

**PRICOL CASTINGS LIMITED**

**COIMBATORE**

**NINETEENTH ANNUAL REPORT - 2013**



## pricol castings limited

<b>BOARD OF DIRECTORS</b>	Mr.Vijay Mohan - Chairman Mr.Viren Mohan – Executive Director (upto 31 <sup>st</sup> May 2013) Mr.K.Udhaya Kumar – Executive Director (from 1 <sup>st</sup> June 2013) Mr.P.Vijay Raghunath Mr.D.Ravichandran
<b>AUDIT COMMITTEE</b>	Mr.P.Vijay Raghunath Mr.D.Ravichandran Mr.K.Udhaya Kumar
<b>COMPANY SECRETARY</b>	Mr.V.Krishnamoorthy
<b>AUDITORS</b>	M/s. Badri Vijay & Co Chartered Accountants 366-A, Alegasan Road, S.B. Mission Post, Coimbatore – 641 011.
<b>BANKERS</b>	City Union Bank Limited 3/220,New Scheme Road, P.B No 6310, Papanackn Palayam, Coimbatore, Pin : 641037
<b>REGISTERED OFFICE</b>	100/1A, Pollachi Main Road, Thamaraikulam Post, Kinathukadavu (Via), Pollachi T.K., COIMBATORE – 642 109.

### FACTORY

<b>High Pressure Die Casting Division Tooling Division Machining Division</b>	100/1A, Pollachi Main Road, Thamaraikulam Post, Kinathukadavu (Via), Pollachi Taluk – 642 109. COIMBATORE
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# pricol castings limited

## NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Friday, 2<sup>nd</sup> August 2013 at 10.00 a.m. at the Registered office of the Company situated at 100/1A, Pollachi Main Road, Thamaraikulam (Post), Kinathukadavu (Via), Pollachi (TK), Coimbatore – 642 109, to transact the following business:

### AGENDA

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2013 and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2013 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr.P.Vijay Raghunath who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

"RESOLVED that M/s.Hari Bakhti & Co, Chartered Accountants, Coimbatore, be and are hereby appointed as Auditors of the Company in place of M/s. Badri Vijay & Co. the retiring auditors to hold office until the conclusion of the next Annual General Meeting on a remuneration of Rs.3.50,000/- plus reimbursement of expenses, if any, incurred in connection with the audit of accounts of the Company."

#### SPECIAL BUSINESS:

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

"RESOLVED THAT Mr.K.Udhaya Kumar, who was appointed as an additional Director of the Company on 27<sup>th</sup> October 2012 pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds office up to the date of the Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing proposing his candidature to the office of the Director be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto), the consent of the Company be and is hereby accorded to the appointment of Mr.K.Udhaya Kumar as Executive Director of the Company, with effect from 1<sup>st</sup> June 2013 to 31<sup>st</sup> March 2018 on the following terms and conditions with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of the remuneration within the overall

## pricol castings limited

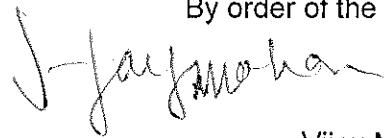
limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and / or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time, or any amendments thereto.

### REMUNERATION:

- a) Salary: Rs.50,000 – 5,000 – 70,000
- b) Provident Fund @ 12% on minimum basic salary as per Employees Provident Fund and Miscellaneous Provisions Act., 1952

"RESOLVED FURTHER that in the event of no profit or inadequacy of profit, the remuneration payable to Mr.K.Udhaya Kumar, Executive Director, shall not exceed the limit specified in Sec.II of Part II of Schedule XIII of the Companies Act, 1956, as modified from time to time or such other limits as may be notified by the Government from time to time as minimum remuneration.

By order of the Board



Vijay Mohan  
Chairman

Coimbatore  
21<sup>st</sup> May 2013

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### NOTE:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING, IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND & VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Explanatory statement pursuant to section 173(2) is attached.

## pricol castings limited

### EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

#### Item No: 4

The Board of Directors at their meeting held on 27<sup>th</sup> October 2012 appointed Mr.K.Udhaya Kumar as additional Director to hold office upto the conclusion of the Nineteenth Annual General Meeting. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 proposing the candidature of Mr.K.Udhaya Kumar.

The resolution in Item No: 4 is therefore recommended for the approval of the Members.

None of the Directors other than Mr.K.Udhaya Kumar is concerned or interested in the resolution.

#### Item No: 5

Mr.Udhaya Kumar, 63 years of age, is a Bachelor of Mechanical Engineering from PSG College of Technology, Coimbatore. He is also holds the position of President & Head Customer Connect at Pricol Limited. He is also a director in Penta Enterprises (India) Limited, Pricol Medical Systems Limited and PT Pricol Surya, Indonesia.

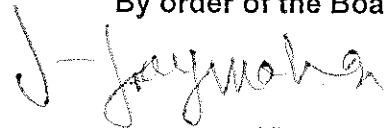
The Board of Directors, at their meeting held on 21<sup>st</sup> May 2013 have appointed Mr.K.Udhaya Kumar as Executive Director for a period of 5 years with effect from 1<sup>st</sup> June 2013 to 31<sup>st</sup> March 2018 and fixed the remuneration payable to him as set out in the text of the resolution. The proposed appointment, remuneration and perquisites conform to the requirement of Schedule XIII to the Companies Act, 1956. Part III of Schedule XIII to the Companies Act, 1956, requires the appointment and remuneration to be approved by a resolution of the shareholders in General Meeting. Accordingly, the resolution under item no: 5 of the Notice is recommended by the Board of Directors for approval by the Members.

This notice shall be treated as an abstract of the terms of appointment and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

The Board commends the resolution set out at Item No.5 of the Notice for your approval.

None of the Directors except Mr.K.Udhaya Kumar is in any way concerned or interested in this resolution.

By order of the Board



Vijay Mohan  
Chairman

Coimbatore  
21<sup>th</sup> May 2013

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# pricol castings limited

## REPORT OF THE DIRECTORS

Your Directors take pleasure in presenting the Nineteenth Annual Report and Audited Accounts for the financial year ended 31<sup>st</sup> March 2013.

### WORKING RESULTS:

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

Particulars	Rs. In Million	
	2012-13	2011-12
Sales & Service Charges – Domestic	255.767	233.585
- Export	12.490	5.788
<b>Total</b>	<b>268.257</b>	<b>239.373</b>
<b>Profit Before Interest, Depreciation &amp; Other Income</b>	<b>28.809</b>	<b>17.180</b>
Less : Interest & Finance Charges	15.049	12.549
: Depreciation	12.739	12.941
Add : Other Income	3.622	2.421
<b>Profit / (Loss) Before Tax</b>	<b>0.885</b>	<b>(5.889)</b>
Add : Excess provision of income tax relating to earlier years	0.135	--
<b>Profit / (Loss) After Tax</b>	<b>1.020</b>	<b>(5.889)</b>
Balance brought forward	(72.698)	(66.809)
Balance Carried to Balance Sheet	(71.677)	(72.698)

### REVIEW OF OPERATIONS & OUTLOOK:

During the year 2012-13, the company made a sales turnover of Rs.268 Million against Rs.239 Million achieved during the previous year, an Increase of 12 % over previous year.

Despite overall increase of power, fuel and other costs, the company earned a profit of Rs. 1.02 Million during the year 2012-13 (2011-12 loss of Rs.5.89 Million). During 2013-14, new business have been obtained from TVS Motors Limited and Sundaram Fasteners Limited.

The outlook for the Company is promising for the financial year 2013-14 with good order book. In order to manage the continuously rising costs of power and fuel, the company is installing a Biogasifier Plant, for generating gas. This gas will be used for melting aluminium, rather than costly electric power. This will result in reduction of Power and Fuel Cost from the 2<sup>nd</sup> half of this financial year.

Due to increase in sales and reduction in power cost for the 2<sup>nd</sup> half of the financial year, the profits will be better.

### DIRECTORS:

Mr.P.Vijay Raghunath, Director retires by rotation at the ensuing meeting and is eligible for re-appointment.

The Board has appointed Mr.K.Udhaya Kumar as additional director of the company with effect from 27<sup>th</sup> October 2012 under section 260 of the Companies Act, 1956. He vacates office on the date of the forthcoming Nineteenth Annual General Meeting and is eligible for appointment.

## **pricol castings limited**

Mr.K.Udhaya Kumar has been appointed as Executive Director with remuneration for a period of 5 years with effect from 1<sup>st</sup> June 2013 to 31<sup>st</sup> March 2018 subject to the shareholders approval at the forthcoming 19<sup>th</sup> Annual General Meeting.

Mr.Viren Mohan, Executive Director, informed his resignation from the Board of Directors with effect from end of 31<sup>st</sup> May 2013, due to his commitments. The Board appreciated the valuable services rendered by Mr.Viren Mohan during his tenure of office as Executive Director of the Company.

Mr.A.Venkatesan, Director resigned from the Board of Directors with effect from 27<sup>th</sup> October 2012. The Board appreciated the valuable services rendered by Mr.A.Venkatesan during his tenure of office as Director of the Company.

### **FIXED DEPOSITS:**

The Company has not accepted any Deposits from the public.

### **AUDITORS:**

The Board proposed M/s.Haribhakti & Co, Chartered Accountants as Statutory Auditors of the company in place of retiring auditors M/s. Badri Vijay & Co. M/s. Haribakthi & Co to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

The Board places on record it's warm appreciation of the valuable contribution made by M/s. Badri Vijay & Co., Chartered Accountants during their association with the company.

### **CONSERVATION OF ENERGY ETC:**

Details of Conservation of Energy, technology absorption, Foreign Exchange Earnings and Outgo in accordance with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is annexed herewith and forms part of this report.

### **PARTICULARS OF EMPLOYEES:**

The Company does not have employees drawing remuneration attracting the provisions of section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and Companies (Particulars of Employees) Amendment Rules, 2011.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that:

- a) in the preparation of annual accounts for the financial year ended 31st March 2013, the applicable accounting standards have been followed.
- b) they had selected such accounting policies and applied them consistently and made judgments 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 of the company for the year under review;



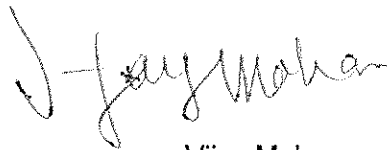
## pricol castings limited

- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- d) they had prepared the annual accounts for the financial year ended 31st March 2013, on a going concern basis.

### 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.

Coimbatore  
21<sup>st</sup> May 2013.



Vijay Mohan  
Chairman

By order of the Board



Viren Mohan  
Executive Director

## pricol castings limited

### ANNEXURE TO DIRECTORS REPORT FOR THE YEAR 2012-13

1. Particulars pursuant to section 217 (1)(e) of the Companies Act 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988.

a. **CONSERVATION OF ENERGY:**

- a) Energy Conservation Measures Taken: In a Die casting machines the electrical energy is conserved through integrated PLC programming of pressure and flow. In the tool room division heavy machines like Plano milling, boring machines are fitted with variable frequency drives to conserve power.
- b) Energy Consumption as per Form –A :

PARTICULARS	Units	2012-13	2011-12
1) Electricity Charges	Rs. In Million	7.983	8.908
2) EB Units Purchased	Kwh.	1,100,214	1,629,848
3) Rate per Unit Purchased	Rs.	7.26	5.47
1) Generator – Diesel	Rs. In Million	14.648	7.136
2) Units Generated	Kwh.	946,250	579,666
3) Cost per Unit Generated	Rs.	15.48	12.31
1) Total Power & Fuel (Excl. LPG)	Rs. In Million	22.631	16.044
2) Units Purchased/generated	Kwh.	2,046,464	2,209,514
3) Cost per Unit Consumed	Rs.	11.06	7.26
1) Liquefied Petroleum Gas (LPG)	Rs. In Million	13.808	16.703
2) Kgs Consumed	Kgs.	167,586	282,189
3) Cost per Kg	Rs.	82.39	59.19

b. **TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:**

The Company has developed die-cast parts which are being used in the pumps and valves especially for higher pressure applications. Also, developed in house facility to test the pressure parts.

c. **FOREIGN EXCHANGE EARNING & OUTGO:** (Rs. In Million)

- i. Earnings in Foreign Exchange (FOB) : Rs. 11.203 (Previous Year Rs. 5.937)
- ii. Outgo in Foreign Currency (CIF) : Rs. 21.764 (Previous Year Rs. 0.502)



**Badri Vijay & Co.,**  
Chartered Accountants

366-A, Alagesan Road,  
Coimbatore - 641 011.  
Ph : 0422 - 2430875  
Mobile : 94433 43087

Ref :

Date : 21/05/2013

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Pricol Castings Limited

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Pricol Castings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

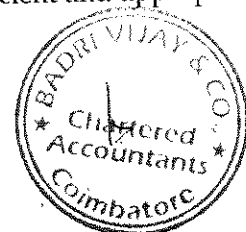
### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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





### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

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

b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books [and proper returns adequate for the purposes of our audit have been received from branches not visited by us;

c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

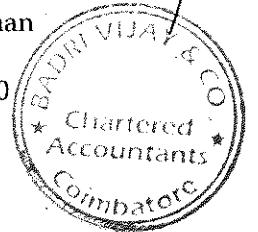
e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Badri Vijay & Co.,  
Chartered Accountants  
ICAI Regn No: 013903S

*K. Badri Narayan*

K. Badri Narayanan  
Partner  
Mem. No: 024550

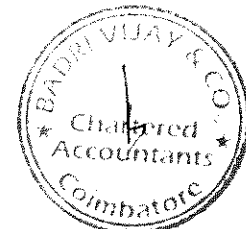


Place: Coimbatore  
Date: 21/05/2013



Annexure to Independent Auditor's Report

1.
  - a) The company is maintaining records showing particulars of fixed assets.
  - b) The assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of the business. The frequency of verification is reasonable.
2.
  - a) The inventories have been physically verified by the management during the year at reasonable intervals.
  - b) The procedures followed by the company for verification of inventory are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories were not material and have been appropriately dealt with.
3.
  - a) During the year the company has not granted loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
  - b) The company has taken unsecured loan from holding company (one party) covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount due during the year was Rs.32383062. The loan was closed by conversion of loan into share capital.
4. There are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There has been no major weakness in the internal control system.
5.
  - a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding rupees five lakhs each have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted deposits from public.
7. The company has an adequate internal audit system commensurate with its size and nature of its business.
8. The central government has prescribed cost records under section 209(1)(d) of the Companies Act, 1956, and on a broad examination we confirm that the company maintains such records.



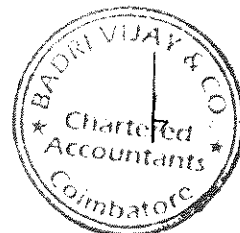




9. a) According to the information and explanations given to us and records examined, there has been no undue delays in depositing undisputed statutory dues as to Provident Fund, Employee's State Insurance. There are no arrears in statutory dues for more than 6 months as at last day of the financial year. No delays noticed in depositing of other statutory dues as to Income tax, Sales tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues.
- b) According to the information and explanations given to us, there are disputed dues under sales tax. The details are as under:

Sl.No	Name of the statute	Period to which amount relates	Nature of dues	Amount disputed(Rs)	Amount paid	Forum where dispute is pending
1	TNGST	2004-05, 2005-06, 2006-07	Entry tax	3640155	Nil	Pending before Supreme Court on appeal by department
2	TNGST	-do-	Sales tax	2085061	Nil	Interim stay granted by High Court
3	TNGST	2005-06	Sales tax	435682	Nil	-do-

10. As per the information and explanations given to us, there are accumulated losses as on 31<sup>st</sup> March 2013. The Company has not incurred cash losses during the financial year covered by our audit and there are no cash losses in the immediately preceding financial year.
11. The Company has not defaulted in repayment of its dues to bank or financial institution.
12. During the year, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of special statutes applicable to chit fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the company.





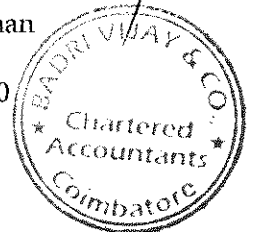
14. The company is not dealing or trading in shares, securities, debentures or other investments.
15. According to the records, information and explanations given to us, the company has not given guarantee for loans taken by others from bank or financial institutions.
16. The company has applied term loan for the purposes for which they were obtained.
17. The current liabilities of the company are more than the current assets as at the end of the current year ended 31.03.13. However, according to the information and explanations given to us and on an overall examination, we report that, prima facie, no funds raised on short term basis have been used for long term investment by the company.
18. During the year, the company has made allotment of shares to Pricol Ltd., the holding company, which is covered by register maintained under Section 301 of the companies act, 1956. The shares are allotted by conversion of loan payable by the company to the holding company. The price at which the shares are issued is not prejudicial in the interest of the company.
19. During the year, the company has not issued debentures.
20. During the year, the company has not raised money by public issue.
21. According to the information and explanation given to us, and the books and records examined by us, there are no frauds on or by the company that has been noticed or reported during the year.

Place: Coimbatore  
Date: 21/05/2013

For Badri Vijay & Co.,  
Chartered Accountants  
ICAI Regn No: 013903S

*K. Badri Narayan*

K. Badri Narayanan  
Partner  
Mem. No: 024550





# pricol castings limited

100/1A, Pollachi Road, Thamaraikulam post, Pollachi TK

BALANCE SHEET AS AT 31ST MARCH, 2013

Sr. No.	Particulars	Note No	As at 31.03.2013 (Rs.Millions)	As at 31.03.2012 (Rs.Millions)
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1) Shareholder's Funds</b>			
	(a) Share Capital	1	177.982	148.837
	(b) Reserves and Surplus	2	(71.677)	(72.696)
	(c) Money received against share warrants	-	0.000	0.000
	<b>2) Share Application money pending allotment</b>		0.000	0.000
	<b>3) Non-Current Liabilities</b>			
	(a) Long-Term Borrowings	3	11.066	10.057
	(b) Deferred Tax Liabilities (Net)	-	0.000	0.000
	(c) Other Long Term Liabilities	-	0.000	0.000
	(d) Long Term Provisions	4	1.607	0.863
	<b>4) Current Liabilities</b>			
	(a) Short-Term Borrowings	5	79.802	84.558
	(b) Trade Payables	6	41.270	24.844
	(c) Other Current Liabilities	7	19.859	10.194
	(d) Short-Term Provisions	8	7.497	8.328
	<b>Total Equity &amp; Liabilities</b>		<b>267.406</b>	<b>214.985</b>
<b>II</b>	<b>ASSETS</b>			
	<b>1) Non-Current Assets</b>			
	(a) Fixed Assets	9		
	1. Tangible assets		84.317	88.231
	2. Intangible assets		0.536	0.697
	3. Capital work in progress		0.000	0.000
	4. Intangible assets under development		0.000	0.000
	(b) Non-current investments		0.000	0.000
	(c) Deferred tax assets (net)		1.421	1.421
	(d) Long term loans and advances	10	6.485	2.180
	(e) Other non-current assets	11	30.040	28.990
	<b>2) Current Assets</b>			
	(a) Current investments		0.000	0.000
	(b) Inventories	12	104.571	63.687
	(c) Trade receivables	13	35.490	21.398
	(d) Cash and cash equivalents	14	0.119	0.113
	(e) Short-term loans and advances	15	4.338	8.268
	(f) Other current assets	16	0.090	0.000
	<b>Total Assets</b>		<b>267.406</b>	<b>214.985</b>

**NOTES TO ACCOUNTS**

Schedules referred to above and notes attached there to form an integral part of Balance Sheet

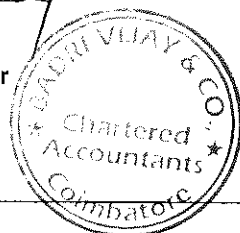
This is the Balance Sheet referred to in our Report of even date.

For Badri Vijay & Co.,  
Chartered Accountants

Firm Regn.No.013903S

K. Badri Narayan

For Badri Vijay & Co.,  
K.Badri Narayanan, Partner  
Membership No.024550  
PLACE: COIMBATORE  
DATED: 21.05.2013



For pricol castings limited

*Vijay Mohan Viren Mohan*

Vijay Mohan  
Chairman

Viren Mohan  
Executive Director

*V.K. Krishnamoorthy*  
V.Krishnamoorthy  
Company Secretary

# pricol castings limited

100/1A, Pollachi Road, Thamaraikulam post, Pollachi TK

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2013

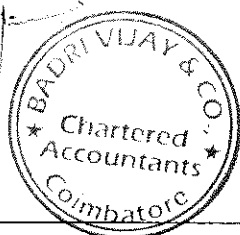
Sr. No	Particulars	Note no	For the year ended 31.3.2013 (Rs.Millions)	For the year ended 31.3.2012 (Rs.Millions)
I	Revenue from operations	17	268.257	239.373
II	Other Income	18	3.621	2.421
III	III. Total Revenue (I +II)		<b>271.879</b>	<b>241.794</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	19	149.408	139.872
	Purchase of Stock-in-Trade		0.000	0.000
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade - Increase in Inventories	20	(39.444)	(19.063)
	Employee Benefit Expense	21	44.160	37.598
	Finance Costs	22	14.890	12.549
	Depreciation and Amortization Expenses	23	12.739	12.941
	Other Expenses	24	89.241	63.786
	Total Expenses (IV)		<b>270.994</b>	<b>247.683</b>
V	Profit before exceptional and extraordinary items and tax	(III - IV)	<b>0.885</b>	<b>(5.889)</b>
VI	Exceptional Items		0.000	0.000
VII	Profit before extraordinary items and tax (V - VI)		<b>0.885</b>	<b>(5.889)</b>
VIII	Extraordinary Items		0.000	0.000
IX	Profit/(Loss) before tax (VII - VIII)		<b>0.885</b>	<b>(5.889)</b>
X	<b>Tax expense:</b>			
	(1) Current tax		0.000	0.000
	(2) Deferred tax		0.000	0.000
	(3) Excess provision of income tax relating to earlier years		(0.135)	0.000
XI	Profit(Loss) from the period from continuing operations	(IX-X)	<b>1.020</b>	<b>(5.889)</b>
XII	Profit/(Loss) from discontinuing operations		0.000	0.000
XIII	Tax expense of discounting operations		0.000	0.000
XIV	Profit/(Loss) from Discontinuing operations (XII - XIII)		<b>0.000</b>	<b>0.000</b>
XV	Profit/(Loss) for the period (XI +.XIV)		<b>1.020</b>	<b>(5.889)</b>
XVI	Earning per equity share:			
	(1) Basic		0.057	(0.396)
	(2) Diluted		0.057	(0.396)

Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement

This is the Statement of Profit and Loss referred to in our Report of even date.

For Badri Vijay & Co.,  
Chartered Accountants  
Firm Regn.No.013903S

K. Badri Narayan  
For Badri Vijay & Co.,  
K.Badri Narayanan, Partner  
Membership No.024550  
PLACE: COIMBATORE  
DATED: 21.05.2013



For pricol castings limited

Vijay Mohan  
Chairman

Viren Mohan  
Executive Director

V.Krishnamoorthy  
Company Secretary

## pricol castings limited

Notes to Financial statements as at 31st march, 2013

Note No : 1 Share Capital

Sr. No	Particulars	Rs. in Million	
		For the year ended 31.3.2013	For the year ended 31.3.2012
1	<b>AUTHORIZED CAPITAL</b> 3,00,00,000 Equity Shares of Rs.10/- each (Face Value per share Rs.10)	300.000	300.000
		300.000	300.000
2	<b>ISSUED, SUBSCRIBED, CALLED &amp; PAID UP CAPITAL</b> 1,77,98,200 Equity Shares of Rs.10/- each fully paid (Face Value per share Rs.10) (Previous year 1,48,83,700 Equity Shares)	177.982	148.837
	<b>Total in Rs.Million</b>	<b>177.982</b>	<b>148.837</b>

	31.3.2013	
	No.of shares	Amount(Rs.Mn)
<b>Reconciliation of No.of shares</b>		
Opening outstanding as at beginning of the period	14883700	148.837
Add: Equity shares issued during the period	2914500	29.145
Less: Shares bought back during the period	0.000	0.000
Closing outstanding as on end of the period	17798200	177.982
Of the above shares held by Holding company at its nominees.	17798200	177.982
Shares in company held by share holder holding more than 5% shares - Pricol imied and its nominees - 100%	17798200	177.982
Shares reserved for issue under options&contracts/commitments	Nil	Nil
<b>In 5 years immediately preceding the date of balance sheet :</b>		
a. Shares allotted us fully paid up pursuant to contracts without payment being received in cash.	2914500	29.145
b. Aggregate number of shares allotted fully paid bonus shares	Nil	Nil
c. Aggregate number of shares bought back	Nil	Nil

**Terms/Rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs.177982000

Note No : 2 Reserves and Surplus

Sr. No	Particulars	For the year ended	
		31.3.2013	31.3.2012
1	<b>Capital Reserve</b> Capital Reserve	0.001	0.001
2	<b>Profit and loss account</b> Opening balance of accumulated profit/(Loss) Add : Profit/ (Loss) for the year Closing balance of accumulated Profit/(Loss)	(72.697) 1.020 (71.677)	(66.808) (5.889) (72.697)
	<b>Total in Rs.Million</b>	<b>(71.677)</b>	<b>(72.697)</b>

**NON CURRENT LIABILITIES**

Note no : 3 Long -Term Borrowings

Sr. No	Particulars	For the year ended	
		31.3.2013	31.3.2012
1	<b>Term Loan - Long Term Borrowings</b> - From Banks - City Union Bank - From Other Parties	11.066 0.000	10.057 0.000
	<b>Total in Rs.Million</b>	<b>11.066</b>	<b>10.057</b>

Term loan from CUB is fully secured against fixed assets and current assets. The loan is secured by factory land and building located at 100/1A Pollachi main road, Thamaraikulam post, Kinathukadavu (via) Pollachi Taluk, Coimbatore 642109 and a corporate guarantee of the holding company. The term loan is repayable in EMI over 5 years. The rate of interest on Term Loan for the time being 14.50% p.a. There are no defaults in repayment of loans and interest.

## pricol castings limited

Notes to Financial statements as at 31st march, 2013

Note no : 4 Long Term Provisions

		Rs. in Million	
Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	Provision for Gratuity-Employee benefits - PV of obligations	3.034	2.294
	Less: Fair value of plan assets	1.427	1.431
	<b>Net provision for Gratuity- in Rs.Million</b>	<b>1.607</b>	<b>0.863</b>

Note no : 5 Short -Term Borrowings

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	<b>Loan Repayable on Demand</b>		
	- From Bank - Cash credit account - City Union Bank	79.802	52.474
	- From Other Parties	0.000	0.000
2	Loans & Advances From Related Parties - Holding Company	0.000	32.075
3	Other loans and advances	0.000	0.009
	<b>Total in Rs.Million</b>	<b>79.802</b>	<b>84.558</b>

Cash Credit from bank is fully secured against hypothecation of fixed and current assets and supported by corporate guarantee of holding company. The rate of interest for the time being is 14.5% p.a. There is no default in repayment of loans and interest. Loan from the holding company (previous year) is unsecured.

Note no : 6 Trade Payables

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
	<b>Sundry Creditors for Material/Supplies:</b>		
1	Due to micro and small and medium enterprises.	2.173	4.822
2	Other trade payables (All the above trade payables are unsecured)	39.097	20.022
	<b>Total in Rs.Million</b>	<b>41.270</b>	<b>24.844</b>

There is no overdue payments to Micro, Small and medium enterprises. The information in relation to dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the company and relied upon by the auditors.

Note no : 7 Other Current Liabilities

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
	<b>Current maturity of Long term borrowings</b>		
1	Term loan - Current maturities - CUB	6.031	5.527
2	Liability for capital Expenditure	0.188	0.400
3	Liability for other Finance	0.082	0.178
4	Excise Duty Payable	0.022	0.013
5	Sales tax payable	0.929	0.128
6		0.560	0.256
7	Advance From Customers	11.974	3.621
8	Advances payable	0.072	0.071
	<b>Total in Rs.Million</b>	<b>19.859</b>	<b>10.194</b>

Note no : 8 Short Term Provisions

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	<b>Provision For Employees Benefit</b>		
	EPF Payable	0.342	0.272
	ESI payable	0.139	0.114
2	<b>Others</b>		
	Provision for Expenses	7.016	6.253
	Provision for Income tax	0.000	1.689
	<b>Total in Rs.Million</b>	<b>7.497</b>	<b>8.328</b>



# pricol castings limited

## Schedules Forming Integral Part of the Balance Sheet as at 31st March, 2013

Note No : 9 Fixed Asset

Rs. in million

Sl.No	Description of Assets	Gross Block			Depreciation			Net Block		
		As at 01.04.2012	Additions during the year	Deletions during the year	As at 31.03.2013	As at 01.04.2012	For the year 2012-13	Deletions during the year	As at 31.03.2013	As at 31.3.2012
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Land	1.237	0.000	0.000	1.237	0.000	0.000	0.000	1.237	1.237
2	Buildings	42.798	0.283	0.000	43.081	1.607	0.000	27.301	15.780	17.104
3	Plant and Machinery	138.816	7.644	0.042	146.418	8.338	0.011	85.722	60.696	61.552
4	Lab Equipments	4.831	0.182	0.000	5.013	0.631	0.000	3.869	1.145	1.452
5	Electrical Fittings	19.694	0.233	0.000	19.927	1.276	0.000	16.574	3.353	4.396
6	Furniture & Fittings	2.087	0.011	0.000	2.098	0.027	0.000	1.890	0.207	0.223
7	Office Equipments	6.770	0.150	0.000	6.920	0.261	0.000	6.030	0.890	1.011
8	Vehicles	2.515	0.025	0.015	2.525	0.271	0.015	1.516	1.009	1.255
9	Capital work in Process	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Total - Tangible assets	218.749	8.527	0.058	227.218	12.410	0.027	142.901	84.317	88.231
10	Intangible assets - computer software	2.990	0.168	0.000	3.157	0.328	0	2.622	0.536	0.697
	Grand Total of Tangible and Intangible assets	221.738	8.695	0.058	230.375	12.739	0.027	145.523	84.852	88.927
	Previous Year total of Tangible and Intangible assets	227.597	9.756	15.615	221.738	12.941	13.159	132.811	88.928	96.049

## pricol castings limited

Notes to Financial statements as at 31st march, 2013

Note no : 10 Long Term Loans and Advances

Rs. in Million

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
I)	<b>Capital Advances</b>		
	a) Secured, Considered Good :	0.000	0.000
	b) Unsecured, Considered Good :	1.707	0.210
	c) Doubtful	0.000	0.000
II)	<b>Security Deposit</b>		
	a) Secured, Considered Good :	0.000	0.000
	b) Unsecured, Considered Good :	4.778	1.970
	c) Doubtful	0.000	0.000
III)	<b>Loans &amp; Advances to related parties</b>	0.000	0.000
IV)	<b>Other Loans &amp; Advances</b>	0.000	0.000
	<b>Total in Rs.Million</b>	<b>6.485</b>	<b>2.180</b>

There are no Long Term Loans and advances due by directors and other officers of the comp. or any of them jointly, amounts due by firms or private companies in which directors are partners or members

Note no : 11 Other Non Current Assets- refer note no.29 forming part of accounts

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	<b>Long Term Trade Receivables and Advances</b>		
	a) Secured, Considered Good :	0.000	0.000
	b) Unsecured, Considered Good :	26.336	26.173
	c) Doubtful - See provision below	0.000	0.000
2	Tax Payments Pending Adjustment	0.000	2.817
3	Other long term advances	4.474	0.000
	<b>Total in Rs.Million</b>	<b>30.810</b>	<b>28.990</b>
	Less : Provision for Doubtful non current assets @ 2.5%	0.770	0.000
	<b>Total in Rs.Million</b>	<b>30.040</b>	<b>28.990</b>

Note no : 12 Inventories

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	Raw Material	3.325	2.295
2	Work-in-Progress	95.046	55.602
3	Finished Goods	0.000	0.000
4	Stores & Spares	6.201	5.790
5	Stock in Trade - Purchased finished goods	0.000	0.000
6	Goods in Transit	0.000	0.000
	<b>Total in Rs.Million</b>	<b>104.571</b>	<b>63.687</b>

All inventories are valued at Cost or Net realisable value whichever is lower.

# pricol castings limited

Notes to Financial statements as at 31st march, 2013

Note no : 13 Trade Recievables

Rs. in Million

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	<u>Outstanding for more than six months</u>		
	a) Secured, Considered Good :	0.000	0.000
	b) Unsecured, Considered Good :	5.044	1.590
	c) Doubtful	0.000	0.000
2	<u>Others</u>		
	a) Secured, Considered Good :	0.000	0.000
	b) Unsecured, Considered Good :	30.446	19.808
	c) Doubtful	0.000	0.000
	<b>Total in Rs.Million</b>	<b>35.490</b>	<b>21.398</b>

Note no : 14 Cash and Cash Equivalents

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	<u>Cash-in-Hand</u>		
	Cash Balance	0.010	0.002
	<b>Sub Total (A)</b>	<b>0.010</b>	<b>0.002</b>
2	<u>Bank Balance</u>		
	in Current Account	0.109	0.111
	<b>Sub Total (B)</b>	<b>0.109</b>	<b>0.111</b>
	<b>Total [ A + B ] in Rs.Million</b>	<b>0.119</b>	<b>0.113</b>

Note no :15 Short -Terms Loans and Advances

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	<u>Loans &amp; Advances to related parties</u>	0.000	0.000
2	<u>Loans &amp; Advances - Others</u>		
	<u>Unsecured - Considered good</u>		
	Advance to Suppliers	2.122	4.599
	Advances to Staffs	0.234	0.378
	Advance to Capital expenditure	0.000	0.000
	Advance Income Tax/Refund Due	0.673	0.000
	Advance Excise Duty, Vat & CST payments	0.877	2.798
	Prepaid Expenses	0.432	0.493
	Others	0.000	0.000
	<b>Total in Rs.Million</b>	<b>4.338</b>	<b>8.268</b>

Note no :16 Other Current Assets

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	Accrued Interest receivable	0.090	0.000
	<b>Total in Rs.Million</b>	<b>0.090</b>	<b>0.000</b>

## pricol castings limited

Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2013

Note no : 17 Revenue from Operations

Rs. in Million

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	Gross Sales	298.785	264.874
	Less: Excise duty	47.886	38.970
	Net sales	250.899	225.904
2	Export Sales	12.490	5.788
3	Job Work Receipts	4.869	7.681
	<b>Total in Rs.Million</b>	<b>268.257</b>	<b>239.373</b>

Note no : 18 Other Income

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	Other Receipts	0.010	0.748
	Interest Receipts	0.302	0.000
2	Sundry old credits written back	2.211	0.626
3	(Loss)/ Profit On Sale of Assets	0.725	1.047
4	Foreign Exchange Loss /(Gain)	0.373	0.000
	<b>Total in Rs.Million</b>	<b>3.621</b>	<b>2.421</b>

Note no : 19 Cost of Material Consumed

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
a)	<u>Raw Materials consumed</u>		
	Opening stock of Rawmaterials	2.295	7.111
	Add:Purchase of Raw materials	150.438	135.056
	Less: closing Stock of Rawmaterials	3.325	2.295
	<b>Total in Rs.Million</b>	<b>149.408</b>	<b>139.872</b>

Note no : 20 Change in Inventories

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	Opening Stock of WIP	55.602	36.539
2	Closing Stock of WIP	95.046	55.602
	<b>Total in Rs.Million</b>	<b>(39.444)</b>	<b>(19.063)</b>

Note no : 21 Employment Benefit Expenses

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	Pay, Allowances & Exgratia	38.924	33.540
2	Company's Contribution to PF & ESI	3.578	2.395
3	Gratuity expenses recognised - as per LIC statement	0.798	0.554
4	Welfare Expenses	0.860	1.109
	<b>Total in Rs.Million</b>	<b>44.160</b>	<b>37.598</b>

# pricol castings limited

Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2013

Note no :22 Finance Cost

Rs. In Million

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	Interest on Cash Credit Facility	8.328	6.446
2	Interest on Term loan	2.209	1.488
3	Interest on HP loan & buyers credit	0.333	0.024
4	Interest on Other loans	4.020	4.591
	<b>Total in Rs.Million</b>	<b>14.890</b>	<b>12.549</b>

Note no : 23 Depreciation and Amortised Cost

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
1	Depreciation	12.739	12.941
2	Other amotisations	0.000	0.000
	<b>Total in Rs.Million</b>	<b>12.739</b>	<b>12.941</b>

Note no : 24 Other Expenses

Sr. No	Particulars	For the year ended 31.3.2013	For the year ended 31.3.2012
a)	<b><u>Stores &amp; Consumables - Consumed</u></b>		
	Opening stock of stores & consumables	5.473	2.399
	Add:Purchase of stores & Consumables	7.302	4.655
	Less: Closing Stock of stores & Consumables	5.633	4.528
	<b>Sub-total (a)</b>	<b>7.142</b>	<b>2.526</b>
b)	<b><u>PRODUCTIONS EXPENSES</u></b>		
	Processing Labour Charges	11.163	8.660
	Power & Fuel	46.138	37.487
	Packing, Freight & Forwarding	6.951	6.139
	Repair & Maintenance	9.751	4.211
	<b>Sub-total (b)</b>	<b>74.003</b>	<b>56.497</b>
c)	<b><u>OTHERS</u></b>		
1	Printing & Stationery Expenses	0.314	0.335
2	Postage & Telephones	0.317	0.328
3	Rent, Rates, Duty & Taxes	0.827	0.839
4	Insurance	0.257	0.140
5	Travelling & Conveyance	0.512	0.310
6	Bad Debts Written Off	0.008	0.000
7	Salary to Managing Director	0.000	0.000
8	Directors' Sitting Fees	0.202	0.145
9	Auditor's Remuneration - Refer note no.4 in Notes forming	0.288	0.200
10	Professional Charges, Books & Periodicals	0.848	0.617
11	Security Service Charges	1.180	0.793
12	Liquidity Damage & Warranty Claim	0.000	0.043
13	Miscellaneous Expenses	0.278	0.308
14	Discount Allowed	0.065	0.000
16	Bank Charges	0.159	0.706
17	Gratuity administrative expenses	0.046	0.000
18	Donation	0.050	0.000
19	Prior period expenses	1.566	0.000
20	Sundry old balances written off	0.409	0.000
21	Provision for doubtful non current assets @ 2.5%	0.770	0.000
	<b>Sub-total (c)</b>	<b>8.095</b>	<b>4.763</b>
	<b>Grand Total</b>	<b>89.241</b>	<b>63.786</b>

pricol castings limited			Rs. In Million	
Cashflow Statement for the Year ended 31st March 2013				
S.No	Particulars	2012 - 13		2011 - 12
A	<b>Cash Flow From Operating Activities</b>			
	Net Profit / (Loss) Before Tax		0.885	(5.889)
	Adjustments for :			
	Depreciation & Amortisation	12.739		12.941
	Profit on Sale of Assets (Net)	(0.725)		(1.047)
	Interest received	(0.302)		-
	Interest & Finance Charges-including bank charges	15.049		12.549
	Income from Mutual Funds	-		-
	Operating Profit before working capital changes		26.761	24.444
	Movements in Working Capital :-		27.645	18.555
	Decrease / (Increase) in Trade and other receivables	(14.092)		16.660
	Decrease / (Increase) in Inventories	(40.884)		(17.471)
	(Decrease) / Increase Long Term Provisions	0.744		0.217
	(Decrease) / Increase in Other current liabilities	9.665		(4.149)
	(Decrease) / Increase in in short term borrowings	(4.756)		0.101
	(Decrease) / Increase in short term provisions	(0.696)		0.660
	Decrease/(Increase) in Long Term Loans and Advances	(4.305)		2.087
	Decrease/(Increase) in Other non current Assets	(1.050)		0.293
	Decrease/(Increase) in Short Term Loans and Advances	3.930		(2.083)
	(Decrease) / Increase Trade and other payables	16.426		(6.179)
			(35.017)	(9.864)
	Cash generated from Operations		(7.372)	8.691
	Income taxes paid	0.000		0.000
	Net Cash Flow from Operating activities		(7.372)	8.691
B	<b>Cash Flow from Investing Activities :</b>			
	Purchase of Tangible and Intangible Assets	(8.695)		(9.756)
	Sale of Fixed Assets	0.756		3.480
	Interest received	0.212		0.000
	Net Cash used in investing activities		(7.727)	(6.277)
C	<b>Cash Flow from Financing Activities :</b>			
	Long Term Borrowings	30.154		10.057
	Unsecured Loans & Deposits	-		-
	Working Capital Borrowings	-		-
	Interest & Finance Charges-including bank charges	(15.049)		(12.549)
	Dividend & Tax on Dividend paid	-		-
	Net Cash Used in financing activities		15.105	(2.492)
D	<b>Net increase / (Decrease) In cash and cash equivalents (A+B+C)</b>		0.006	(0.078)
	Cash and cash equivalents as at 1.4.2011 and 1.4.2012 (Opening Balance)		0.113	0.191
	Cash and cash equivalents as at 31.3.2012 and 31.3.2013 (Closing Balance)		0.119	0.113

# pricol castings limited

## SIGNIFICANT ACCOUNTING POLICIES

### 1) ACCOUNTING CONVENTION:

Accounts have been prepared under Historical Cost Convention on the basis of going concern and in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, wherever applicable.

### 2) FIXED ASSETS AND DEPRECIATION:

Fixed Assets are stated at Historical Cost excluding Cenvat benefit on capital goods.

Depreciation has been provided under the Straight Line Method as per Schedule XIV of the Companies Act, 1956.

At each Balance Sheet date, the carrying amount of assets is tested for impairment.

### 3) VALUATION OF INVENTORIES:

Inventories are valued at lower of cost and Net realizable value. Cost is determined based on weighted average basis.

### 4) REVENUE RECOGNITION:

The Company has been constantly adopting accrual system of accounting for income and expenditure.

### 5) FOREIGN CURRENCY TRANSACTIONS:

Revenue transactions in Foreign Currency are accounted at the rates prevailing at the date of transaction.

Foreign currency assets and liabilities are restated at the exchange rate prevailing on the balance sheet date and any difference on restatement is recognized in the statement of Profit & Loss.

### 6) EMPLOYEE BENEFITS:

Gratuity and Other Employee Benefits: The liability in respect of gratuity payable to the employees of the company is covered by a scheme of LIC. Accounting of Gratuity and other employee benefits is done as per AS-15 employee benefits.

### 7) BORROWING COSTS:

Borrowing costs are charged to revenue. There are no assets, during the year for which borrowing cost is to be capitalized.

### 8) ACCOUNTING FOR TAXES ON INCOME:

There are carry forward losses eligible to be set off against future income under Income tax act. Deferred tax asset in respect of such losses has not been recognized on prudence.

### 9) ACCOUNTING STANDARDS:

Accounting standards prescribed by the Institute of Chartered Accountants of India have been followed wherever applicable.

# pricol castings limited

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

### Note No. 26

Previous year figures have been regrouped and reclassified to conform to current year's classification.

### Note No.27

#### FOREIGN EXCHANGE EARNING & OUTGO: (Rs. In Million)

i. Earnings in Foreign Exchange (FOB)	Rs.11.203 (Previous Year Rs. 5.937)
ii. Outgo in Foreign Currency (CIF)	Rs.21.764 (Previous Year Rs. 0.502)

### Note No.28

#### Remuneration paid to Auditor includes: (Excluding Service Tax)

Audit Fees	Rs. 2,50,000 (Previous Year Rs. 2,00,000)
Taxation Matters & Other Services	Rs. 38,000 (Previous Year Rs. 30,000)

### Note No.29

#### Remuneration paid to Directors: (Rs. In Million)

Sitting Fees	Rs. 0.202 (Previous Year Rs.0.145)
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### Note No.30

Estimated amount of contracts remaining to be executed on capital account and not provided – Rs.62,22,000 (Previous Year – Nil).

### Note No 31

Other commitments – NIL

### Note No. 32

#### DETAILS OF CONTINGENT LIABILITY:

The following are the disputed claim of Rs.61,60,898/- under sales tax:

- (i) Claim of Rs.36,40,155/- towards entry tax for goods purchased outside the State of Tamilnadu.

Madras High Court has struck down the Tamil Nadu Tax on Entry of Goods into Local Areas Act, 2001 as violative of clause (a) of Article 304 of the Constitution. Appeal from Department is pending at Supreme Court. Demand is not sustainable and therefore no provision is required.

- (ii) Claim of Rs.20,85,061/- towards sale of tools & dies against concessional rate of tax as ineligible, as tools & dies are neither capital goods nor raw material.



## pricol castings limited

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

The Eighth Schedule of TNGST Act has clearly specified that tools used with the machineries are eligible for concessional rate of tax. In respect of the same the Company moved the Madras High Court and obtained order of stay against the demand. In the opinion of the Company the case will be won and hence no provision is required.

- (iii) Claim of Rs.4,35,682/- towards differential tax for sale of machinery purchased against concessional rate within 5 years.

The TNGST Act clearly states that any sale which pertains to sale of whole division/unit of the Company, no such differential tax shall be levied. The Company has sold the press shop division during 2005-06, for which the claim was made. As this pertains to sale of whole division as a going concern, no such levy shall be made. In respect of the same the Company moved the Madras High Court and obtained order of stay against the demand. There is no probability for payment of differential tax and hence no provision is required.

#### **Note No. 33**

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

pricol castings limited

**NOTES TO FINANCIAL STATEMENTS (Contd.)**

Note No. 34 Report under AS-15 (Revised 2005)	As on 31.03.2013	As on 31.03.2012
<b>1. Assumptions</b>		
Discount Rate	8.00%	8.00%
Salary Escalation	6.50%	6.50%
<b>2. Changes in present value of obligations</b>		
Present value of obligations as at beginning of year	2,294,441	1,989,637
Interest Cost	183,555	159,171
Current Service Cost	405,836	328,617
Benefits paid	-177,422	-376,814
Actuarial (Gain) / Loss on Obligations	327,146	193,830
Present value of obligations as at end of year	3,033,556	2,294,441
<b>3. Changes in fair value of plan assets</b>		
Fair value of plan assets at beginning of year	1,431,174	1,344,540
Expected return on plan assets	119,013	127,815
Contributions	53,808	335,633
Benefits paid	-177,422	-376,814
Actuarial Gain / (Loss) on Plan Assets	Nil	Nil
Fair Value of plan assets at the end of year	1,426,573	1,431,174
<b>4. Fair value of plan assets</b>		
Fair value of plan assets at beginning of year	1,431,174	1,344,540
Actual return on plan assets	119,013	127,815
Contributions	53,808	335,633
Benefits paid	-177,422	-376,814
Fair value of plan assets at the end of year	1,426,573	1,431,174
Funded Status	-1,606,983	-863,267
Excess of Actual over estimated return on plan assets	Nil	Nil
(Actual rate of return = Estimated rate of return as ARD falls on 31 <sup>st</sup> March)		
<b>5. Actuarial Gain/Loss recognized</b>		
Actuarial Gain / (Loss) for the year – Obligations	327,146	-193,830
Actuarial Gain / (Loss) for the year – plan assets	Nil	Nil
Total (Gain) / Loss for the year	327,146	193,830
Actuarial (Gain) / Loss recognized in the year	327,146	193,830
<b>6. The amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at end of year	3,033,556	2,294,441
Fair Value of plan assets as at the end of the year	1,426,573	1,431,174
Funded Status	-1,606,983	-863,267
Net Asset / (Liability) recognized in Balance Sheet	-1,606,983	863,267
<b>7. Expenses Recognized in Statement of Profit &amp; Loss</b>		
Current Service Cost	405,836	328,617
Interest Cost	183,555	159,171
Expected return on plan assets	-119,013	-127,815
Net Actuarial (Gain) / Loss recognized in the year	327,146	193,830
Expenses recognized in statement of Profit & Loss	797,524	553,803
Add. Provision towards gratuity	0	0

# pricol castings limited

## NOTES TO FINANCIAL STATEMENTS (Contd.,)

### Note No.35

List of Related parties with whom transactions have taken place during the year 2012-13 and Relationship

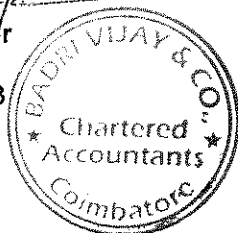
<b>Holding company</b>	Pricol Limited
<b>Key management personnel</b>	Nil
<b>Fellow subsidiaries</b>	Integral Investments Limited, Shanmuga Steel Industries Limited, Pricol Components Limited and PT Pricol Surya, Indonesia, Pricol Asia Pte Ltd, Singapore
<b>Others</b>	Pricol Holdings Limited, Pricol Packaging Limited, Pricol Travel Limited, Pricol Technologies Limited, Pricol Medical Systems Limited, Pricol Properties Limited, Pricol Corporate Services Limited, Xenos Automotive Limited, Penta Enterprises (India) Limited, Vascon Pricol Infrastructures Limited, Prime Agri Solutions (India) Limited, , M and M Enterprises (India) Limited, Bhavani Infin Services India Private Limited, Shrimay Enterprises Private Limited, Sagittarius Investments Private Limited, Carcerano Pricoltech (India) Private Limited, Libra Industries, Leo Industries, Ellargi & co., Rudra Industries and Bhavani Treads.

### Related Party Transactions during the year 2012-13 (Rs. in Million)

Nature of Transaction	Holding Company		Fellow Subsidiaries		Key Mgmt. Personnel		Others	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Purchase / Labour Charges Paid	12.199	16.633	-	-	-	-	0.101	-
Sales / Job Work Charges Received	31.168	21.904	-	-	-	-	-	0.088
Receiving of Services	-	-	-	-	-	-	1.374	0.081
Receiving of unsecured Loan	1.675	18.138	-	-	-	-	-	-
Unsecured Loan Outstanding as at 31.03.2013	-	29.283	-	-	-	-	-	-
Interest on the above unsecured loan	3.603	2.792	-	-	-	-	-	-
Payables as at 31.03.2013	0.762	2.738	-	-	-	-	-	-
Receivables Closing as at 31.03.2013	0.320	5.419	-	-	-	-	-	-

As per our report of date attached  
For Badri Vijay & Co  
Chartered Accountants  
Firm Regn. No.013903S

*K. Badri Narayanan*  
K.Badri Narayanan, Partner  
Membership No.024550  
Coimbatore, 21<sup>st</sup>, May 2013



For and on behalf of the Board

*Vijay Mohan*

Vijay Mohan  
Chairman

*Viren Mohan*

Viren Mohan  
Executive Director

*V.K. Krishnamoorthy*  
V.Krishnamoorthy  
Company Secretary

