Rs.NIL)

**RISK MANAGEMENT**

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

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM**

The Company has not developed and implemented any Vigil Mechanism as the said provisions are not applicable to the Company.

**MATERIAL ORDERS OF JUDICIAL BODIES / REGULATORS**

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.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**AUDITORS**

M/s.VKS Aiyer & Co., Chartered Accountants, Coimbatore (Firm Registration No.000066S), the Statutory Auditors of the Company, have been appointed for a term of 5 years from 2018-19 to 2022-23. The auditors had confirmed that their firm satisfies the criteria provided under section 141 of the Companies Act, 2013.

**AUDITORS' REPORT**

- a) There is a qualification / reservation / adverse remark / disclaimer made by M/s.VKS Aiyer & Co., Chartered Accountants, Coimbatore (Firm Registration No.000066S) in the Statutory Auditor's Report. Detail of departure from Accounting Standard 2 "Valuation of Inventories" & the response of the Board is given below under the heading "Qualification in Auditor's Report".
- b) The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**Qualification in Auditor's Report**

The auditors have drawn attention on the carrying value of Finished Goods (FG) and Work-in-Progress (WIP) inventories as at March 31, 2020 as detailed in the Basis of Qualification section in their Report read with the Qualification section of ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT.

**Response of the Board :**

The company had undertaken necessary steps to collate essential data for updating the cost records, which was under progress. However, due the severe spread of Covid19 pandemic in the month of February and March 20 and corresponding lock down situation, the implementation team could not travel and implement the same.

**SECRETARIAL AUDIT REPORT**

Since the Company is an unlisted company and the paid-up capital and turnover of the Company is below the limit prescribed, Secretarial Audit Report pursuant to Section 204 of the Companies Act, 2013 is not applicable to the Company.

**SECRETARIAL STANDARDS**

The Company had complied with the applicable Secretarial Standards.

**ANNUAL RETURN**

The extract of Annual Return in the prescribed Form No.MGT-9 pursuant to Section 92(3) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure-A** to this Report.

**DISCLOSURES PERTAINING TO SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (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 Work Place (Prevention, Prohibition and 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 2019-20.


**ACKNOWLEDGEMENT:**

The directors wish to thank customers, vendors, banks / financial institutions and Pricol Limited for their continued support and co-operation during the year under review. They also wish to place on record their appreciation of the contribution made by the management team and the employees at all levels.

By order of the Board

Coimbatore  
23<sup>rd</sup> July 2020

  
S.A.Gopalakrishnan  
Director  
(DIN : 03594629)

  
J.Sridhar  
Director  
(DIN: 02715298)

**"ANNEXURE A" TO DIRECTORS REPORT FOR THE YEAR 2019-20**

**FORM No.MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the period ended 31<sup>st</sup> March 2020**

[Pursuant to section 92 (3) of the Companies Act ,2013 and rule12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

S.No.	Description	Particulars
i	CIN	<b>U35999TZ2017PLC029193</b>
ii	Registration Date	<b>11<sup>th</sup> July, 2017</b>
iii	Name of the Company	<b>Pricol Wiping Systems India Limited</b>
iv	Category / Sub-category of the company	Company Limited by Shares / Non-Government Company
v	Address of the Registered Office and contact details	109, Race Course Coimbatore 641 018
vi	Whether listed company	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Integrated Registry Management Services Private Limited., 2 <sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street North Usman Road, T.Nagar, Chennai 600017 Phone : 044 28140801 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 shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of parts and accessories for motor vehicles	2930	<b>100%</b>

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-**

S. No	Name and address of the company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	PRICOL LIMITED 109, Race Course Coimbatore 641 018	L34200TZ2011PLC022194	HOLDING	100%	2(46)



in excess of Rs 1 lakh									
c) Others (specify)									
c-i) Non Resident Indians	--	--	--	--	--	--	--	--	--
c-ii) Trust	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2):-</b>	<b>2</b>	--	<b>2</b>	--	<b>2</b>	--	<b>2</b>	--	--
Total Public Shareholding (B)=(B)(1)+(B)(2)	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
<b>Grand Total(A+B+C)</b>	<b>7,00,00,000</b>	--	<b>7,00,00,000</b>	<b>100%</b>	<b>8,50,00,000</b>	--	<b>8,50,00,000</b>	<b>100%</b>	--

**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr.Vijay Mohan	1	--	--	1	--	--	--
2	Mrs.Vanitha Mohan	1	--	--	1	--	--	--
3.	Mr.Vikram Mohan	1	--	--	1	--	--	--
4.	Mrs.Lakshmi N. Mohan	1	--	--	1	--	--	--
5.	M/s.Pricol Limited	69,999,994	100.00	--	84,999,994	100.00	--	--
	Total	69,999,998	100.00	--	84,999,998	100.00	--	--

**iii) Change in Promoters' Shareholding:**

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	M/s.Pricol Limited	6,99,99,994	100.00	--	8,49,99,994	100.00	--	--

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

SI. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr.T.G.Thamizhanban	1	---	---	---

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr.J.Sridhar - Non-Executive Director</b> At the beginning of the year(as on 01-APR-2019) Allotment / transfer / bonus / sweat equity etc. At the End of the year (as on 31-Mar-2020)	1 --	-- --	1	--
2	<b>Mr.S.A.Gopalakrishnan – Non-Executive Director</b> At the beginning of the year(as on 01-APR-2019) Allotment / transfer / bonus / sweat equity etc. At the end of the year (as on 31-Mar-2020)	--	--	--	--
3	<b>Mr.P.M.Ganesh – Non-Executive Director</b> At the beginning of the year(as on 19-Feb-2020) Allotment / transfer / bonus / sweat equity etc. At the end of the year (as on 31-Mar-2020)	-- --	-- --	--	--
4	<b>Mr.V.Balaji Chinnappan - Non-Executive Director</b> At the beginning of the year(as on 01-APR-2019) Allotment / transfer / bonus / sweat equity etc. At the End of the year (as on 19-Feb-2020)	-- --	-- --	--	--

**V.INDEBTEDNESS -**

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

In Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (1-Apr-2019)</b>		-	-	
i) Principal Amount	894.09	-	-	894.09
ii) Interest due but not paid		-	-	
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>		-	-	
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
• Addition	-	175.00	-	175.00
• Reduction	(386.64)	-	-	(386.64)
<b>Net Change</b>		-	-	
<b>Indebtedness at the end of the financial year (31-Mar-2020)</b>		-	-	
i) Principal Amount	507.45	175.00	-	682.45
ii) Interest due but not paid	-	4.48	-	4.48
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	507.45	179.48	-	686.93

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--
5.	Others, please specify	--	--	--
	<b>Total(A)</b>	--	--	--
	<b>Ceiling as per the Act</b>	--	--	--

## B. REMUNERATION TO OTHER DIRECTORS:

Particulars of Remuneration	Name of Directors		Total Amount ₹
<b>1. Independent Directors</b>			
Fee for attending board/committee meetings	--	--	--
Commission	--	--	--
Others, please specify	--	--	--
<b>Total (1)</b>	--	--	--
<b>2. Other Non-Executive Directors</b>			
Fee for attending board/committee meetings	--	--	--
Commission	--	--	--
Others, please specify	--	--	--
<b>Total (2)</b>	--	--	--
<b>Total Managerial Remuneration</b>	--		
<b>Over all Ceiling as per the Act</b>	Not exceeding Rs. 1 Lakh per meeting as per Sec 197(5) of the Companies Act 2013, read with Rule 4 of the Companies (Appointment and Remuneration) Rules 2014		



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


Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	
2.	Stock Option	-	
3.	Sweat Equity	-	
4.	Commission - as % of profit - others, specify...	-	
5.	Others, please specify	-	
	<b>Total</b>	-	

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

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

By order of the Board

Coimbatore  
23<sup>rd</sup> July 2020
  
 S.A. Gopalakrishnan  
 Director  
 (DIN : 03594629)

  
 J. Sridhar  
 Director  
 (DIN: 02715298)

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Pricol Wiping Systems India Limited**

**Report on the Audit of Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS Financial Statements of **Pricol Wiping Systems India Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cashflows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanation given to us, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the aforesaid Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS"), of the state of affairs of the Company as at March 31, 2020, its loss (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

**Basis for Qualified Opinion**

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

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



**Material uncertainty related to going concern**

We draw attention to Note.no 2.42 in the financial statements, which indicates that the Company has incurred a Net Loss (including Other Comprehensive Income) of ₹ 323.73 Lakhs during the year ended March 31, 2020, and as on that date, the Company's current liabilities exceeds its current assets by ₹ 1212.07 Lakhs. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Our report is not modified in this regard.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report, for example, Directors' Report including Annexures thereon but does not include the financial statements and our Auditor's report thereon. The other information is expected to be made available to us after the date of our audit report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Other information as stated above, which is expected to be received after the date of our audit report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under applicable laws and regulations. We have nothing to report in this regard.

**Responsibilities of Management for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the 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 that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



*VB*

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

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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



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

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

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

#### **Report 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 except for the matters described in the *Basis of Qualified Opinion* section of our report, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. Except for the effects / possible effects of the matters described in the *Basis of Qualified Opinion* section of our report, 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 and the Statement of Profit and Loss, and the Statement of Cash flows dealt with by this report are in agreement with the books of account;
  - d. Except for the effects / possible effects of the matters described in the *Basis of Qualified Opinion* section of our report, in our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with rules issued thereunder;





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- e. The matters described under the *Basis of Qualified Opinion* section of our report, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of section 164(2) of the Act;
- g. The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the *Basis of Qualified Opinion* section of our report;
- h. 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"
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year.

- j. 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 does not have any pending litigations and hence has not disclosed the impact of pending litigations on its financial position in its Ind AS Financial Statements;

(ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Kaushik Sidartha  
Partner  
Membership No. 217964



Place : Coimbatore  
Date : 23-07-2020  
UDIN : 20217964AAAACY6109

**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 Wiping Systems India Limited** on the Ind AS financial statements for the year ended 31-03-2020]

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) During the year, fixed assets have not been physically verified by the management. However, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) Inventories have been physically verified by the management during the year. 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, to the extent applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Company is not required to maintain cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act and rules framed there under.



(vii)

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

AND

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, customs duty, 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, there are no dues with respect to income tax, sales tax, service tax, value added tax, goods and service tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. There are no dues outstanding to financial institutions, Governments or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public issue offer /further public offer (including debt instruments). Money raised by way of term loans has been applied by the company for the purpose 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 explanation given to us, managerial remuneration has not been paid/provided to the directors during the year.
- (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.





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- (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 VKS Aiyer & Co,  
Chartered Accountants  
ICAI Firm Registration No.000066S

Kaushik Sidartha  
Partner  
Membership No. 217964



Place : Coimbatore  
Date : 23-07-2020  
UDIN : 20217964AAAACY6109

**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 Wiping Systems India Limited** on the financial statements for the year ended 31-03-2020]

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

We have audited the internal financial controls over financial reporting of **Pricol Wiping Systems India Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of 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.

**Qualified opinion**

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2020:

The Company's internal control system in respect of Inventory is inadequate with regard to (i) Periodic review of Bill of Materials as per ERP and actual material consumption (ii) Identification and allocation of actual cost to inventory (iii) Reviewing variances between standard and actual cost. These could potentially result in material misstatements in the Company's consumption and inventory balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.




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In our opinion, except for the effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 financial statements of the Company, and the material weakness has affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

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

  
Kaushik Sidartha  
Partner  
Membership No. 217964



Place : Coimbatore  
Date : 23-07-2020  
UDIN : 20217964AAAACY6109

## BALANCE SHEET AS AT 31ST MARCH 2020

Particulars	Note No.	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant and Equipment	2.1	823.51	1,757.83
(b) Right of Use	2.2	918.84	-
(c) Capital Work-in-progress	2.3	10.55	7.60
(d) Intangible assets	2.4	2.90	4.70
(e) Other Financial Assets	2.5	1.25	1.25
(f) Other Non-Current Assets	2.6	61.29	10.66
<b>Total Non-Current Assets</b>		<b>1,818.34</b>	<b>1,782.04</b>
<b>(2) Current Assets</b>			
(a) Inventories	2.7	271.13	359.10
(b) Financial Assets			
i) Trade Receivables	2.8	367.47	510.08
ii) Cash and Cash equivalents	2.9	4.18	25.70
(c) Other Current Assets	2.10	150.97	125.19
<b>Total Current Assets</b>		<b>793.75</b>	<b>1,020.07</b>
<b>TOTAL ASSETS</b>		<b>2,612.09</b>	<b>2,802.11</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	2.11	850.00	700.00
(b) Other Equity	2.12	(243.73)	83.38
<b>Total Equity</b>		<b>606.27</b>	<b>783.38</b>
<b>(2) Non-Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	2.13	-	257.50
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>257.50</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	2.14	424.95	293.26
ii) Trade Payables	2.15		
- Total Outstanding dues of Micro Enterprises and Small Enterprises		35.12	29.63
- Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,218.52	1,028.23
iii) Other Financial Liabilities	2.16	312.07	400.94
(b) Other Current Liabilities	2.17	15.16	8.83
(c) Provisions	2.18	-	0.34
<b>Total Current Liabilities</b>		<b>2,005.82</b>	<b>1,761.23</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,612.09</b>	<b>2,802.11</b>

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

As per our report of even date attached  
For VKS Aiyer & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 000066S

Kaushik Sidartha  
Partner  
Membership No. : 217964

Coimbatore, 23rd July 2020



J. Sridhar

J.Sridhar  
Director  
(DIN : 02715298)

S.A. Gopalakrishnan  
Director  
(DIN : 03594629)

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

**STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH 2020**

	Note No.	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs
<b>REVENUE</b>			
Revenue from Operations	2.19	2,851.33	3,142.69
Other Income	2.20	1.15	23.73
<b>Total Revenue</b>		<b>2,852.48</b>	<b>3,166.42</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	2.21	2,224.29	2,456.85
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	2.22	36.09	201.52
Employee Benefits Expense	2.23	430.16	519.89
Finance Costs	2.24	70.07	87.63
Depreciation and Amortisation Expense	2.25	176.43	145.13
Other Expenses	2.26	240.42	308.72
<b>Total Expenses</b>		<b>3,177.46</b>	<b>3,719.74</b>
<b>Profit / (Loss) before Exceptional Items and Tax</b>		<b>(324.98)</b>	<b>(553.32)</b>
<b>Add : Exceptional Items</b>		<b>-</b>	<b>-</b>
<b>Profit / (Loss) Before Tax</b>		<b>(324.98)</b>	<b>(553.32)</b>
Less : Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
<b>Profit / (Loss) for the year</b>	<b>(A)</b>	<b>(324.98)</b>	<b>(553.32)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss :</b>			
Remeasurement of post employment benefit obligations		1.25	(1.15)
Income tax relating to these items		-	-
<b>Other Comprehensive Income for the year after tax</b>	<b>(B)</b>	<b>1.25</b>	<b>(1.15)</b>
<b>Total Comprehensive Income for the year</b>	<b>(A) + (B)</b>	<b>(323.73)</b>	<b>(554.47)</b>
<b>Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees</b>	<b>2.27</b>		
Basic & Diluted		<b>(0.40)</b>	<b>(1.62)</b>

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

As per our report of even date attached  
For VKS Aiyer & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 000066S

Kaushik Sidartha  
Partner  
Membership No. : 217964

Coimbatore, 23rd July 2020



*J. Sridhar*  
J. Sridhar  
Director  
(DIN : 02715298)

*S.A. Gopalakrishnan*  
S.A. Gopalakrishnan  
Director  
(DIN : 03594629)

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



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020**

a) Equity Share Capital	₹ Lakhs
Balance as on 1st April 2018	100.00
Movement during the year 2018-19	600.00
<b>Balance as on 31st March 2019</b>	<b>700.00</b>
Movement during the year 2019-20	150.00
<b>Balance as on 31st March 2020</b>	<b>850.00</b>

b) Other Equity					₹ Lakhs
	Capital Reserve	Retained Earnings	Other Comprehensive Income	Others	Total
Balance as on 1st April 2018	827.33	(195.35)	2.49	3.38	637.85
- Loss for the year 2018-19	-	(553.32)	-	-	(553.32)
- Other Comprehensive Income, Net of Income Tax	-	-	(1.15)	-	(1.15)
Balance as on 31st March 2019	827.33	(748.67)	1.34	3.38	83.38
- Loss for the year 2019-20	-	(324.97)	-	-	(324.97)
- Other Comprehensive Income, Net of Income Tax	-	-	1.24	(3.38)	(2.14)
Balance as on 31st March 2020	827.33	(1,073.64)	2.58	-	(243.73)

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

As per our report of even date attached  
For VKS Aiyer & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 000066S

Kaushik Sidartha  
Partner  
Membership No. : 217964



Coimbatore, 23rd July 2020

*J. Sridhar*  
J.Sridhar  
Director  
(DIN : 02715298)

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

*S.A.Gopalakrishnan*  
S.A.Gopalakrishnan  
Director  
(DIN : 03594629)

## STATEMENT OF CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2020

₹ Lakhs

	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>A. Cash flow from operating activities :</b>		
Net Profit / (Loss) Before Tax	(324.98)	(553.32)
Adjustments for :		
Depreciation & Amortisation Expense	176.43	145.13
Bad Debts Written Off	17.04	-
Expected Credit Loss	-	(5.66)
Exchange Fluctuation (Gain) / Loss on Re-statement	9.91	(1.01)
Finance Costs	70.07	87.63
	273.45	226.09
Operating Profit before working capital changes	(51.53)	(327.23)
Adjustments for :-		
(Increase) / Decrease in Trade Receivables and Other Receivables	47.03	78.26
(Increase) / Decrease in Inventories	87.97	107.22
Increase / (Decrease) in Trade Payables and Other Payables	188.82	17.52
	323.82	203.00
Cash generated from Operations	272.29	(124.23)
Direct taxes	-	-
Net cash from operating activities	272.29	(124.23)
<b>B. Cash flow from investing activities :</b>		
Purchase of Fixed Assets	(162.10)	(97.65)
Net Cash (used in) / from investing activities	(162.10)	(97.65)
<b>C. Cash flow from financing activities :</b>		
Proceeds from issue of Share Capital	150.00	600.00
Loan from Holding Company	175.00	-
Increase / (Decrease) in Working Capital Borrowings	(43.31)	73.07
Increase / (Decrease) in Long Term Borrowings	(343.33)	(343.34)
Finance Costs paid	(70.07)	(89.63)
Net Cash (used in) / from financing activities	(131.71)	240.10
<b>D. Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	(21.52)	18.22
Cash and Bank Balances as at 1.4.2019 and 1.4.2018 (Opening Balance)	25.70	7.48
Cash and cash equivalents as at 31.3.2020 and 31.3.2019 (Closing Balance) (Refer to Note No. 2.9)	4.18	25.70

As per our report of even date attached  
For VKS Aiyer & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 000066S

Kaushik Sidartha  
Partner  
Membership No. : 217964

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

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### i. Corporate Information:

Pricol Wiping Systems Limited is a company incorporated on 11th July, 2017 and is engaged in the business of manufacturing and selling of Wiping Systems and other allied components to Original Equipment Manufacturers (OEM). The company is a wholly-owned subsidiary of Pricol Limited.

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

These financial statements ('financial statements') of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented. The financial statements for the year ended 31st March 2020 were authorised and approved for issue by the Board of Directors on 23<sup>rd</sup> July 2020.

#### iii. Basis of Preparation:

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

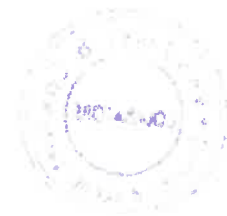
The financial statements have been prepared & presented on the historical convention and on accrual basis, except for the following material items in the Balance Sheet:

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

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

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

- 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 judgements and the use of assumptions in these financial statements have been disclosed separately under the heading "Significant accounting Judgements, estimates and assumptions".

#### v. Current versus non-current classification:

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

##### An asset is classified as current, when:

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

All other assets are classified as non-current.

##### A liability is classified as current, when :

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

The entity classifies all other liabilities as non-current. Current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### vi. Foreign currency transactions

##### Functional and presentation currency

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

##### a) Initial recognition

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

##### b) Conversion

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are



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

**vii. Revenue Recognition:**

**a) Sale of goods**

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

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

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

**b) Dividend**

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

**c) Interest Income**

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

**d) Claims**

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

**viii. Property, Plant and Equipment & Depreciation:**

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

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

Depreciation on 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 improvements which are amortised as depreciation over the lower of useful



life or lease period and Dies, Tools and Moulds which are depreciated over a period of 3 years.

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

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

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

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

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

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of 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, held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

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





**x. Intangible assets and amortisation :**

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

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

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

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

Class of Assets	Useful Lives
Specialised Software	4 Years
Fees for Technical Know-how	4 Years

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

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

**xii. Impairment of Non Financial assets:**

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

**xiii. Impairment of Financial assets:**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company 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.

**xiv. Fair value measurement:**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly



transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs

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

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

**xv. Financial instruments:**

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

**a. Financial assets:**

**Initial recognition and measurement:**

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

**Subsequent measurement:**

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

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



#### **Debt instruments at amortised cost:**

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

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

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

#### **Debt instruments at FVTOCI:**

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

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.
- Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the Other Comprehensive Income (OCI).

#### **Debt instruments at FVTPL:**

- FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.
- In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

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

- All equity investments within the scope of Ind AS 109, 'Financial Instruments', are measured at fair value either through statement of profit and loss or other comprehensive income. The Company makes an irrevocable election to present in OCI the subsequent changes in the fair value on an instrument-by-instrument basis. The classification is made on initial recognition.
- If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in the OCI. Any gains or losses on de-recognition is recognised in the OCI and are not recycled to the statement of profit or loss.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

#### **De-recognition of Financial Assets:**

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

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



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

#### **Investment in Subsidiaries, Associates and Joint ventures:**

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

#### **b. Financial Liabilities:**

##### **Initial recognition and measurement:**

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

##### **Subsequent measurement:**

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

- **Loans and borrowings:**

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

- **Trade and other payables:**

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

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

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

##### **De-recognition of Financial Liabilities:**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an 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 and loss.

#### **c. 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.

**xvi. Borrowing costs:**

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

**xvii. Cash and cash equivalents:**

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

**xviii. Employee benefits:**

**a. Short Term and other long term employee benefits :**

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

**b. Post-Employment Benefits:**

▪ **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.

▪ **Defined Benefit Plans:**

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

**xix. Provisions:**

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

**xx. Contingent liabilities:**

A contingent liability is a possible obligation that arises from past events whose existence will be



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

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

**xxi. Earnings per share:**

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

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

**xxii. Government Grants:**

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

**xxiii. Taxes on Income:**

Tax expense comprises of current and deferred tax.

**a. Current incometax:**

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

**b. Deferred tax:**

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

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

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

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

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



**c. Minimum Alternate Tax:**

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

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

**xxiv. Inventories:**

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

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

- i) **Raw Materials, Packing Materials & Stores and Spares:** Weighted average basis.
- ii) **Finished Goods and Work-In-Progress:** Cost of Direct Material, Labour & Other Manufacturing Overheads.

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

**xxv. Leases:**

**Adoption of new Standard IND AS 116 with effect from 1<sup>st</sup> April 2019**

**The Company as a lessee:**

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

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

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

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



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

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

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

**Upto 31.03.2019:**

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

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

**Transition:**

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

**The Company as a Lessor:**

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



**xxvi. Business combination:**

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

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

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

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

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

**xxvii. Exceptional Items:**

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

**xxviii. Financial guarantee contracts:**

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





contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Significant accounting Judgements, estimates and assumptions:**

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

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

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

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

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

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

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

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

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



**e) Defined benefit obligation:**

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

**f) Fair value measurements:**

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

**g) Allowances for uncollected accounts receivable and advances:**

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

impairment calculation are based on past history, existing market condition as well as forward looking estimates at the end of each reporting period.

**h) Leases**

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

**Recent accounting pronouncements on Standards Issued or modified:**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to existing standards. There is no such notification which would have been applicable from April 1, 2020.



**2.1. PROPERTY, PLANT AND EQUIPMENT (PPE)**

₹ Lakhs

Particulars	Leasehold Land	Buildings	Plant & Equipment	Furniture and Fixtures	Office Equipments	Computer Equipments	Total
<b>Cost</b>							
As at 1st April, 2018	836.13	244.26	772.47	4.71	9.16	25.57	1,892.30
Additions during 2018-19	-	-	138.99	0.08	0.29	1.64	141.00
Sales / Deletions during 2018-19	-	-	59.97	-	-	-	59.97
<b>As at 31st March, 2019</b>	<b>836.13</b>	<b>244.26</b>	<b>851.49</b>	<b>4.79</b>	<b>9.45</b>	<b>27.21</b>	<b>1,973.33</b>
Additions during 2019-20	-	-	40.75	-	-	-	40.75
Sales / Deletions during 2019-20	-	-	-	-	-	-	-
Reclassified to Right to Use (Refer to Note No. 2.2)	836.13	-	-	-	-	-	836.13
<b>As at 31st March, 2020</b>	<b>-</b>	<b>244.26</b>	<b>892.24</b>	<b>4.79</b>	<b>9.45</b>	<b>27.21</b>	<b>1,177.95</b>

**Accumulated Depreciation**

As at 1st April, 2018	8.11	4.82	62.72	0.26	1.03	4.25	81.19
Depreciation for the year 2018-19	13.71	8.15	112.04	0.45	1.75	7.23	143.33
Withdrawn during the year 2018-19	-	-	9.02	-	-	-	9.02
<b>As at 31st March, 2019</b>	<b>21.82</b>	<b>12.97</b>	<b>165.74</b>	<b>0.71</b>	<b>2.78</b>	<b>11.48</b>	<b>215.50</b>
Depreciation for the year 2019-20	-	7.71	143.01	0.46	1.80	7.78	160.76
Withdrawn during the year 2019-20	-	-	-	-	-	-	-
Reclassified to Right to Use (Refer to Note No. 2.2)	21.82	-	-	-	-	-	21.82
<b>As at 31st March, 2020</b>	<b>-</b>	<b>20.68</b>	<b>308.75</b>	<b>1.17</b>	<b>4.58</b>	<b>19.26</b>	<b>354.44</b>

**Net Carrying Amount**

As at 31st March, 2019	814.31	231.29	685.75	4.08	6.67	15.73	1,757.83
<b>As at 31st March, 2020</b>	<b>-</b>	<b>223.58</b>	<b>583.49</b>	<b>3.62</b>	<b>4.87</b>	<b>7.95</b>	<b>823.51</b>

Certain Property, Plant and Equipment have been given as security against non-current borrowings availed by the company (Refer to Note No. 2.13).





**2.2. RIGHT OF USE**

₹ Lakhs

Particulars	Amount
<b>Gross Carrying Value</b>	
As at 1st April, 2018	-
Additions during 2018-19	-
Deletions during 2018-19	-
<b>As at 31st March, 2019</b>	-
Additions during 2019-20	118.40
Reclassified from PPE	836.13
Deletions during 2019-20	-
<b>As at 31st March, 2020</b>	<b>954.53</b>
<b>Accumulated Depreciation</b>	
As at 1st April, 2018	-
Depreciation for the year 2018-19	-
Withdrawn during the year 2018-19	-
<b>As at 31st March, 2019</b>	-
Depreciation for the year 2019-20	13.87
Reclassified from PPE	21.82
Withdrawn during the year 2019-20	-
<b>As at 31st March, 2020</b>	<b>35.69</b>
<b>Net Carrying Value</b>	
As at 31st March, 2019	-
<b>As at 31st March, 2020</b>	<b>918.84</b>

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

**2.3. CAPITAL WORK-IN-PROGRESS**

₹ Lakhs

Particulars	31-3-2020	31-3-2019
Opening Capital Work-in-progress	7.60	-
Add : Addition during the year	43.70	148.60
Less : Deletion during the year	40.75	141.00
Closing Capital Work-in-progress	<b>10.55</b>	7.60



**2.4. INTANGIBLE ASSETS**

₹ Lakhs

Particulars	Computer Software	Total
<b>Cost</b>		
As at 1st April, 2018	7.56	7.56
Additions during 2018-19	-	-
Sales / Deletions during 2018-19	-	-
<b>As at 31st March, 2019</b>	<b>7.56</b>	<b>7.56</b>
Additions during 2019-20	-	-
Sales / Deletions during 2019-20	-	-
<b>As at 31st March, 2020</b>	<b>7.56</b>	<b>7.56</b>

**Accumulated Amortisation**

As at 1st April, 2018	1.06	1.06
Amortisation for the year 2018-19	1.80	1.80
Withdrawn during the year 2018-19	-	-
<b>As at 31st March, 2019</b>	<b>2.86</b>	<b>2.86</b>
Amortisation for the year 2019-20	1.80	1.80
Withdrawn during the year 2019-20	-	-
<b>As at 31st March, 2020</b>	<b>4.66</b>	<b>4.66</b>

**Net Carrying Amount**

As at 31st March, 2019	4.70	4.70
<b>As at 31st March, 2020</b>	<b>2.90</b>	<b>2.90</b>



	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
<b>2.5. OTHER FINANCIAL ASSETS</b>		
<b>Unsecured Considered good</b>		
Security Deposits	1.25	1.25
	<u>1.25</u>	<u>1.25</u>
<b>2.6. OTHER NON CURRENT ASSETS</b>		
<b>Unsecured Considered good</b>		
Capital Advances	60.51	7.28
Prepaid Guarantee Premium	-	3.38
Advance Tax , Net of Provision	0.78	-
<b>Unsecured Considered Doubtful</b>		
Advances to Suppliers	1.13	1.13
Less : Provision for Doubtful Advances	<u>1.13</u>	<u>1.13</u>
	<u>61.29</u>	<u>10.66</u>
<b>2.7. INVENTORIES</b>		
<b>(Valued at Lower of Cost and Net Realisable Value)</b>		
Raw Materials & Components	165.83	224.31
Goods-in-Transit	19.11	4.79
Work-in-progress	5.00	15.10
Finished Goods	69.62	95.61
Stores & Spares	<u>11.57</u>	<u>19.29</u>
	<u>271.13</u>	<u>359.10</u>

Inventories have been given as security against current borrowings availed by the company (Refer to Note No. 2.14)

**Cost of Inventory recognised as an expense**

Particulars	For the year ended 31st March 2020	For the year ended 31st March 2019
Cost of Materials Consumed	2,224.29	2,456.85
Stores and Spares	<u>7.22</u>	<u>7.27</u>

<b>2.8. TRADE RECEIVABLES</b>		
i) Unsecured Considered Good	367.47	510.08
ii) Unsecured Considered Doubtful	-	-
Less : Provision for Expected Credit Loss	<u>-</u>	<u>-</u>
	<u>367.47</u>	<u>510.08</u>

Trade Receivables have been given as securities for the current borrowings availed by the Company. Refer to Note No. 2.14.

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

The company's exposure to credit and currency risk and loss allowances related to Trade Receivables are disclosed in Note No.2.34.

<b>2.9. CASH AND CASH EQUIVALENTS</b>		
Balances with Banks		
In Current Account	4.15	25.61
Cash on hand	<u>0.03</u>	<u>0.09</u>
	<u>4.18</u>	<u>25.70</u>
<b>2.10. OTHER CURRENT ASSETS</b>		
<b>Unsecured Considered Good</b>		
Advances to Employees	0.24	0.42
Advances to Suppliers	17.83	8.01
GST Input Credits	123.92	110.38
<b>Unsecured Considered Doubtful</b>		
Advances to Suppliers	11.24	11.24
Less : Provision for Doubtful Advances	<u>11.24</u>	<u>11.24</u>
	<u>-</u>	<u>-</u>
<b>Others</b>		
Prepaid Expenses	5.34	6.38
Gratuity Fund (Refer to Note No. 2.37)	3.64	-
	<u>150.97</u>	<u>125.19</u>



## 2.11. EQUITY SHARE CAPITAL

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
<b>Authorised</b> 11,00,00,000 Equity Shares of ₹ 1/-each (Previous year - 7,00,00,000 Equity Shares of ₹ 1/-each)	<u>1,100.00</u>	<u>700.00</u>
<b>Issued,Subscribed and Paid-up</b> 8,50,00,000 Equity Shares of ₹ 1/-each (Previous year - 7,00,00,000 Equity Shares of ₹ 1/-each)	<u>850.00</u>	<u>700.00</u>

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

Equity Shares	31-3-2020		31-3-2019	
	No. of Shares (in Lakhs)	₹ Lakhs	No. of Shares (in Lakhs)	₹ Lakhs
At the beginning of the period	700.00	700.00	100.00	100.00
Add : Shares issued during the year	150.00	150.00	600.00	600.00
At the closing of the period	<u>850.00</u>	<u>850.00</u>	<u>700.00</u>	<u>700.00</u>

## Terms / rights attached to equity shares :

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

	31-3-2020		31-3-2019	
	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares of ₹1/- each fully paid</b> - Pricol Limited - Holding Company and its nominees	<u>8,49,99,994</u>	<u>100.00%</u>	<u>6,99,99,994</u>	<u>100.00%</u>

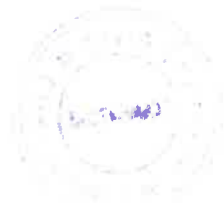
Details of Shares held by Holding Company :	31-3-2020		31-3-2019	
	No. of Shares	Value of Shares ₹ Lakhs	No. of Shares	Value of Shares ₹ Lakhs
- Pricol Limited - Holding Company and its nominees	<u>8,49,99,994</u>	<u>850.00</u>	<u>6,99,99,994</u>	<u>700.00</u>

## Details of Shares issued for consideration other than Cash :

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

## 2.12. OTHER EQUITY

	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
<b>Capital Reserve</b>	827.33	827.33
<b>Surplus / (Deficit) in the Statement of Profit &amp; Loss</b>		
Opening Balance	(748.67)	(195.35)
Add : Profit / (Loss) for the year	<u>(324.97)</u>	<u>(553.32)</u>
	(1,073.64)	(748.67)
<b>Fair Valuation of Financial Guarantee</b>	-	3.38
<b>Other Comprehensive Income</b>		
Opening Balance	1.34	2.49
Add : Addition during the year	<u>1.24</u>	<u>(1.15)</u>
	2.58	1.34
	<u>(243.73)</u>	<u>83.38</u>



**2.13. BORROWINGS**

	Non-current portion		Current Maturities	
	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs	31-3-2020 ₹ Lakhs	31-3-2019 ₹ Lakhs
<b>Secured Loans :</b>				
Rupee Term Loan From Banks	-	257.50	257.50	343.33
	-	257.50	257.50	343.33

Term Loan of ₹ 103 Million from ICICI Bank is repayable in 12 equal quarterly instalments of ₹ 85.84 Lakhs each. Interest is payable on monthly basis at the rate of Bank One year MCLR + 0.3%. The loan is secured by first ranking charge on movable fixed assets purchased as part of the Business Transfer Agreement. The Loan is also secured by a Corporate Guarantee from the Holding Company, Pricol Limited. Present Outstanding as on 31st March, 2020 is ₹ 257.50 Lakhs. (Balance as on 31st March, 2019 - ₹ 600.83 Lakhs)

For Current Maturities of Long Term Debt Refer to Note No. 2.16.

**2.14. BORROWINGS**

<b>Secured Loans</b>			
<b>Working Capital Facilities from Banks</b>			
- In Rupee		249.95	293.26
Loan from Holding Company		175.00	-
		<u>424.95</u>	<u>293.26</u>

Working Capital Facilities from ICICI Bank is secured by first charge by way of hypothecation of the Company's entire stocks of raw material, semi finished and finished goods, consumable stores and spares and such other moveables including book debts. Interest is payable at the rate of Bank 6 Month MCLR + 1%.

During the year the company has received a Loan of ₹ 175 Lakhs at the interest rate 14% p.a. Out of these, ₹ 70 Lakhs has since been repaid in Apr'2020. The balance amount of ₹ 105 Lakhs is repayable on or before 31st March 2021 with an option to convert the loan into equity.

**2.15. TRADE PAYABLES**

- Total Outstanding Dues of Micro Enterprises and Small Enterprises (Refer to Note No. 2.42)	35.12	29.63
- Total Outstanding Dues of creditors other than Micro Enterprises and Small Enterprises	<u>1,218.52</u>	<u>1,028.23</u>
	<u>1,253.64</u>	<u>1,057.86</u>

**2.16. OTHER FINANCIAL LIABILITIES**

Current Maturities of Long Term Debt (Refer to Note No.2.13)	257.50	343.33
Employee Benefits Payable	13.13	21.58
Other Payables	41.44	36.03
	<u>312.07</u>	<u>400.94</u>

**2.17. OTHER CURRENT LIABILITIES**

Statutory Dues Payable	4.76	8.83
Advances from Customers	10.40	-
	<u>15.16</u>	<u>8.83</u>

**2.18. PROVISIONS**

<b>For Employee Benefits :</b>		
- Gratuity (Refer to Note No. 2.37)	-	0.34
	-	<u>0.34</u>



	2019-20 ₹ Lakhs	2018-19 ₹ Lakhs
<b>2.19. REVENUE FROM OPERATIONS</b>		
<b>Sale of Products</b>		
Sales - Domestic	2,826.33	3,142.69
Sales - Exports	25.00	-
	<u>2,851.33</u>	<u>3,142.69</u>
<b>Details of products sold</b>		
Wiping Systems & Sub Assemblies of Wiping Systems	<u>2,826.33</u>	<u>3,142.69</u>
	<u>2,826.33</u>	<u>3,142.69</u>
<b>2.20. OTHER INCOME</b>		
Excess provision no longer required written back	-	23.73
Insurance Claim Received	1.15	-
	<u>1.15</u>	<u>23.73</u>
<b>2.21. COST OF MATERIALS CONSUMED</b>		
Materials Consumed (Refer to Note No. 2.30)	<u>2,224.29</u>	<u>2,456.85</u>
<b>2.22. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE</b>		
<b>Opening Stock</b>		
Work-in-progress	15.10	290.56
Finished Goods	<u>95.61</u>	<u>21.67</u>
	110.71	312.23
<b>Less : Closing Stock</b>		
Work-in-progress	5.00	15.10
Finished Goods	<u>69.62</u>	<u>95.61</u>
	74.62	110.71
	<u>36.09</u>	<u>201.52</u>
<b>2.23. EMPLOYEE BENEFITS EXPENSE</b>		
a) Pay, Allowances and Bonus	399.51	471.85
b) Contribution to Provident and other funds	17.28	26.06
c) Welfare Expenses	<u>13.37</u>	<u>21.98</u>
	430.16	519.89
<b>2.24. FINANCE COSTS</b>		
Interest on Borrowings	70.07	87.63
	<u>70.07</u>	<u>87.63</u>
<b>2.25. DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation (Refer to Note No. 2.1 and 2.2)	174.63	143.33
Amortisation of Intangibles (Refer to Note No. 2.4)	<u>1.80</u>	<u>1.80</u>
	176.43	145.13
<b>2.26. OTHER EXPENSES</b>		
Power & Utilities	36.48	44.81
Stores & Spares Consumed	7.22	7.27
Repairs and Maintenance :		
- Machinery	24.90	4.73
- Building	2.23	2.32
- Others	2.44	3.80
Printing & Stationery	2.65	3.12
Postage & Telephone	2.17	2.43
Rent	3.28	2.50
Rates, Taxes & Licence	5.68	8.09
Insurance	3.90	4.20
Bank Charges	4.47	6.03
Travelling & Conveyance	18.13	37.88
Freight & Forwarding and Selling Expenses	72.89	93.13
Provision for Doubtful Advances	-	12.37
Bad debts written off	17.04	-
Expected Credit Loss	-	(5.66)
Auditors' Remuneration (Refer to Note No. 2.29)	8.27	6.75
Professional Charges	11.30	66.41
Loss on Exchange Fluctuation (Net)	16.69	5.85
Miscellaneous Expenses	<u>0.68</u>	<u>2.69</u>
	240.42	308.72



	2019-20 ₹ Lakhs		2018-19 ₹ Lakhs
<b>2.27. EARNINGS PER SHARE</b>			
Profit / (Loss) After Tax	(324.98)		(553.32)
Weighted Average No. of Shares Outstanding	8,08,33,333		3,41,66,667
Basic & Diluted (Nos. in Lakhs.)	808.33		341.67
Basic / Diluted Earnings per share (in ₹)	(0.40)		(1.62)
Face Value per Equity Share ( in ₹ )	1.00		1.00
<b>2.28. CONTINGENT LIABILITIES AND COMMITMENTS</b>			
<b>CONTINGENT LIABILITIES</b>			
As on the Closing Date	-		-
<b>COMMITMENTS</b>			
Estimated Value of Contracts remaining to be executed on Capital Account	<u>60.51</u>		<u>7.28</u>
<b>2.29. REMUNERATION TO AUDITORS (EXCLUSIVE OF GST) :</b>			
For Audit	5.00		5.00
For Taxation Matters	2.55		1.75
For Certification and Others	0.50		-
Reimbursement of Expenses	<u>0.22</u>		<u>-</u>
	<u>8.27</u>		<u>6.75</u>
<b>2.30. COST OF MATERIALS CONSUMED</b>			
		%	
Imported	568.88	25.58	576.36
Indigenous	<u>1,655.41</u>	<u>74.42</u>	<u>1,880.50</u>
	<u>2,224.29</u>	<u>100.00</u>	<u>2,456.85</u>
			<u>100.00</u>
<b>2.31.</b> Balances in parties accounts are subject to confirmation / reconciliation. Appropriate adjustments, if any, will be made as and when the balances are reconciled. In the opinion of the management adjustments on account of reconciliation would not be material.			
<b>2.32.</b> Deferred tax asset has not been recognised because it is not probable that future taxable profits will be available against which the company can use the benefits thereon.			
Unused Tax Losses	<u>904.82</u>		<u>904.82</u>
Unused tax loss reported are provisional and are subject to changes based on tax returns and income tax assessments if any.			





### 2.33. Fair Value measurements

#### i. Financial instruments by category

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

₹ Lakhs

Particulars	Note No.	Cost	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value
<b>Financial assets</b>							
Trade receivables	2.8	-	-	-	367.47	367.47	367.47
Cash and cash equivalents	2.9	-	-	-	4.18	4.18	4.18
Other Financial Assets	2.5	-	-	-	1.25	1.25	1.25
<b>Financial Liabilities</b>							
Borrowings	2.13, 2.14 & 2.16	-	-	-	682.45	682.45	682.45
Trade payables	2.15	-	-	-	1,253.64	1,253.64	1,253.64
Other financial liabilities excluding Current Maturities of Long Term Debt	2.16	-	-	-	54.57	54.57	54.57

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

₹ Lakhs

Particulars	Note No.	Cost	FVTPL	FVTOCI	Cost / Amortised cost	Total Carrying value	Total Fair value
<b>Financial assets</b>							
Trade receivables	2.8	-	-	-	510.08	510.08	510.08
Cash and cash equivalents	2.9	-	-	-	25.70	25.70	25.70
Other Financial Assets	2.5	-	-	-	1.25	1.25	1.25
<b>Financial Liabilities</b>							
Borrowings	2.13, 2.14 & 2.16	-	-	-	894.09	894.09	894.09
Trade payables	2.15	-	-	-	1057.86	1057.86	1057.86
Other financial liabilities excluding Current Maturities of Long Term Debt	2.16	-	-	-	57.61	57.61	57.61

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



**iii. Fair values hierarchy**

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

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

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

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

Level 3: Unobservable inputs for the asset or liability

Given below are the fair values based on their hierarchy

₹ Lakhs

Particulars	Carrying Amount as on 31-03-2020	As at 31-03-2020		
		Level 1	Level 2	Level 3
<b>Financial Assets not measured at Fair value*</b>				
Trade receivables	367.47	-	-	-
Cash and cash equivalents	4.18	-	-	-
Other Financial Assets	1.25			
<b>Financial Liabilities not measured at fair value*</b>				
<b>Borrowings</b>				
- Current	682.45	-	-	-
- Non-Current	-	-	-	-
Trade payables	1,253.64	-	-	-
Other financial liabilities excluding Current Maturities of Long Term Debt	54.57	-	-	-

Particulars	Carrying Amount as on 31-03-2019	As at 31-03-2019		
		Level 1	Level 2	Level 3
<b>Financial Assets not measured at Fair value*</b>				
Trade receivables	510.08	-	-	-
Cash and cash equivalents	25.70	-	-	-
Other Financial Assets	1.25			
<b>Financial Liabilities not measured at fair value*</b>				
<b>Borrowings</b>				
- Current	636.59	-	-	-
- Non-Current	257.50	-	-	-
Trade payables	1,057.86	-	-	-
Other financial liabilities excluding Current Maturities of Long Term Debt	57.61	-	-	-

\* 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**

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.



### 2.34. 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.



**Classification of Financial assets among risk categories:**

As at 31st March 2020

₹ Lakhs

Credit rating	Particulars	Gross Carrying Amount	Provision	Carrying Amount net of Provision
Low credit risk	Cash and cash equivalents, trade receivables and other financial assets	372.90	-	372.90
Moderate credit risk	Nil	-	-	-
High credit risk	Nil	-	-	-

As at 31st March 2019

₹ Lakhs

Credit rating	Particulars	Gross Carrying Amount	Provision	Carrying Amount net of Provision
Low credit risk	Cash and cash equivalents, trade receivables and other financial assets	537.03	-	537.03
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:**

₹ Lakhs

31-Mar-20	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	249.95	432.50	-	-	682.45
Trade payables	-	1,253.64	-	-	1,253.64
Other financial liabilities excluding Current Maturities of Long Term Debt	-	54.57	-	-	54.57
<b>Total</b>	<b>249.95</b>	<b>1,740.71</b>	<b>-</b>	<b>-</b>	<b>1,990.66</b>

₹ Lakhs

31-Mar-19	On Demand	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	293.26	343.33	257.50	-	894.09
Trade payables	-	1,057.86	-	-	1,057.86
Other financial liabilities excluding Current Maturities of Long Term Debt	-	57.61	-	-	57.61
<b>Total</b>	<b>293.26</b>	<b>1,458.80</b>	<b>257.50</b>	<b>-</b>	<b>2,009.56</b>



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

Interest rate risk exposure		₹ Lakhs	
Particulars	31-Mar-20	31-Mar-19	
Fixed rate borrowing	175.00	-	
Variable rate borrowing	507.45	894.09	
<b>Total</b>	<b>682.45</b>	<b>894.09</b>	

#### 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:

Particulars	2019-20	2018-19
<b>Interest sensitivity</b>		
Interest rates – Increase / Decrease by 100 basis points	5.20	9.48

#### d. Financial Currency Risk

The Company's functional currency is Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies; consequently, exposure to exchange rate fluctuations arise. Volatility in exchange rates affects the Company's revenue from export markets and the costs of imports.

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

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

As at 31st March 2020		₹ Lakhs	
Particulars	Euro	USD	
Financial Assets	-	-	
Financial Liabilities	100.84	61.85	

As at 31st March 2019		₹ Lakhs	
Particulars	Euro	USD	
Financial Assets	-	-	
Financial Liabilities	27.10	19.28	

The above foreign currency exposures are not hedged by derivative instrument.

The following table details the Company's sensitivity to a 1% increase and decrease in the INR against the relevant foreign currencies net of hedge accounting impact. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant. A positive number below indicates an increase in profit or equity where INR strengthens 1% against the relevant currency. For a 1% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

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

		₹ Lakhs	
Particulars			
	31-03-2020	31-03-2019	
Increase / Decrease	1.63	0.46	





### 2.35. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

Particulars	₹ Lakhs	
	31-Mar-20	31-Mar-19
Borrowings (long-term and short-term, including current maturities of long term borrowings)	507.45	894.09
Loan from Holding Company	175.00	-
	<u>682.45</u>	<u>894.09</u>
Less: Cash and cash equivalents	4.18	25.70
<b>Net Debt</b> (A)	<u>678.27</u>	<u>868.39</u>
Equity Share Capital	850.00	700.00
Other Equity	(243.73)	83.38
<b>Total Equity</b> (B)	<u>606.27</u>	<u>783.38</u>
<b>Net Debt to Equity Ratio</b> (A) / (B) x 100	<u>111.87%</u>	<u>110.85%</u>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

### 2.36. Disclosure under Ind AS 116 - Leases, to the Extent applicable

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

Adoption of Ind AS 116 has no impact on the profits and cashflows of the Company, as the entire amount has been paid at inception of the lease and there are no further obligations

Particulars	₹ Lakhs
Depreciation charge for Right of Use	13.87
Interest Expenses	-
Expense in relation to short term lease / lease of low value assets	3.28
Carrying value of Right of Use (Refer to Note No. 2.2)	918.84

The other disclosures as specified in the standard are not applicable.





**2.07. Employee benefits****Defined contribution plan**

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

₹ Lakhs

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

**Defined Benefit Plan**

The Company has an obligation towards gratuity, a defined benefit obligation. The benefits are governed by the Payment of Gratuity Act, 1972. The company makes lumpsum payment to vested employees an amount based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

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

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

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

(₹ in Lakhs)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	2019-20	2018-19
Defined Benefit Obligation at beginning of the year	31.22	24.08
Current Service Cost	3.96	5.09
Interest Cost	2.00	1.86
Remeasurements		
Effect of changes in demographic assumptions	(0.15)	(0.01)
Effect of changes in financial assumptions	(0.17)	0.05
Effect of experience adjustments	(1.22)	0.15
Benefits Paid	(10.55)	-
Transfer of obligation due to Transfer of Employees to Group Entities	-	-
<b>Defined Benefit Obligation at year end</b>	<b>25.09</b>	<b>31.22</b>
-Non-Current	23.94	25.14
-Current	1.15	6.08

**(ii) Reconciliation of opening and closing balances of fair value of Plan Assets**

(₹ in Lakhs)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	2019-20	2018-19
Fair value of Plan Assets at beginning of year	30.88	-
Interest Income	2.29	1.19
<b>Remeasurements:</b>		
Return on plan assets (excluding interest income)	(0.29)	(0.96)
Employer Contribution	6.40	30.65
Benefits Paid	(10.55)	-
Fair value of Plan Assets at year end	<b>28.73</b>	<b>30.88</b>



Particulars	Gratuity (Funded)	Gratuity (Funded)
	2019-20	2018-19
Fair value of Plan Assets	28.73	30.88
Present value of Obligation	25.09	31.22
Amount recognised in Balance Sheet- Surplus/(Deficit)	3.64	(0.34)
-Non-Current	-	-
-Current	3.64	(0.34)

## (iv) Expenses recognised during the year

(₹ in Lakhs)

Particulars	Gratuity (Funded)	Gratuity (Funded)
	2019-20	2018-19
<b>In Income Statement</b>		
Current Service Cost	3.96	5.09
Interest Cost	(0.30)	0.67
Return on Plan Assets	-	-
<b>Net (Income)/ Expense for the period Recognised in Statement of Profit and Loss</b>	<b>3.66</b>	<b>5.76</b>

<b>In Other Comprehensive Income</b>		
<b>Remeasurement of net defined benefit liability</b>		
Effect of changes in demographic assumptions	-	-
Effect of changes in financial assumptions	-	-
Effect of experience adjustments	(1.25)	1.15
(Return) on plan assets (excluding interest income)	-	-
Changes in asset ceiling (excluding interest income)	-	-
<b>Net (Income) / Expense For the period Recognised in OCI</b>	<b>(1.25)</b>	<b>1.15</b>

## (v) Actuarial assumptions

Particulars	Gratuity (Funded)	Gratuity (Funded)
	2019-20	2018-19
	(Ultimate)	(Ultimate)
Discount Rate (per annum)	6.84%	7.70%
Rate of escalation in Salary (per annum)	Uniform 5.0%	Uniform 6.0%
Attrition Rate	Uniform 4.0%	Uniform 5.0%
Retirement Age	58	58
Pre-retirement mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Disability	Nil	Nil

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



Particulars	Amount (₹ in Lakhs)	Amount (₹ in Lakhs)
a) Expected contribution to the fund during the year ending March 31, 2021 & March 31, 2020	3.14	8.79
b) Estimated benefit payments from the fund for the year ending March 31:		
Year 1	1.21	6.08
Year 2	1.33	1.48
Year 3	1.23	1.55
Year 4	3.24	1.69
Year 5	7.43	3.79
Next 5 years	5.90	12.63
<b>Total</b>	<b>20.34</b>	<b>27.22</b>

#### (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:

(₹ in Lakhs)

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

These plans typically expose the Company to actuarial risks such as: Investment risk, Interest risk, Longevity risk and Salary risk.

Name of the Risk and its Description
<b>Investment risk</b> - 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.
<b>Interest risk</b> - 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.
<b>Longevity risk</b> - 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.
<b>Salary risk</b> - 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.



2.38. a) Details of Foreign Currency Exposures that are hedged by a derivative instrument or otherwise : - Nil

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

Particulars	Foreign Currency	2019-20	2018-19	2019-20	2018-19
		Amount of Foreign Currency in Lakhs		Equivalent Amount in Lakhs	
Trade Payables	EUR	1.21	0.35	100.84	27.10
	USD	0.82	0.28	61.85	19.28
Trade Receivables	EUR	-	-	-	-
	USD	-	-	-	-

### 2.39. Business Combinations

Pursuant to a Business Transfer Agreement (BTA) with PMP Auto Components Private Limited, the wiping business was acquired with effect from 28th August 2017. Upto 28th February 2018, operations were carried out through PMP Auto Components Private Limited, which acted as an Agent of the Company till factory approval license to operate the factory in the name of the Company and other necessary approvals for operating directly were obtained. The sales, purchases of materials, receipt of consideration for sales and payment for the materials were initially recorded in the books of PMP Auto Components Private Limited ("the agent") and cross charged to/ by the Company till the necessary approvals were obtained.

The company obtained the license in Feb 2018 and with effect from 1st March 2018 the company operated the business under its own name. However, in continuation to the agency agreement the receipts for sales made upto 28th February 2018, settlement of trade payables and payment for certain expenditure were routed through designated bank accounts of PMP Auto Components Private Limited. These transactions were accounted based on the transaction advice from the banks. Due to certain commercial reasons, the company was unable to obtain the statement of accounts from the designated banks and from PMP Auto Components Private Limited and hence continue to remain unreconciled as on date

Necessary adjustments, if any, would be made in the books of accounts as and when these statements/confirmations stated above are received.



## 2.40. Segment Reporting

The Company 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 Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirement of Ind AS 108 "Operating Segments".

### Information about geographical revenue and non-current assets:

1. Revenue from Operations: - Based on location of Customers

2. Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts: Based on Location of the Assets

#### a) Revenue from Operations

(₹ in Lakhs)

Particulars	2019-20			2018-19		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from Operations (Gross)	2,826.33	25.00	2,851.33	3,142.69	-	3,142.69
	2,826.33	25.00	2,851.33	3,142.69	-	3,142.69

#### b) Non-Current Assets

Particulars	2019-20			2018-19		
	Within india	Outside India	Total	Within india	Outside India	Total
1) Property, plant and equipment	823.51	-	823.51	1,757.83	-	1,757.83
2) Right of Use	918.84	-	918.84	-	-	-
3) Capital Work-in-progress	10.55	-	10.55	7.60	-	7.60
4) Other intangible assets	2.90	-	2.90	4.70	-	4.70
5) Other Financial Assets	1.25	-	1.25	1.25	-	1.25
6) Other non-current assets	61.29	-	61.29	10.66	-	10.66
<b>Total Non Current Assets</b>	<b>1,818.34</b>	<b>-</b>	<b>1,818.34</b>	<b>1,782.04</b>	<b>-</b>	<b>1,782.04</b>



2.41. CSR Expenditure	2019-20	2018-19
i) Gross amount required to be spent by the company during the year	-	-
ii) Amount spent during the year	-	-

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

**2.42. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:**

Particulars	As at 31st March 2020	As at 31st March 2019
-------------	-----------------------------	-----------------------------

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in:

Principal amount due to micro and small enterprises	35.12	29.63
Interest due on above	-	-
<b>Total</b>	<b>35.12</b>	<b>29.63</b>

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.

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-

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.

**2.43.** The Company has incurred a net loss (including OCI) of Rs. 323.73 Lakhs during the year ended 31st March 2020. As on that date, the company's current liabilities exceeds its current assets by Rs. 1,212.07 Lakhs. The parent holding company has assured the company of continued financial support. Consequently, these financials have been prepared on the principles applicable to a going concern entity.

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

**2.45. Events occurring after the balance sheet date:**

No adjusting or significant non-adjusting events have occurred between 31st March 2020 and the date of authorisation of these standalone financial statements.

**2.46.** Provision for Expected Credit Loss and Warranties have been provided for based on management estimates in the absence of historical data.

**2.47.** All figures are in Lakhs unless otherwise stated.





2.47. Related Party disclosure as per Indian Accounting Standard 24 :

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

1 Enterprises where control exists

Holding Company : Pricol Limited

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

- (a) Private Companies : Pricol Travel Private Limited (From 1st January, 2020)  
Pricol Logistics Private Limited
- (b) Public Companies under common control : Pricol Corporate Services Limited  
Target Manpower Services Limited  
PPL Enterprises Limited  
Pricol Engineering Industries Limited
- (c) Fellow Subsidiary : Pricol Wiping Czech s.r.o, Czech Republic
- (d) Key management personnel : Mr. J. Sridhar - Director  
Mr.S.A.Gopalakrishnan - Director  
Mr.P.M. Ganesh - Director, appointed on 19th February, 2020  
Mr.V.Balaji Chinnappan - Director - upto 19th February, 2020

(ii) Related party transactions:

Particulars	2019-20	2018-19
	₹ Lakhs	₹ Lakhs
<b>Transactions during the year</b>		
<b>Sale of Products</b>		
Pricol Engineering Industries Limited	0.95	0.53
<b>Loan</b>		
Pricol Limited - Loan Received	175.00	200.00
Pricol Limited - Loan Converted into Equity during the year	-	200.00
<b>Purchase</b>		
Pricol Limited	20.10	38.50
PPL Enterprises Limited	17.50	-
Pricol Wiping Czech s.r.o, Czech Republic	19.14	11.24
<b>Receiving of Services/Reimbursement of Expenses Paid :</b>		
Pricol Limited - Rent	0.53	0.53
Pricol Limited - Reimbursement of Expenses	2.24	22.84
Pricol Limited - Interest on Loan	4.48	1.92
Pricol Travel Limited (Upto 31.12.2019)	6.81	13.78
Pricol Corporate Services Limited	-	40.40
Target Manpower Services Limited	3.00	0.54
Pricol Engineering Industries Limited - reimbursement of expenses	0.04	-
Pricol Wiping Czech s.r.o, Czech Republic	61.78	-

(iii) Amount outstanding as at the balance sheet date :

Particulars	31-3-2020	31-3-2019
	₹ Lakhs	₹ Lakhs
<b>Trade Receivables :</b>		
Pricol Engineering Industries Limited	-	0.63
<b>Trade Payables and other payables :</b>		
Pricol Limited	74.35	43.69
Pricol Travel Private Limited	3.62	0.53
Pricol Corporate Services Limited	11.23	11.23
Target Manpower Services Limited	3.20	0.62
Pricol Wiping Czech s.r.o, Czech Republic	78.25	11.24
PPL Enterprises Limited	18.05	-
<b>Loan :</b>		
Pricol Limited	175.00	-
<b>Guarantees Received :</b>		
Pricol Limited	1,050.00	1,050.00

As per our report of even date attached  
For VKS Aiyer & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 000066S

Kaushik Sidartha  
Partner  
Membership No. : 217964

J.Sridhar  
Director  
(DIN : 02715298)

S.A.Gopalakrishnan  
Director  
(DIN : 03594629)

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

Coimbatore, 23rd July 2020

