

BOARD OF DIRECTORS

Mr. Vijay Mohan, Chairman
Mrs. Vanitha Mohan, Vice Chairman
Mr. Vikram Mohan, Managing Director
Mr. D. Sarath Chandran
Mr. C.R. Swaminathan
Mr. K. Murali Mohan
Mr. Suresh Jagannathan
Mr. R. Vidhya Shankar
Mr. G. Soundararajan

CHIEF FINANCIAL OFFICER

Mr. J. Sridhar

COMPANY SECRETARY

Mr. T.G. Thamizhanban

AUDITORS

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

BANKERS

State Bank of India	The Bank of Nova Scotia
HDFC Bank Limited	ICICI Bank Limited
Bank of Bahrain and Kuwait B.S.C.	

REGISTERED OFFICE

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

FACTORIES

PLANT I

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

PLANT II

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

PLANT III

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

PLANT V

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

PLANT VII

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

CONTENTS

PAGE

Directors' Report & Management Analysis	2
Report on Corporate Governance	23
Independent Auditors' Report	33
Balance Sheet	36
Statement of Profit & Loss	37
Cash Flow Statement	38
Notes to Financial Statements	39
Consolidated Financial Statements	57

DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Your Directors have pleasure in presenting the Forty Third Annual Report and audited accounts for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

The summarised financial results are :

	₹ Million	
	2014-15	2013-14
Net Sales & Services		
- Domestic	7,842.345	6,899.647
- Export	1,162.545	1,402.783
Total	<u>9,004.890</u>	<u>8,302.430</u>
Profit from Operations before Finance Cost, Depreciation and Amortisation Expense & Exceptional Items	252.896	694.353
Less : Finance Costs	78.900	65.196
: Depreciation & Amortisation Expense	352.545	306.646
Profit / (Loss) from Operations before Exceptional Items and Tax	<u>(178.549)</u>	<u>322.511</u>
(2013-14 profit includes Profit of ₹ 114.206 Million from sale of land held as Stock-in-Trade)		
Add : Exceptional Items	(46.768)	516.334
Profit / (Loss) Before Tax	<u>(225.317)</u>	<u>838.845</u>
Less : Tax Expense		
Current Tax	12.903	173.882
Deferred Tax	(48.378)	41.000
MAT Credit	(12.903)	(62.678)
For earlier years	3.033	16.648
Profit / (Loss) for the Year	<u>(179.972)</u>	<u>669.993</u>
Add : Surplus - Opening	699.911	185.366
Less : Loss on Amalgamation from 1st Jan' 14 to 31st Mar' 14	11.393	—
Adjustment relating to Fixed Assets (Net of Deferred Tax)	36.164	—
Amount available for appropriation	<u>472.382</u>	<u>855.359</u>

DIVIDEND

To conserve the outflow of funds and use it for improving the operations of the Company, no dividend was recommended for the year 2014-15.

APPROPRIATION

₹ Million

	2014-15	2013-14
Dividend - Nil (Previous year- ₹ 0.80 per share of ₹ 1.00 face value)	—	75.600
Tax on Dividend	—	12.848
General Reserve	—	67.000
Surplus to be carried over	472.382	699.911
Total	<u>472.382</u>	<u>855.359</u>

AUTO INDUSTRY

During the year, the Auto Industry domestic market grew by 7.22% and exports by 14.89%. The overall growth was 8.32% as against 4.04% in the previous financial year. The performance as per Society of Indian Automobile Manufacturers (SIAM) is :

Category	Vehicles Sold		Growth
	2014-15	2013-14	2014-15
	In numbers		%
Passenger Car / Utility Vehicle	3,048,822	2,907,316	4.87
Vans	174,759	192,335	(9.14)
Medium & Heavy Commercial Vehicle	263,407	224,431	17.37
Light Commercial Vehicle	437,336	485,470	(9.91)
Motor cycles / Scooters / Mopeds	18,462,178	16,890,778	9.30
Three Wheelers	939,884	833,477	12.77
Total	<u>23,326,386</u>	<u>21,533,807</u>	<u>8.32</u>

OPERATIONS

For the financial year 2014-15, our Company's domestic sales increased to ₹ 7,842.345 Million from ₹ 6,899.647 Million, a growth of 13.66%, despite a growth of only 8.32% by the auto industry.

Our export sales decreased by 17.13% to ₹ 1,162.545 Million from ₹ 1,402.783 Million. There was a steep production drop in two wheelers of our Overseas OEM Customers, Kawasaki Thailand / Indonesia and Piaggio Italy. In addition, there was a drop in the export sales to Europe since the economy there is yet to fully recover.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

The overall sales of the Company increased by 8.46% to ₹ 9,004.890 Million from ₹ 8,302.430 Million, which is in line with the auto industry.

Reduction of sales in exports, after market and asset management systems, led to steep decline in profits. High increase in employee cost more than the normal levels was due to higher outflow in first year of long term wage settlement with Operators. These resulted in operational loss of ₹ 178.549 Million against the profit of ₹ 208.305 Million (excluding profit of ₹ 114.206 Million from sale of land held as Stock-in-Trade) in 2013-14.

For the ensuing year 2015-16, the Company's business is expected to grow higher than the market, mainly due to new businesses generated. The Company has embarked upon further improving operational efficiency, efforts to control cost and generate profits for the year 2015-16.

SUBSIDIARY COMPANIES

PT Pricol Surya, Indonesia

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

In the financial year 2014-15 the Company has achieved a sales of Indonesian Rupiah 190,739 Million an increase of 12% over the previous financial year sales of Indonesian Rupiah 170,307 Million (In Indian Rupee the sales increased by 3.88% only to Indian Rupee 964.183 Million from Indian Rupee 928.174 Million due to depreciation of Indonesian Rupiah).

Due to steep increase in material cost, consequent to the Indonesian Rupiah depreciation against US Dollar and much higher than the normal increase in wages due to Government Policy, the Company has incurred a loss of Indian Rupee 118.862 Million. Increase could not be passed on to the Customers.

Efforts are being put to turn the Company profitable for the ensuing financial year. Towards this, the customers have already been approached to add more new products in the product range made by the parent Company, Pricol Limited in India. The techno-commercial discussions are in progress and the Company hopes to convert the same into business during the financial year 2015-16. As a beginning, the Company has received Purchase Order for the supply of Oil pumps to M/s. Suzuki, Indonesia.

Pricol Asia Pte Limited, Singapore

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

In the financial year 2014-15, the Company achieved sales of ₹ 1,043.079 Million when compared with the previous year sales of ₹ 98.028 Million due to limited operations in the previous year. The Company was able to achieve a profit of ₹ 10.257 Million.

Pricol Espana Sociedad Limitada, Spain

During the year, Pricol Limited incorporated a Wholly Owned Subsidiary Company, Pricol Espana Sociedad Limitada, in Spain. It is an investment arm of Pricol to acquire companies in foreign countries. Pricol has infused capital of EURO 1.804 Million in the Company.

Pricol do Brasil Componentes Automotivos Ltda, Brazil

On 23rd January, 2015, through its Wholly Owned Subsidiary Company, Pricol Espana Sociedad Limitada, Spain, Pricol acquired 99.99% stake in Melling do Brasil Componentes Automotivos Ltda, Brazil, an auto component manufacturing Company. The acquisition cost is One Brazilian Real (R\$1). The name of the Company has been changed to Pricol do Brasil Componentes Automotivos Ltda.

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

Pricol do Brasil is of strategic value to Pricol Limited as it gives Pricol access to a quality manufacturing footprint in Brazil and a good brand with strong technology and market leadership in the domestic market of Brazil. This acquisition will also give Pricol a reference to the customer programs which are launched elsewhere in the world and thereby could create a first mover advantage for Pricol.

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

During the period from 23rd January 2015 to 31st March 2015, the Company had a turnover of ₹ 284.416 Million and incurred a loss of ₹ 65.307 Million. To turnaround the Company adequate steps are taken to increase the turnover and control cost.

Pricol Castings Limited

During the year 2014-15, the Company made a sales turnover of ₹ 228.562 Million against ₹ 387.428 Million during the previous year. The Company incurred a loss of ₹ 184.552 Million.

During the year, the Company was not able to achieve the expected turnover and customers were not willing to pay any price increases to offset the increase in costs. This resulted in cash loss for the Company and Pricol has been infusing funds to keep the Company afloat. The management and board of Pricol after detailed deliberations decided to suspend the operations of the Company, since it was felt that further infusion of funds will not result in any improvement in operations of the Company. Taking into consideration the commitments to customers, operations were reduced slowly from July 2014 until the Customers developed alternate sources. The operations were suspended from December 2014. The settlement with Labour is yet to be completed.

Integral Investments Limited

A Wholly Owned Subsidiary made a profit of ₹ 2.893 Million during the financial year 2014-15.

Shanmuga Steel Industries Limited

A Wholly Owned Subsidiary of Integral Investments Limited filed for Striking Off its name from Ministry of Corporate Affairs (MCA) on 10th March 2014, under Exit Scheme. It has been Struck Off from the register of MCA on 13th June, 2014.

JOINT VENTURES

Johnson Controls Pricol Private Limited

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

The sales decreased from ₹ 1,029.610 Million to ₹ 979.960 Million due to the reduction in passenger vehicle sales of Tata Motors and Mahindra & Mahindra. Increase in input costs could not be passed on to the customers and product mix change-over resulted in a loss of ₹ 66.900 Million before amortisation of goodwill.

The Joint Venture partner, Johnson Controls Inc., USA exited their automotive electronics business worldwide. Consequently, as per the Termination Agreement dated 15th April, 2015, Johnson Controls Enterprises Limited, UK (JCEL) sold its 50% of shareholding in the JV to Pricol Limited on May 6, 2015 for a consideration of ₹ 200.237 Million. Subsequent to the acquisition, the JV, became the Wholly Owned Subsidiary Company of Pricol Limited.

Denso Pricol India Private Limited

The Joint Venture performance did not improve as envisaged and continued to incur losses. The projections for the future years were also not encouraging. Therefore it was decided to exit from the JV.

On 17th March, 2015 Pricol Limited sold its 49% of shareholding in Denso Pricol India Private Limited to Denso Corporation, Japan for a consideration of ₹ 200 Million. Subsequent to the sale the Company became the Wholly Owned Subsidiary Company of Denso Corporation, Japan.

AMALGAMATION

The Hon'ble High Court, Madras has sanctioned the Scheme of Amalgamation of Xenos Automotive Limited with Pricol Limited on 1st December, 2014 and a copy of the Order of the Hon'ble High Court in this regard was received by the Company on 16th December, 2014.

Consequent to the merger, 296,721 equity shares of ₹ 1/- each of the Company was allotted to shareholders of Xenos, in ratio of 1 equity share of ₹ 1/- each of Pricol for every 122 equity shares of ₹ 10/- each of Xenos. Paid-up equity share capital of our Company increased to ₹ 94.797 Million from ₹ 94.500 Million.

OUTLOOK, OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

The automotive industry continued to show a sluggish trend during 2014-15 and this is expected to continue till

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

the first half of 2015-16. Commercial vehicle is expected to revive from second half of 2015-16. The major concern is drop in sales in two wheeler and tractors from the last quarter of 2014-15 primarily due to slow down in demand in the rural segment. Overall the industry is expected to grow by 5% to 6% during 2015-16.

Pricol is expected to grow more than the auto industry due to opportunities in its new range of products.

There is a growing demand for Telematics, a high end electronics product, in the Construction equipment segment. Pricol has now a matured product to cater to this growing demand.

With International Purchasing Office opening up aggressively in India by global players, there is a good opportunity for Pricol to sell its range of products to the same customer in multiple geographies. Pricol has won a global contract for Oil and Water Pumps with Renault for their new A Entry vehicle which is common in India, Europe and Brazil.

RISK MANAGEMENT

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and assets;

- Compliance with applicable statutes, policies, listing requirements and management policies and procedures.

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

FINANCE

During the year the Company has not accepted / renewed any fixed deposit from public. The total deposits remained unpaid or unclaimed as at 31st March, 2015 is Nil. There is no default in repayment of deposits or payment of interest thereon during the year.

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

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

The particulars of Loans, Guarantees and Investments made by the Company under Section 186 of the Companies Act, 2013 are given in Note No. 2.54 to the Financial Statements.

RELATED PARTY TRANSACTIONS

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

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

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

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

DIRECTORS

As per the provisions of Section 149 of the Companies Act, 2013, the amended Clause 49 of the Listing Agreement and the Company's Directors retirement policy at the age of 70, the Members of the Company had at the AGM held on 8th August 2014, re-appointed the independent directors as mentioned below:

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

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

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

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

EVALUATION BY THE BOARD

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

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

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

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

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

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company as stipulated under the Companies Act, 2013 are Mr.Vikram Mohan, Managing Director, Mr. K.U.Subbaiah, Chief Executive Officer, Mr. J.Sridhar, Chief Financial Officer & Mr.T.G.Thamizhanban, Company Secretary. Mr. K.U.Subbaiah has expressed his desire to retire as CEO of the Company effective end of May, 2015. The Board places on record its warm appreciation for the contributions rendered by Mr. K.U.Subbaiah over the past three years.

STATUTORY AUDITORS

M/s.Haribhakti & Co. (the name has been changed to M/s.Haribhakti & Co. LLP) the Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting. M/s.Haribhakti & Co. LLP are eligible for re-appointment and have confirmed that their re-appointment, if approved, will be in compliance with Section 141 of the Companies Act, 2013.

As per Section 139 of the Companies Act 2013, a Listed Company shall not appoint / re-appoint an Audit Firm as Statutory Auditors for more than 2 terms of 5 consecutive years. M/s.Haribhakti & Co. LLP, have already served as the Company's Statutory Auditor for a period of 5 years, from 2010-11. They are eligible for re-appointment as Statutory Auditors of the Company for a further period of 5 years.

Your Board recommends the re-appointment of M/s.Haribhakti & Co. LLP, as Statutory Auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the fifth consecutive AGM to be held in the year 2020 (subject to ratification of the appointment by the members at every AGM held after the ensuing AGM).

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

COST AUDITORS

The Board of Directors at its meeting held on 25th May, 2015 appointed M/s. STR & Associates, Cost Accountants, as the Cost Auditors for conducting the Cost Audit for the financial year 2015-16. A resolution seeking members' ratification of the remuneration payable to the Cost Auditor is included in the AGM Notice dated 25th May 2015. The Cost Audit Report will be filed within the stipulated period.

SECRETARIAL AUDIT

The Company had appointed Mr. K.Sriram, Partner, M/s.S.Krishnamurthy & Co., Chennai, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year 2014-15. The Secretarial Audit Report is annexed herewith as "Annexure A".

CSR INITIATIVES

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

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

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

EXTRACT OF THE ANNUAL RETURN

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

DEVELOPMENT IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

Overall Industrial relations situation remained peaceful during the year. The participation from the operators improved considerably during the year. The number of

people employed during the year is 4,477.

Long Term Productivity Linked Agreement with the Labour Unions at the Plants I & III, Coimbatore and Plant II, Gurgaon was signed well before it was due in a proactive manner, which has improved the confidence of the customers pan India.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy. The Company has not received any sexual harassment complaint during the year 2014-15.

PARTICULARS OF EMPLOYEES

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) in the preparation of annual accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed;
- b) they had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in

DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd.,)

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) they had prepared the annual accounts for the financial year ended 31st March 2015, on a going concern basis;
- e) they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to good corporate governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance which forms a part of this Report, has been annexed herewith as “**Annexure F**”.

The Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under Clause 49(IX) of the Listing Agreement.

Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance, is made a part of this Annual Report. All the board members

and senior management personnel have affirmed compliance with the code of conduct for the year 2014-15.

CAUTIONARY STATEMENT

Management Discussion and Analysis forming part of this Report is in compliance with Corporate Governance Standards incorporated in the listing agreement with Stock Exchanges and such statements may be “forward-looking” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

ACKNOWLEDGEMENTS

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

Coimbatore
25th May, 2015

For and on behalf of the Board
Vijay Mohan
Chairman



ANNEXURE “A” TO DIRECTORS' REPORT

Form No. MR-3

Secretarial Audit Report for the Financial Year ended 31st March 2015

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

To
The Members,
PRICOL LIMITED, [CIN: L33129TZ1972PLC000641]
CPM Towers, 109, Race Course,
Coimbatore – 641 018

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s.PRICOL LIMITED (*hereinafter called “the Company”*). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of M/s.PRICOL LIMITED's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March 2015**, complied with the statutory provisions listed hereunder and also has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. PRICOL LIMITED (*the Company*) for the financial year ended on 31st March 2015 according to the applicable provisions of:
 - (i) The Companies Act, 1956 and the rules made thereunder.
 - (ii) The Companies Act, 2013 (*the Act*) and the rules made thereunder.
 - (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
 - (c) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- (vii) The Listing Agreements entered into by the Company with:
 - (a) BSE Limited and
 - (b) National Stock Exchange of India Limited
2. We are informed that, for the financial year ended on 31st March 2015:
 - (i) The Company was not required to maintain books, papers, minute books, forms and returns filed or other records according to the provisions of the following Regulations and Guidelines prescribed under SEBI Act :
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ; and
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

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

- (ii) There are no laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.
3. We have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they become applicable only from 1st July 2015.
4. During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above.
5. We further report that :
- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board Meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent less than seven days before the meeting as there was no statutory requirement under the Act for the same.
- (iii) A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings before majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) The details of specific events / actions during the audit period which had a major bearing on the Company's affairs pursuant to the above referred laws, rules, regulations, guidelines and standards are given below:
- (a) The members of the Company passed a special resolution under section 180(1)(c) of the Act empowering the Board of Directors to borrow moneys provided that the amounts borrowed and outstanding at any point of time does not exceed ₹ 6,500 Million, apart from temporary loans from the Company's bankers in the ordinary course of business.
- (b) The members of the Company passed a special resolution under section 180(1)(a) of the Act through a postal ballot process, empowering the Board of Directors to sell / dispose off / create charge on any of the undertakings / assets of the Company, to secure borrowings, upto the Board's borrowing limit.
- (c) The merger of Xenos Automotive Limited, (CIN:U29308TZ2002PLC010356) with the Company with effect from 1st January 2014 (*appointed date*) as per scheme of amalgamation was sanctioned by the Hon'ble High Court of Judicature at Madras on 1st December 2014 in Company Petition Nos. 306 & 307 of 2014, under the applicable provisions of the Companies Act, 1956. The merger became operational on 18th December 2014 with the filing of Form INC-28. The shareholders of Xenos Automotive Limited were allotted 296,721 equity shares of ₹ 1/- each, fully paid-up, in the Company as consideration for the merger.

For S Krishnamurthy & Co.,
Company Secretaries

K. Sriram
Partner

Chennai
25th May 2015

Membership No: F6312
Certificate of Practice No: 2215

ANNEXURE TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members,
PRICOL LIMITED, [CIN: L33129TZ1972PLC000641]
CPM Towers, 109, Race Course,
Coimbatore – 641 018

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

- Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.
- While forming an opinion on compliance and issuing the secretarial audit report, we have also taken into consideration the compliance related action taken by the Company after 31st March 2015 but before issue of the report.
- We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 has become operational and also on account of the listing agreement with the stock exchanges undergoing major amendments from 1st October 2014.
- Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S Krishnamurthy & Co.,
Company Secretaries

K. Sriram
Partner

Chennai
25th May 2015

Membership No: F6312
Certificate of Practice No: 2215

ANNEXURE “B” TO DIRECTORS’ REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

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

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

Web Link to the CSR Policy:

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

- CSR Committee has Mrs. Vanitha Mohan, Mr. Vikram Mohan and Mr. C.R.Swaminathan as its members.**
- Average net profit of the Company for last three financial years** ₹ 188,857,733
- Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)** ₹ 3,777,155
- Details of CSR spent during the financial year**
 - Total amount spent for the financial year ₹ 7,200,000
 - Amount unspent, if any ; —

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

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

(in ₹)

S. No	CSR Project or Activity Identified	Sector in which the Project is Covered	Projects or Programs (1) Local area or Other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount Spent on the projects or programs (by implementing agency)	Cumulative expenditure upto to the reporting period	Amount Spent: Direct or through implementing agency
1	Public Eye Camp	Health	Coimbatore, Tamil Nadu	330,000	190,816	190,816	Through ND Foundation
2	Water Purifiers & Chairs - Donated to Government Schools	Health	Coimbatore and Tirupur, Tamil Nadu	720,000	719,209	719,209	
3	Fire Safety and First Aid Training - To Students of Government Schools	Education	Coimbatore, Tamil Nadu	200,000	136,790	136,790	
4	Construction of Ladies Toilet at Govt. Schools	Health and Sanitation	Coimbatore, Tamil Nadu	1,000,000	338,475	338,475	
5	Tree Park Construction	Environment	Coimbatore, Tamil Nadu	450,000	210,000	210,000	
6	De-silting and repair of check dam	Environment	Coimbatore, Tamil Nadu	700,000	500,000	500,000	
7	Contribution to Wild Life SOS	Environment	Delhi	600,000	600,000	600,000	
8	Contribution for corpus (Trauma care centre)	Health	Coimbatore, Tamil Nadu	3,200,000	3,200,000	3,200,000	
	Total			7,200,000	5,895,290	5,895,290	

CSR implementing agency: ND Foundation

Note : During the year, the Company contributed ₹ 7.200 Million to ND Foundation, a Trust, to carry out CSR activities.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.

Not applicable

Coimbatore
15th May, 2015

Vikram Mohan
Managing Director

Vanitha Mohan
Chairman, CSR Committee

ANNEXURE “C” TO DIRECTORS' REPORT

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

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

A. CONSERVATION OF ENERGY:

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

B. TECHNOLOGY ABSORPTION

I. Research and Development (R&D)

(i) Specific areas of R&D

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

With 37 design registrations under patent grant process and several additional patents under registration review, the Company continues to foster innovation for growth, across all product development functions.

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

(ii) Benefits derived from R&D

- Helps to meet and exceed customer targets on quality, cost and delivery of new products and its variants.
- Ensures development and delivery of new products with state of the art technologies.

- Complements new product development for market competitiveness and sustenance through value engineering methods to meet the target cost and quality requirements.
- Identify and implement emerging technologies and production processes, and their deployment horizontally in applicable products.
- Develops products with validated Intellectual Property Rights (IPR) and regulations through benchmark studies, to enable risk free product implementation.

(iii) Future plan of action

- Leverage tools and technologies for ensuring product performance quality at early stages of development.
- Adopt collaborative product design and development processes with customers and suppliers for enhanced competitiveness in cost and quality.
- Promote new technology development through collaborations with educational institutions, research houses and government organizations for meeting global demands.
- Continuously deploy and expand IPR base across all product design and development processes for innovation and growth.

Expenditure on R&D 2014-15	(₹ Million)
Capital	59.894
Recurring	206.891
Total	266.785
R & D expenditure as a percentage of sales	2.96%

II. Technology Absorption, Adaptation and Innovation

Imported Technology

Technology procured from IAV GmbH Germany for the development of Variable Flow Oil Pump has been fully absorbed. Prototypes have been developed and evaluated for basic performance. Fine tuning of design to fit it on the engine to measure fuel efficiency is under progress.

Inhouse R&D

- Fuel Level Sensors using capacitance sensing has been developed for Trucks and Off Road Vehicles. Samples are under preparation, to be sent to customers for their evaluation.
- Concept design of Adblue Level Sensors for different environmental application has been completed and samples for testing is under preparation.
- Roll Over Valve and One Way Valve for 2 Wheeler application are under customer approval.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the Company's foreign exchange earnings were ₹ 1,110.027 Million (₹ 1,360.086 Million in 2013-14). The revenue expenditure in foreign currency was ₹ 1,703.436 Million (₹ 1,413.632 Million in 2013-14) and the capital expenditure was ₹ 38.223 Million (₹ 32.557 Million in 2013-14).

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

ANNEXURE “D” TO DIRECTORS' REPORT

**Form No. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2015**

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

I. REGISTRATION AND OTHER DETAILS:

- i) **CIN:** L33129TZ1972PLC000641
- ii) **Registration Date:** 6th March 1972
- iii) **Name of the Company:** Pricol Limited
- iv) **Category / Sub-Category of the Company:**
Company limited by shares / Indian Non - Government Company
- v) **Address of the Registered Office and contact details:**

CPM Towers, 109, Race Course,
Coimbatore – 641 018, India
Ph: +91 422 4336000
Fax: +91 422 4336299
E-mail:cs@pricol.co.in

- vi) **Whether Listed Company:** Yes / ~~No~~
- vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:**

Integrated Enterprises (India) Limited
Unit: Pricol Limited,
2nd Floor, “KENCES” Towers,
No.1, Ramakrishna Street,
North Usman Road,
T. Nagar, Chennai - 600017, India.
Phone: +91 44 28140801-03
Fax: +91 44 28142479
Email: srirams@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

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

Sl. No.	Name and Description of main products / services	NIC Code of the product /service	% to total turnover of the Company
1	Oil Pumps	28132	12
2	Auto Components - Motor Vehicles	29301 & 29304	12
3	Auto Components - Motor Cycles and Three Wheelers	30913	50

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Name, address & CIN / GLN of the Company	% of shares held	Applicable Section
Subsidiary Company		
1 Integral Investments Limited CPM Towers, 109 Race Course Coimbatore -641018, India. CIN -U67120TZ1994PLC005250	100%	2(87)
2 Pricol Castings Limited No 100/1A, Pollachi Main Road, Tamaraikulam Post, Kinathukadavu (via), Pollachi Taluk, Coimbatore -642109, India. CIN -U02922TZ1994PLC005583	100%	2(87)
3 PT Pricol Surya KIIC Industrial Park J 1, Permata Raya Lot FF-2 Karawang 41361, Indonesia Regn No – C-34667HT.01.01.TH.2005	100%	2(87)
4 Pricol Asia Pte. Limited, 17 Phillip Street, #05-02 Grand Building, Singapore 048695 Regn No -201221194R	100%	2(87)
5 Pricol Espana Sociedad Limitada, Calle Pensamirnto, 27 Escalera Izquierda, 3a Planta, Puerta 3, 28020 Madrid, Spain. CNPJ – 21.671.518 0001.27	100%	2(87)
6 Pricol Do Brasil Componentes Automotivos Ltda AG.0403, CC. 00137-82 Av,Fukuichi,381,Piraporinha, Diadema,Sao Paulo, Brazil CNPJ – 07.765.200 0001.84	99.99%	2(87) Subsidiary of Pricol Espana Sociedad Limitada
Associate and Joint Venture Company		
1 Johnson Controls Pricol Private Limited Survey No. 1065 &1066 Pirangut, Taluk Mulshi Pune 412108, India. CIN U34200PN2011PTC139594	50%	2(6)

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	24,593,256	–	24,593,256	26.02	24,882,743	–	24,882,743	26.25	0.23
b) Central Government	–	–	–	–	–	–	–	–	–
c) State Government(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	11,910,690	–	11,910,690	12.61	13,378,748	–	13,378,748	14.11	1.50
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	36,503,946	–	36,503,946	38.63	38,261,491	–	38,261,491	40.36	1.73
(2) Foreign									
a) NRI-Individuals	–	–	–	–	–	–	–	–	–
b) Other-Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corporate	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	36,503,946	–	36,503,946	38.63	38,261,491	–	38,261,491	40.36	1.73
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	1,634,000	750	1,634,750	1.73	1,758,131	750	1,758,881	1.86	0.13
b) Banks / FI	314,885	125	315,010	0.33	79,663	125	79,788	0.08	(0.25)
c) Central Government	–	–	–	–	–	–	–	–	–
d) State Government(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	2,700,000	–	2,700,000	2.85	2.85
f) Insurance Companies	–	–	–	–	268,966	–	268,966	0.28	0.28
g) FIs	–	–	–	–	133,437	–	133,437	0.14	0.14
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others	–	–	–	–	–	–	–	–	–
Sub-total (B) (1):-	1,948,885	875	1,949,760	2.06	4,940,197	875	4,941,072	5.21	3.15
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	10,915,562	8,657,510	19,573,072	20.71	15,344,433	16,010	15,360,443	16.20	(4.51)
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto of ₹ 1 lakh	24,668,902	2,911,375	27,580,277	29.19	27,580,949	2,808,734	30,389,683	32.06	2.87
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,991,358	–	4,991,358	5.28	4,264,697	–	4,264,697	4.50	(0.78)

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
i) Non Resident Indians	1,164,087	37,500	1,201,587	1.27	1,540,335	37,500	1,577,835	1.67	0.40
ii) Trust	–	2,700,000	2,700,000	2.86	1,500	–	1,500	–	(2.86)
Sub-total (B)(2):-	41,739,909	14,306,385	56,046,294	59.31	48,731,914	2,862,244	51,594,158	54.43	(4.88)
Total Public Shareholding (B)=(B)(1)+(B)(2)	43,688,794	14,307,260	57,996,054	61.37	53,672,111	2,863,119	56,535,230	59.64	(1.73)
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
Grand Total(A+B+C)	80,192,740	14,307,260	94,500,000	100.00	91,933,602	2,863,119	94,796,721	100.00	–

(ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged / encumbered to total shares	% Change in share holding during the year
1	Vijay Mohan	8,883,540	9.40	–	9,167,453	9.67	–	0.27
2	Vijay Mohan (BHUF)	660,900	0.70	–	660,900	0.70	–	–
3	Viren Mohan	6,522,615	6.90	–	6,522,615	6.88	–	(0.02)
4	Vanitha Mohan	3,801,180	4.02	–	3,806,754	4.02	–	–
5	Vikram Mohan	3,363,960	3.56	–	3,363,960	3.55	–	(0.01)
6	Ashwin Chandran	153,651	0.16	–	153,651	0.16	–	–
7	Madhura Mohan	181,575	0.19	–	181,575	0.19	–	–
8	Prashanth Chandran	82,500	0.09	–	82,500	0.09	–	–
9	Sarath Chandran D	45,000	0.05	–	45,000	0.05	–	–
10	Precot Meridian Limited	5,462,250	5.78	–	2,790,000	2.94	–	(2.84)
11	Pricol Holdings Limited	4,410,000	4.67	–	4,410,308	4.65	–	(0.02)
12	Bhavani Infin Services India Private Limited	1,433,790	1.52	–	1,433,790	1.51	–	(0.01)
13	Sagittarius Investments Private Limited	274,650	0.29	–	274,650	0.29	–	–
14	Suprem Textiles Processing Limited	210,000	0.22	–	210,000	0.22	–	–
15	Shrimay Enterprises Private Limited	120,000	0.13	–	120,000	0.13	–	–
16	Venkataramana Holdings Private Limited *(Classified under Promoter Group w.e.f : 25th April 2014)	–	–	–	4,140,000	4.37	–	4.37
17	Gayathri Balaji	184,995	0.20	–	184,995	0.19	–	(0.01)
18	Vinay Balaji	120,000	0.13	–	120,000	0.13	–	–
19	Sumanth R	413,145	0.44	–	413,145	0.44	–	–
20	Anvar Jay Varadaraj	40,470	0.04	–	40,470	0.04	–	–
21	Varun Jay Varadaraj	40,470	0.04	–	40,470	0.04	–	–
22	Maya Jay Varadaraj	40,470	0.04	–	40,470	0.04	–	–
23	Dr Jairam Varadaraj	35,805	0.04	–	35,805	0.04	–	–
24	Uday Balaji	22,005	0.02	–	22,005	0.02	–	–
25	T Balaji Naidu	975	–	–	975	–	–	–
	Total	36,503,946	38.63	–	38,261,491	40.36	–	1.73

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

(iii) Change in Promoters' Shareholding

Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
1. Vijay Mohan & Vijay Mohan (BHUF)				
As on 1-Apr-2014	9,544,440	10.07	9,544,440	10.07
Allotment -13-Feb-2015	283,913	0.30	9,828,353	10.37
As on 31-Mar-2015			9,828,353	10.37
2. Vanitha Mohan				
As on 1-Apr-2014	3,801,180	4.01	3,801,180	4.01
Allotment -13-Feb-2015	5,574	0.01	3,806,754	4.02
As on 31-Mar-2015			3,806,754	4.02
3. Precot Meridian Limited				
As on 1-Apr-2014	5,462,250	5.76	5,462,250	5.76
Sale 20-June-2014	(2,672,250)	2.82	2,790,000	2.94
As on 31-Mar-2015			2,790,000	2.94
4. Pricol Holdings Limited				
As on 1-Apr-2014	4,410,000	4.65	4,410,000	4.65
Allotment -13-Feb-2015	308	-	4,410,308	4.65
As on 31-Mar-2015			4,410,308	4.65

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

Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
1. PHI CAPITAL SOLUTIONS LLP				
As on 1-Apr-2014	4,500,000	4.75	4,500,000	4.75
Allotment / transfer / bonus / sweat equity etc	-	-	4,500,000	4.75
As on 31-Mar-2015			4,500,000	4.75
2. VRAMATH FINANCIAL SERVICES PVT LTD				
As on 1-Apr-2014	2,753,000	2.90	2,753,000	2.90
04-Apr-2014 Purchase	51,156	0.05	2,804,156	2.96
11-Apr-2014 Sale	(51,656)	0.05	2,752,500	2.90
25-Apr-2014 Purchase	2,000	-	2,754,500	2.91
02-May-2014 Sale	(2,000)	-	2,752,500	2.90
09-May-2014 Purchase	5,100	0.01	2,757,600	2.91
16-May-2014 Sale	(4,800)	0.01	2,752,800	2.90
23-May-2014 Purchase	10,300	0.01	2,763,100	2.92
30-May-2014 Sale	(6,600)	0.01	2,756,500	2.91
06-Jun-2014 Purchase	86,500	0.09	2,843,000	3.00
13-Jun-2014 Sale	(58,800)	0.06	2,784,200	2.94
20-Jun-2014 Purchase	48,520	0.05	2,832,720	2.99
23-Jun-2014 Purchase	24,630	0.03	2,857,350	3.01
27-Jun-2014 Sale	(104,225)	0.11	2,753,125	2.90
30-Jun-2014 Purchase	35,584	0.04	2,788,709	2.94
04-Jul-2014 Sale	(35,371)	0.04	2,753,338	2.90

Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
11-Jul-2014 Purchase	1262	-	2,754,600	2.91
18-Jul-2014 Sale	(2,000)	-	2,752,600	2.90
25-Jul-2014 Purchase	1,050	-	2,753,650	2.91
31-Jul-2014 Purchase	6,450	0.01	2,760,100	2.91
01-Aug-2014 Purchase	35,750	0.04	2,795,850	2.95
08-Aug-2014 Sale	(43,250)	0.05	2,752,600	2.90
12-Sep-2014 Purchase	155,654	0.16	2,908,254	3.07
19-Sep-2014 Sale	(104,654)	0.11	2,803,600	2.96
30-Sep-2014 Purchase	1,766,161	1.86	4,569,761	4.82
03-Oct-2014 Purchase	22,500	0.02	4,592,261	4.84
10-Oct-2014 Sale	(24,500)	0.03	4,567,761	4.82
17-Oct-2014 Purchase	100	-	4,567,861	4.82
24-Oct-2014 Sale	(100)	-	4,567,761	4.82
31-Oct-2014 Purchase	45	-	4,567,806	4.82
07-Nov-2014 Sale	(45)	-	4,567,761	4.82
14-Nov-2014 Purchase	10	-	4,567,771	4.82
21-Nov-2014 Sale	(10)	-	4,567,761	4.82
05-Dec-2014 Purchase	51,050	0.05	4,618,811	4.87
12-Dec-2014 Sale	(50,550)	0.05	4,568,261	4.82
31-Dec-2014 Sale	(500)	-	4,567,761	4.82
02-Jan-2015 Purchase	10,000	0.01	4,577,761	4.83
09-Jan-2015 Purchase	34,905	0.04	4,612,666	4.87
16-Jan-2015 Purchase	16,409	0.02	4,629,075	4.88
23-Jan-2015 Purchase	41,641	0.04	4,670,716	4.93
30-Jan-2015 Purchase	222,055	0.23	4,892,771	5.16
06-Feb-2015 Sale	(280,049)	0.30	4,612,722	4.87
13-Feb-2015 Sale	(42,111)	0.04	4,570,611	4.82
20-Feb-2015 Purchase	100	-	4,570,711	4.82
27-Feb-2015 Sale	(2,915)	-	4,567,796	4.82
13-Mar-2015 Purchase	22,203	0.02	4,589,999	4.84
20-Mar-2015 Sale	(16,363)	0.02	4,573,636	4.83
27-Mar-2015 Sale	(5,605)	0.01	4,568,031	4.82
31-Mar-2015 Sale	(170)	-	4,567,861	4.82
As on 31-Mar-2015			4,567,861	4.82
3. PHI CAPITAL TRUST - PHI CAPITAL GROWTH FUND - I				
As on 1-Apr-2014	2,700,000	2.85	2,700,000	2.85
Allotment / transfer / bonus / sweat equity etc	-	-	2,700,000	2.85
As on 31-Mar-2015			2,700,000	2.85
4. GANGA FINANCIAL CONSULTING PVT LTD				
As on 1-Apr-2014	1,565,340	1.65	1,565,340	1.65
04-Apr-2014 Sale	(115,340)	0.12	1,450,000	1.53

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

Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
25-Apr-2014 Purchase	25,000	0.03	1,475,000	1.56
09-May-2014 Purchase	100	–	1,475,100	1.56
30-May-2014 Purchase	322,143	0.34	1,797,243	1.90
06-June-2014 Purchase	278,293	0.29	2,075,536	2.19
20-June-2014 Purchase	131,300	0.14	2,206,836	2.33
23-June-2014 Sale	(90,000)	0.10	2,116,836	2.23
27-June-2014 Sale	(285,000)	0.30	1,831,836	1.93
08-Aug-2014 Sale	(20,000)	0.02	1,811,836	1.91
12-Sep-2014 Sale	(25,654)	0.03	1,786,182	1.88
19-Sep-2014 Purchase	25,654	0.03	1,811,836	1.91
30-Sep-2014 Sale	(1,811,836)	1.91	–	–
As on 31-Mar-2015			–	–
5.SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND				
As on 1-Apr-2014	1,560,000	1.65	1,560,000	1.65
11-Apr-2014 Sale	(10,000)	0.01	1,550,000	1.64
02-May-2014 Sale	(5,000)	0.01	1,545,000	1.63
23-May-2014 Sale	(5,000)	0.01	1,540,000	1.63
30-May-2014 Sale	(10,000)	0.01	1,530,000	1.61
25-Jul-2014 Sale	(30,000)	0.03	1,500,000	1.58
30-Sep -2014 Sale	(6,497)	0.01	1,493,503	1.58
02-Jan -2015 Purchase	25,000	0.03	1,518,503	1.60
As on 31-Mar-2015			1,518,503	1.60
6.RAJESH MADHAVAN UNNI (HUF)				
As on 1-Apr-2014	956,943	1.01	956,943	1.01
11-Apr-2014 Purchase	300,000	0.32	1,256,943	1.33
06-Jun-2014 Sale	(85,000)	0.09	1,171,943	1.24
13-Jun-2014 Sale	(87,444)	0.09	1,084,499	1.14
23-Jun-2014 Purchase	43,531	0.05	1,128,030	1.19
27-Jun-2014 Sale	(39,000)	0.04	1,089,030	1.15
11-Jul-2014 Purchase	133,913	0.14	1,222,943	1.29
18-Jul-2014 Purchase	11,400	0.01	1,234,343	1.30
15-Aug-2014 Purchase	11,250	0.01	1,245,593	1.31
31-Oct-2014 Purchase	79,503	0.08	1,325,096	1.40
07-Nov-2014 Purchase	232,000	0.25	1,557,096	1.64
21-Nov-2014 Purchase	120,000	0.13	1,677,096	1.77
12-Dec-2014 Purchase	3,500	–	1,680,596	1.77
As on 31-Mar-2015			1,680,596	1.77
7.SANDHYA G PARIKH				
As on 1-Apr-2014	952,692	1.01	952,692	1.01
04-Apr-2014 Sale	(10,000)	0.01	942,692	0.99

Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
11-Apr-2014 Sale	(232,542)	0.25	710,150	0.75
18-Apr-2014 Sale	(53,987)	0.06	656,163	0.69
25-Apr-2014 Sale	(147,482)	0.16	508,681	0.54
02-May-2014 Sale	(950)	–	507,731	0.54
09-May-2014 Sale	(206,454)	0.22	301,277	0.32
16-May-2014 Sale	(201,277)	0.21	100,000	0.11
23-May-2014 Sale	(99,900)	0.11	100	–
06-Jun-2014 Sale	(100)	–	–	–
As on 31-Mar-2015			–	–
8. VRAMATH INVESTMENT CONSULTANCY PVT LTD				
As on 1-Apr-2014	900,927	0.95	900,927	0.95
11-Apr-2014 Purchase	35,000	0.04	935,927	0.99
25-Apr-2014 Purchase	5,500	0.01	941,427	0.99
02-May-2014 Purchase	1,750	–	943,177	1.00
09-May-2014 Purchase	100	–	943,277	1.00
16-May-2014 Purchase	1,000	–	944,277	1.00
14-Nov-2014 Sale	(6,000)	0.01	938,277	0.99
16-Jan-2015 Purchase	180,000	0.19	1,118,277	1.18
23-Jan-2015 Sale	(549,020)	0.58	569,257	0.60
30-Jan-2015 Sale	(494,257)	0.52	75,000	0.08
13-Feb-2015 Purchase	99,532	0.11	174,532	0.18
20-Feb-2015 Purchase	49,268	0.05	223,800	0.24
27-Feb-2015 Purchase	398,968	0.42	622,768	0.66
06-Mar-2015 Purchase	37,817	0.04	660,585	0.70
13-Mar-2015 Purchase	277,692	0.29	938,277	0.99
As on 31-Mar-2015	938,277	0.99	938,277	0.99
9.NALINI SEKHSARIA				
As on 1-Apr-2014	560,000	0.59	560,000	0.59
13-Jun-2014 Sale	(105,032)	0.11	454,968	0.48
12-Sep-2014 Sale	(60,283)	0.06	394,685	0.42
19-Sep-2014 Sale	(394,685)	0.42	–	–
As on 31-Mar-2015			–	–
10.ANIL KUMAR GOEL				
As on 1-Apr-2014	520,000	0.55	520,000	0.55
08-Aug-2014 Sale	(10,000)	0.01	510,000	0.54
12-Sep-2014 Sale	(10,000)	0.01	500,000	0.53
19-Sep-2014 Sale	(10,000)	0.01	490,000	0.52
30-Sep-2014 Sale	(40,000)	0.04	450,000	0.48
23-Jan-2015 Sale	(140,000)	0.15	310,000	0.33
As on 31-Mar-2015			310,000	0.33

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

(v) Shareholding of Directors and Key Managerial Personnel

For Each of the Director & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares	No. of shares	% of total shares
1.Mr. Suresh Jagannathan- Independent Director				
As on 1-Apr-2014	26,985	0.03	26,985	0.03
Allotment / transfer / bonus / sweat equity etc	–	–	26,985	0.03
As on 31-Mar-2015			26,985	0.03
2.Mr.C.R.Swaminathan- Independent Director				
As on 1-Apr-2014	1,995	–	1,995	–
Allotment / transfer / bonus / sweat equity etc	–	–	1,995	–
As on 31-Mar-2015			1,995	–
3.Mr.R.Vidhya Shankar - Independent Director				
As on 1-Apr-2014	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31-Mar-2015			–	–
4.Mr.G.Soundararajan - Independent Director				
As on 1-Apr-2014	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31-Mar-2015			–	–
5.Mr.K.Murali Mohan - Independent Director				
As on 1-Apr-2014	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31-Mar-2015			–	–
6.Mr.D.Sarath Chandran - Non - Independent Director				
As on 1-Apr-2014	45,000	0.05	45,000	0.05
Allotment / transfer / bonus / sweat equity etc	–	–	45,000	0.05
As on 31-Mar-2015			45,000	0.05
7.Mr.Vijay Mohan - Chairman				
As on 1-Apr-2014	9,544,440	10.07	9,544,440	10.07
Allotment -13-Feb-2015	283,913	0.30	9,828,353	10.37
As on 31-Mar-2015			9,828,353	10.37
8.Mrs.Vanitha Mohan - Vice Chairman				
As on 1-Apr-2014	3,801,180	4.01	3,801,180	4.01
Allotment -13-Feb-2015	5,574	0.01	3,806,754	4.02
As on 31-Mar-2015			3,806,754	4.02
9.Mr. Vikram Mohan - Managing Director				
As on 1-Apr-2014	3,363,960	3.55	3,363,960	3.55
Allotment / transfer / bonus / sweat equity etc	–	–	3,363,960	3.55
As on 31-Mar-2015			3,363,960	3.55
10.Mr. J. Sridhar - Chief Financial Officer				
As on 1-Apr-2014	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31-Mar-2015			–	–
11.Mr.K.U.Subbaiah - Chief Executive Officer				
As on 1-Apr-2014	9,090	0.01	9,090	0.01
Sale - 30-Jun-2014	(5,000)	0.01	4,090	–
As on 31-Mar-2015			4,090	–
12.Mr.T.G.Thamizhanban - Company Secretary				
As on 1-Apr-2014	–	–	–	–
Allotment / transfer / bonus / sweat equity etc	–	–	–	–
As on 31-Mar-2015			–	–

V. INDEBTEDNESS

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

	₹ Million			
	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total
As at 1-Apr-2014				
i) Principal Amount	339.417	100.000	–	439.417
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	0.662	–	–	0.662
Total (i+ii+iii)	340.079	100.000	–	440.079
Change during the financial year				
i) Addition	470.000	395.541	–	865.541
ii) Reduction	509.790	150.000	–	659.790
Net Change (i - ii)	(39.790)	245.541	–	205.751
As at 31-Mar-2015				
i) Principal Amount	300.102	340.000	–	640.102
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	0.187	5.541	–	5.728
Total (i+ii+iii)	300.289	345.541	–	645.830

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
	Mr.Vikram Mohan (Managing Director)	Mrs.Vanitha Mohan (Vice Chairman)	
1. Gross salary			
(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	8.448	3.168	11.616
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.332	1.187	4.519
(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	–	–	–
2. Stock Option	–	–	–
3. Sweat Equity	–	–	–
4. Commission			
- as % of profit	–	–	–
- others	–	–	–
5. Others	0.734	0.337	1.071
(Contribution to PF, Gratuity and Superannuation Fund)			
Total (A)	12.514	4.692	17.206
Ceiling as per the Act			
1. In case of adequate profit	5% of the Net Profit	5% of the Net Profit	10% of the Net Profit
2. In case of no profit or inadequate profit	₹ 12 Million	₹ 12 Million	₹ 24 Million
	plus contribution to PF, Superannuation, Gratuity, Encashment of leave to the extent permitted under the Act.		

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

B. Remuneration to other Directors:

₹ Million

Particulars of Remuneration	Mr.C.R.Swaminathan	Mr.K.Murali Mohan	Mr.Suresh Jagannathan	Mr.R.Vidhya Shankar	Mr.G.Soundararajan	Mr.D.Sarath Chandran	Mr.Vijay Mohan	Total Amount
1. Independent Directors								
Fee for attending board/committee meetings	0.345	0.265	0.105	0.360	0.110	–	–	1.185
Commission	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–
Total (1)	0.345	0.265	0.105	0.360	0.110	–	–	1.185
2. Other Non - Executive Directors								
Fee for attending board/committee meetings	–	–	–	–	–	0.160	0.225	0.385
Commission	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–
Total (2)	–	–	–	–	–	0.160	0.225	0.385
Total (B) = (1 + 2)	0.345	0.265	0.105	0.360	0.110	0.160	0.225	1.570

C. Total Managerial Remuneration (A+B) : ₹ 18.776 Million

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

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

₹ Million

Particulars of Remuneration	Key Managerial Personnel			
	Mr.K.U. Subbaiah (CEO)	Mr.T.G. Thamizh anban (CS)	Mr.J.Sridhar (CFO)	Total
1. Gross salary				
(a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	10.813	1.934	4.222	16.969
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.104	–	–	0.104
(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	–	–	–	–
2. Stock Option	–	–	–	–
3. Sweat Equity	–	–	–	–
4. Commission				
- as % of profit	–	–	–	–
- others	–	–	–	–
5. Others (Contribution to PF, Gratuity, Superannuation and Service weightage)	0.575	0.161	0.428	1.164
Total	11.492	2.095	4.650	18.237

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE “E” TO DIRECTORS' REPORT

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

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

S.No	Name of the Director	Ratio
1	Mr. Suresh Jagannathan	0.228 : 1
2	Mr.C.R.Swaminathan	0.750 : 1
3	Mr.R.Vidhya Shankar	0.783 : 1
4	Mr.G.Soundararajan	0.239 : 1
5	Mr.K.Murali Mohan	0.576 : 1
6	Mr.D.Sarath Chandran	0.348 : 1
7	Mr.Vijay Mohan	0.489 : 1
8	Mrs.Vanitha Mohan	10.202 : 1
9	Mr.Vikram Mohan	27.204 : 1

During the year, the non-executive directors received only the sitting fees as remuneration.

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

S.No	Name of the director / CFO / CEO / CS	% Increase / (Decrease) in remuneration
1	Mr.Suresh Jagannathan	(43.24)
2	Mr.C.R.Swaminathan	(16.67)
3	Mr.R.Vidhya Shankar	(28.29)
4	Mr.G.Soundararajan	(6.78)
5	Mr.K.Murali Mohan	(45.70)
6	Mr.D.Sarath Chandran	(44.25)
7	Mr.Vijay Mohan	(25.25)
8	Mrs.Vanitha Mohan	(39.18)
9	Mr.Vikram Mohan	(21.67)
10	Mr.K.U.Subbaiah (CEO)	2.96
11	Mr.J.Sridhar (CFO)	14.08
12	Mr.T.G.Thamizhanban (CS)	14.36

- (iii) The percentage increase in the median remuneration of employees in the financial year 8.49%
- (iv) The number of permanent employees on the rolls of Company 2,304
- (v) The explanation on the relationship between average increase in remuneration and Company performance

The performance of the Company was impacted by the adverse market conditions and intense competition. The increase granted to employees is in line with the normal increase granted by the Company from time to time and is

intended to compensate for inflation and motivate employees to perform at their best.

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

KMP's remuneration 2014-15 (₹ Mn)	% Increase / (Decrease) in KMP's remuneration (2014-15 against 2013-14)	Sales 2014-15 (₹ Mn)	% Increase in sales (2014-15 against 2013-14)
30.751	(6.94)	9,004.890	8.46

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

Particulars	as on 31.03.2014	as on 31.03.2015	Variations	%
Market Capitalisation (₹ Mn)	2,537.325	2,867.601	330.276	13.02
Price earnings ratio	3.75	—	—	—
(Since EPS is negative)				

Market quotation of the shares as on 31.03.2015 (NSE)	₹ 30.25/- per share of Face Value ₹ 1/- per share
Market quotations of the shares when the Company came out with the last public offer	Rights Issue in April 1995 at a price of ₹ 280/- per share of Face Value ₹ 10/- per share
Percentage increase / decrease over in the market quotations of the Company	After the last public offer the Company has sub-divided the face value from ₹ 10/- per share to ₹ 1/-each. The Company also issued bonus shares in the ratio of 1:2. The Company has made a preferential allotment of 4,500,000 shares of ₹ 1/- each. The Company issued 293,721 shares of ₹ 1/- each in connection with the merger of Xenos Automotive Limited with the Company. Hence it is not comparable.

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

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

The average percentile increase granted to employees other than managerial personnel is 9.66 %.

The percentile increase granted to managerial personnel is (27.37%).

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

KMP's Name & Designation	CTC for 2014-15 ₹ Mn	% Increase / (Decrease) in CTC (2014-15 against 2013-14)	Sales for 2014-15 ₹ Mn	% Increase in sales (2014-15 against 2013-14)
Mr.Vikram Mohan Managing Director	12.514	(21.67)	9004.890	8.46
Mr.K.U.Subbaiah Chief Executive Officer	11.492	2.96		
Mr.J.Sridhar Chief Financial Officer	4.650	14.08		
Mr.T.G.Thamizhanban Company Secretary	2.095	14.36		
Total	30.751	(6.94)		

(x) The key parameters for any variable component of remuneration availed by the directors

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

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

Since the remuneration of the highest paid employee is not in excess of the highest paid director it is not applicable.

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

(xiii) Statement of employees receiving remuneration not less than five lakh rupees per month:

Name & (Age)	Mr. Vikram Mohan (40)	Mr. K U Subbaiah (56)	Mr. Seenivasan B (46)
Designation (Nature of Duties)	Managing Director (Customer Relationship Management, HR & IR, Business Development, Strategy, Finance and General Administration)	Chief Executive Officer (Day-to-day business operation of the Company, Sales & Marketing, Product Development Engineering and Quality Engineering)	Chief Operations Officer (Responsible for all plant operations)
Remuneration (₹ Million)			
Gross	12.514	11.492	6.309
Net	5.133	6.578	4.353
Qualification & Experience (Years)	B.E (Production Engineering) (19)	B.E (Mechanical) & PG Diploma in Management (33)	B.E (Engineering Technology), MS(Manufacturing Management) & PG Diploma in Business Management (27)
Date of Commencement of Employment	7th November, 2011	17th May, 2012	20th August, 2012
Last Employment	Pricol Corporate Services Limited	Tyco Electronics Corporation India (P) Limited	Tyco Electronics Corporation India (P) Limited

NOTE :

- Mr.D.Sarath Chandran, Mr.Vijay Mohan, Mrs.Vanitha Mohan and Mr.Vikram Mohan are related to each other. Mr.D.Sarath Chandran is Mr.Vijay Mohan's brother, Mrs.Vanitha Mohan is Mr.Vijay Mohan's wife and Mr.Vikram Mohan is the elder son of Mr.Vijay Mohan.
- Mr.Vikram Mohan owns more than 2% of the equity shares of the Company as on 31st March 2015.
- Gross remuneration comprises salary, commission, allowances, monetary value of perquisites and the Company's contribution to provident fund, gratuity fund and superannuation fund.
- Net remuneration is exclusive of contributions to provident fund, gratuity fund, superannuation fund and tax deducted.

ANNEXURE “F” TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on code of governance:

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

2. Board of Directors:

a. Composition of the Board:

As on 31st March 2015, the Company's Board comprised of 9 Directors. The Board consists of 2 (22%) Executive Directors of whom one is a Woman Director and 7 (78%) Non-Executive Directors, of whom 5 (56%) are Independent Directors. Details are given in the table below;

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

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

Name of the Director	Category	Attendance Particulars		No. of Directorships in other Companies			No. of Committee positions held in other Companies	
		Board Meeting	Last AGM	Public Company	Private Company	Foreign Company	Member	Chairman
Mr.Suresh Jagannathan	Non-Executive-Independent	5	-	4	3	-	3	-
Mr.C.R.Swaminathan	Non-Executive-Independent	7	✓	2	1	-	2	1
Mr.R.Vidhya Shankar	Non-Executive-Independent	9	-	1	-	-	1	-
Mr.G.Soundararajan	Non-Executive-Independent	5	-	-	5	4	-	-
Mr.K.Murali Mohan	Non-Executive-Independent	8	-	3	-	-	-	-
Mr.D.Sarath Chandran	Non-Executive-Promoter	7	-	6	-	-	2	-
Mr.Vijay Mohan Chairman	Non-Executive-Promoter	9	✓	6	1	-	2	-
Mrs.Vanitha Mohan Vice Chairman	Executive-Promoter	9	✓	3	3	-	-	-
Mr.Vikram Mohan Managing Director	Executive-Promoter	8	✓	7	1	5	-	-

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

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

The Company conducts familiarization programmes for the Independent Directors and the details of such programmes have been disclosed on the website of the Company and the web link thereto is <http://www.pricol.com/ID-Familiarization.pdf>. An exclusive meeting of the Independent Directors of the Company was held on 24th March, 2015 without the attendance of the Non-Independent Directors and members of the management to discuss inter alia the matters specified under Schedule IV of the Companies Act, 2013.

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

c. Board Meetings:

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

During the year 2014-15, the Board met 9 times on 2nd April 2014, 29th May 2014, 6th August 2014, 24th September 2014, 7th November 2014, 27th November 2014, 11th December 2014, 6th February 2015 and 26th March 2015 and the gap between two meetings did not exceed 120 days.

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

Mrs. Vanitha Mohan, 62 years of age, the Vice Chairman of the Company is a Commerce Graduate with a Post Graduate Diploma in Business Management from the University of Strathclyde, Glasgow, UK. She heads the Internal Audit functions and Corporate Social Responsibility initiatives of the Company. She holds 3,806,754 shares in the Company.

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

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

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

Mr.Vikram Mohan, 40 years of age, the Managing Director of the Company, holds a Bachelors Degree in Production Engineering with Honours from PSG College of Technology, Coimbatore. Mr.Vikram Mohan shall be responsible for Customer Relationship Management, Human Resources and Industrial Relations, Business Development, Strategy, Finance and General Administration of the Company. He holds 3,363,960 shares in the Company.

He is also a Director in Pricol Properties Limited, Pricol Technologies Limited, Pricol Travel Limited, Pricol Holdings Limited, PPL Enterprises Limited, M and M Enterprises (India) Limited, Automotive Component Manufacturers Association of India Limited, Johnson Controls Pricol Private Limited, Pricol Technologies Inc., Michigan, USA, Pricol Technologies (Europe) Limited, UK, Pricol Espana Sociedad Limitada, Spain, Pricol Asia PTE Limited, Singapore and PT Pricol Surya, Indonesia. He is also the Managing Director of Pricol Technologies Limited. He is also a member of the CSR Committee, Risk Management Committee and Investment and Borrowing Committee of the Company.

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

3. Audit Committee:

- a. The Committee is mandated with the same terms of reference as specified in Clause 49 of the Listing Agreement with the Stock Exchanges and also conforms to the provisions of Section 177 of the Companies Act, 2013.

b. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2014-2015:

Name of the Member	Category	Date of Meeting / Members present					
		29th May 2014	6th August 2014	24th September 2014	7th November 2014	6th February 2015	25th March 2015
Mr.R.Vidhya Shankar (Chairman)	Non-Executive-Independent	✓	✓	✓	✓	✓	✓
Mr.C.R.Swaminathan	Non-Executive-Independent	✓	✓	✓	✓	✓	✓
Mr.K.Murali Mohan	Non-Executive-Independent	✓	✓	✓	–	✓	–
Mrs.Vanitha Mohan	Executive-Promoter	✓	–	✓	✓	–	✓

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

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

4. Nomination and Remuneration Committee:

- The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees.
- The Committee shall identify the persons who are qualified to become Directors / Senior Management Personnel of the Company in accordance with the criteria laid down, recommend to the Board their appointment, the remuneration including commission, perquisites and benefits payable to the Directors and their removal. It shall also carry out the evaluation of every Director's performance.

c. Composition, Name of Members / Chairman, Meetings held and Members present during the year 2014 - 2015:

Name of the Member	Category	Date of Meeting / Members present		
		22nd May 2014	6th November 2014	24th March 2015
Mr. C.R.Swaminathan	Non Executive –Independent	✓	✓	✓
Mr. K.Murali Mohan	Non Executive –Independent	✓	✓	–
Mr. R.Vidhya Shankar	Non Executive –Independent	✓	✓	✓

d. Nomination and Remuneration Policy

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement as amended from time to time, the policy on the nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors on 7th November, 2014.

The Objectives of the Policy are:

- To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the Directors, Key Managerial Personnel and Senior Management and provide necessary reports to the Board for their further evaluation.
- To recommend the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to the Key Managerial Personnel and Senior Management, rewards linked directly to their effort, performance, dedication and achievement in relation to the Company's operations.
- To attract, retain, motivate and promote talent and to ensure the long term sustainability of talented managerial persons and create a competitive advantage.
- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.
 - The Nomination and Remuneration policy of the Company has been disclosed on the website of the Company and the web link thereto is <http://www.pricol.com/Nomination-and-Remuneration-Policy.pdf>.

e. Remuneration to Directors:

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

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

The remuneration paid / payable to the Executive Directors for the year 2014 - 2015:

₹ Million

Name of the Director	Designation	Service Contract	Salary, perquisites & benefits (Gross)	Commission	Total
Mrs. Vanitha Mohan	Vice Chairman	1st April 2013 to 31st March 2016	4.692	–	4.692
Mr. Vikram Mohan	Managing Director	1st April 2013 to 31st March 2016	12.514	–	12.514

The remuneration payable to the Non-Executive Directors for the year 2014 - 2015 and the shares held by them are given below:

₹ Million

Name of the Non-Executive Director	Commission	Sitting fee	No. of Shares held on 31st March, 2015
Mr. Vijay Mohan	–	0.225	9,828,353
Mr. Suresh Jagannathan	–	0.105	26,985
Mr. C.R.Swaminathan	–	0.345	1,995
Mr. D.Sarath Chandran	–	0.160	45,000
Mr. R.Vidhya Shankar	–	0.360	–
Mr. G.Soundararajan	–	0.110	–
Mr. K.Murali Mohan	–	0.265	–

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

The Company had availed the services of Mr.R.Vidhya Shankar, Advocate who is a Non-Executive-Independent Director, in his professional capacity and paid ₹ 2.775 Million. The said transaction value does not exceed ten per cent of the gross turnover of his legal firm.

5. Stakeholders Relationship Committee:

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

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

The Committee met 5 times during the year on 8th April 2014, 22nd May 2014, 31st July 2014, 30th October 2014 and 31st January 2015. Mr.D.Sarath Chandran / Mr.Vijay Mohan chaired the meetings. Mr.T.G.Thamizhanban, Company Secretary is the Compliance Officer.

During the year, 6 letters were received from the investors regarding non-receipt of dividend warrants / annual reports / share certificates etc., and all of them were replied / resolved to their satisfaction. No transfer / dematerialisation / investor complaints are kept pending.

6. General Body Meetings:

Year	Date & Time	Special Resolution	Location
2012 - 40th AGM	8th August 2012 4.30 p.m	Nil	Chamber Hall, Chamber Towers, 8/732, Avinashi Road, Coimbatore 641 018.
2013 - 41st AGM	2nd August 2013 4.30 p.m.	a) Re-appointment of Mrs.Vanitha Mohan, as Vice Chairman b) Reappointment of Mr.Vikram Mohan as Managing Director c) Commission to Non-Whole Time Director	
2014 - 42nd AGM	8th August 2014 4.30 p.m.	a) Fixing Borrowing powers of the Board of Directors b) Alteration of Articles of Association c) Approval for contracts / arrangement with M/s. Pricol Asia Pte Limited, Singapore, a Wholly Owned Subsidiary	

Special resolution passed during the year 2014 - 2015, through postal ballot:

- a) Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for authorizing the Board of Directors to create / modify a charge on any of the Company's property / assets / undertakings.

Details of voting pattern		Number of persons / ballots	Number of shares / votes	% on votes exercised
Total votes of eligible members		23,717	94,500,000	Not applicable
Total valid votes exercised		271	57,455,007	
Votes cast for the resolution	In figures	249	57,319,420	99.76
Votes cast against the resolution	In figures	22	135,587	0.24

- b) Court convened meeting of the members held during the year 2014 – 2015:

As per the direction of the High Court of Judicature at Madras, the Company sought the approval of the Equity Shareholders by way of Special resolution under section 391(2) of the Companies Act 1956 and SEBI circulars, for the Scheme of Amalgamation of Xenos Automotive Limited with Pricol Limited.

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

Details of voting pattern		Number of persons / ballots	Number of shares / votes	% on votes exercised
Total votes of eligible members		24,537	94,500,000	Not applicable
Total valid votes exercised		341	57,487,974	
Votes cast for the resolution	In figures	329	57,459,594	99.95
Votes cast against the resolution	In figures	12	28,380	0.05

- c) Special Resolution approving the Issue of Equity Shares through convertible securities / convertible bonds / depository receipts / Qualified Institutional Placement of an amount not exceeding ₹ 1,250 Million.

Details of voting pattern		Number of persons / ballots	Number of shares / votes	% on votes exercised
Total votes of eligible members		24,703	93,503,560	Not applicable
Total valid votes exercised		421	54,322,320	
Votes cast for the resolution	In figures	390	54,262,883	99.89
Votes cast against the resolution	In figures	31	59,437	0.11

- Person who conducted the postal ballot exercise – Mr.K.Sriram, Partner, M/s. S.Krishnamurthy & Co., Company Secretaries.
- During 2015 - 2016, there is no proposal to conduct postal ballot to pass any special resolution.

7. Disclosures:

- a. The Company has not entered into any materially significant related party transactions that may have potential conflict with the interest of the Company at large. Details of transactions with related parties are provided in Note No.2.54 to Notes to Financial Statements in accordance with the provision of Accounting Standard 18. The Company has formulated a policy on related party transactions which has been placed on the website of the Company and the web link thereto is <http://www.pricol.com/Policy-RPT.pdf>.
- b. The Company has formulated a Policy on Subsidiary & Material Subsidiary Company and has placed it on the website of the Company and the web link thereto is <http://www.pricol.com/Policy-on-Subsidiary-Material-Subsidiary-Company.pdf>.
- c. There was no instance of non-compliance by the Company on any matters relating to the capital markets, nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters, during last three years.
- d. The Company has established a Vigil Mechanism / Whistle Blower Policy to enable Directors and employees to report their genuine concerns and grievances . The Policy provides for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and direct access to the Chairman of the Audit Committee of the Company, in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.
The Company hereby affirms that no Director / employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the website of the Company and the weblink thereto is <http://www.pricol.com/Whistle-Blower-Policy.pdf>.
- e. The Company has complied with all the mandatory requirement of corporate governance norms as enumerated in clause 49 of the Listing Agreement with the stock exchanges.
- f. The Company has complied with the following non-mandatory requirements:
 - Adopted the best practices to ensure a regime of unqualified financial statements.
 - The Company has appointed separate persons to the post of Chairman and Managing Director.
 - The Company has a non-executive Chairman who maintains a Chairman's office at the Company's expense and who is allowed reimbursement of expenses incurred in the performance of his duties.

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

g. The Company has not complied with any other non-mandatory requirement.

h. Transfer of Unclaimed Shares to Demat Account:

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

Particulars		No. of shareholders	No. of shares
Opening	a	764	1,077,370
Transferred from Unclaimed Shares Suspense account upto 31st March 2014	b	31	66,625
Closing Balance as on 31st March 2014	c =a-b	733	1,010,745
Claimed during the year 2014-15		17	22,365
Transferred from Unclaimed Shares Suspense account during the year 2014-15	d	17	22,365
Closing Balance as on 31st March 2015	e=c-d	716	988,380

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

8. Means of Communication:

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

Management discussion & Analysis forms part of the Annual Report.

9. General Shareholder information:

a. Annual General Meeting

Date & Time

: 12th August, 2015, 4.30 p.m.

Venue

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

b. Financial Year

: 1st April 2014 to 31st March, 2015

c. Date of Book closure

: 7th August, 2015 to 12th August, 2015

d. Financial Calendar

Financial reporting for the quarter ending	Financial Calendar
30th June, 2015	Between 15th July and 14th August, 2015
30th September, 2015	Between 15th October and 14th November, 2015
31st December, 2015	Between 15th January and 14th February, 2016
31st March, 2016	Between 15th April and 30th May, 2016

e. Particulars of Dividend payments : No dividend was recommended for the year 2014 - 15.

f. Listing on Stock Exchanges

National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (E), Mumbai – 400 051	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001
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g. Stock Code

National Stock Exchange	: PRICOL
BSE Limited	: 526109

h. International Security

Identification Number (ISIN)

: INE605A01026

i. Listing and Custodial Fee

: Annual Listing Fees for the year 2015-16 were paid to National Stock Exchange of India Limited and BSE Limited. Custodial Fees to Depositories for the year 2015-16 will be paid to National Securities Depository Limited and Central Depository Services (India) Limited, on receipt of Invoices from them.

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

j. Stock Market Data:

Month	National Stock Exchange				BSE Limited			
	Price (₹)		CNX- 500 (Points)		Price (₹)		BSE- 500 (Points)	
	High	Low	High	Low	High	Low	High	Low
April-14	36.00	26.75	5377.95	5198.50	36.90	26.70	8536.72	8259.00
May-14	41.50	29.80	6035.15	5222.40	41.10	30.00	9578.21	8296.19
June-14	46.80	34.65	6234.25	5818.30	46.80	34.30	9891.69	9233.01
July-14	47.80	40.10	6336.45	5958.90	47.50	40.15	10055.76	9460.05
August-14	50.85	39.60	6391.30	6051.35	50.60	39.80	10145.51	9606.24
September-14	68.90	43.65	6603.50	6286.50	69.20	43.60	10478.05	9972.19
October-14	62.15	50.25	6689.55	6204.00	62.00	50.40	10602.46	9840.84
November-14	58.70	43.50	6944.05	6676.80	58.50	43.45	10997.43	10583.35
December-14	47.40	35.85	6995.70	6410.35	47.45	35.80	11089.32	10154.40
January-15	47.85	41.25	7293.25	6605.40	47.90	41.50	11544.40	10457.44
February-15	43.80	34.65	7273.10	6888.05	43.70	34.60	11506.04	10899.34
March-15	40.15	27.35	7428.10	6778.45	39.95	27.30	11764.80	10733.92

k. Registrar and Transfer Agents:

For Physical transfer and Dematerialisation of shares:

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

l. Share Transfer System:

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

- Pursuant to clause 47© of the listing agreement with the stock exchanges, on half-yearly basis, for due compliance of share transfer formalities by the Company through RTA.
- Pursuant to SEBI (Depositories and Participants) Regulations, 1996, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) with the total issued / paid up capital of the Company.

m. Shareholding pattern as on 31st March 2015:

Shares held by	No. of holders	No. of Shares	% of Total Paid – up Capital
Promoters & Associates	25	38,261,491	40.36
Non-Resident Indians	329	1,577,835	1.66
Foreign Institutional Investors	3	133,437	0.14
Banks/ Indian Financial Institutions	4	79,788	0.08
Venture Capital Funds	1	2,700,000	2.85
Insurance Companies	1	268,966	0.29
Trust	1	1,500	–
Bodies Corporate	713	15,360,443	16.20
Mutual Funds	5	1,758,881	1.86
Public	27,113	34,654,380	36.56
Total	28,195	94,796,721	100.00

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

n. Distribution of Shareholding as on 31st March 2015:

Shareholding (Range)	No. of holders	No. of Shares	% of Total Paid-up Capital
Upto 500	19,448	3,751,124	3.96
501 to 1000	3,619	3,045,937	3.21
1001 to 2000	2,099	3,288,708	3.47
2001 to 3000	897	2,302,797	2.43
3001 to 4000	409	1,468,903	1.55
4001 to 5000	408	1,905,236	2.01
5001 to 10000	691	5,122,903	5.40
10001 and above	624	73,911,113	77.97
Total	28,195	94,796,721	100.00

o. Dematerialisation of shares and liquidity as on 31st March 2015:

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

Particulars	No. of holders	% of No. of holders	No. of Shares	% of Total Paid-up Capital
i) National Securities Depository Limited (NSDL)	18,623	66.05	74,049,215	78.11
ii) Central Depository Services (India) Limited (CDSL)	8,404	29.81	17,884,387	18.87
Demat Form (i + ii)	27,027	95.86	91,933,602	96.98
iii) Physical Form	1,168	4.14	2,863,119	3.02
Total	28,195	100.00	94,796,721	100.00

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

p. As on 31st March 2015, there are no Outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

q. Address for correspondence:

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

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

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

Coimbatore
25th May, 2015

For and on behalf of the Board
Vijay Mohan
Chairman

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

CODE OF CONDUCT

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

Declaration

All the Board members and senior management personnel affirmed compliance with the code of conduct of the Company for the financial year ended 31st March 2015.

Coimbatore
25th May, 2015

Vikram Mohan
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE (Under Clause 49 of the Listing Agreement)

To the Members of Pricol Limited (CIN : L33129TZ1972PLC000641)

We have examined the compliance of the conditions of Corporate Governance by Pricol Limited (“the Company”) for the year ended 31st March 2015, as stipulated in Clause 49 (as it stood upto 30th September 2014 and as modified with effect from 1st October 2014) of the Company's Listing Agreements with the National Stock Exchange of India Limited and BSE Limited.

Compliance with the conditions of Corporate Governance is the responsibility of the Company's management. We have broadly reviewed the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our examination was neither an audit nor an expression of opinion on the financial statement of the Company.

We hereby certify that, in our opinion and to the best of our information and based on the explanations given to us, the Company has, during the year ended 31st March 2015, complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above referred Listing Agreements.

We further wish to state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company during the said financial year.

Chennai
25th May, 2015

For S Krishnamurthy & Co.,
Company Secretaries
K. Sriram
Partner
Membership No: F6312
Certificate of Practice No: 2215

TEN YEARS PERFORMANCE AT A GLANCE

OPERATING RESULTS

₹ Million

Year Ended 31st March	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Sales & Services										
- Domestic	4,217.01	4,809.48	4,803.69	4,765.51	6,338.06	7,100.16	7,886.74	6,996.69	6,899.65	7,842.34
- Export	599.87	1,024.35	1,260.94	1,375.25	1,085.86	1,062.93	1,428.05	1,285.91	1,402.78	1,162.55
Total Net Sales & Services	4,816.88	5,833.83	6,064.63	6,140.76	7,423.92	8,163.09	9,314.79	8,282.60	8,302.43	9,004.89
Gross Surplus from Operation	778.13	954.17	763.11	335.34	909.50	768.73	737.32	604.37	658.14	232.84
Other Income	29.30	30.36	69.41	42.28	33.30	57.15	21.47	15.16	36.22	20.06
Depreciation & Amortisation Expense (a)	256.60	295.92	327.19	364.91	351.78	337.04	291.91	319.50	306.65	352.55
Finance Costs (b)	121.87	180.48	287.00	395.51	316.45	273.12	297.92	163.31	65.20	78.90
Exceptional Items (Net)	—	—	—	—	—	—	494.20	—	516.33	(46.77)
Profit / (Loss) Before Tax (PBT) (c)	428.96	508.13	218.33	(382.80)	274.57	215.72	663.16	136.72	838.84	(225.32)
Tax Provision incl. Deferred Tax	125.87	146.00	27.50	(82.56)	19.77	(15.43)	99.00	(20.68)	168.85	(45.35)
Profit / (Loss) After Tax (PAT) (d)	303.09	362.13	190.83	(300.24)	254.80	231.15	564.16	157.40	669.99	(179.97)
Dividend (including tax) (e)	102.62	105.30	63.18	—	41.98	62.76	83.68	42.12	88.45	—
Retained Profit / (Loss)	200.47	256.83	127.65	(300.24)	212.82	168.39	480.48	115.28	581.54	(179.97)
As at 31st March	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015

SOURCES OF FUNDS

Share Capital	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	94.50	94.80
Reserves & Surplus	1,394.06	1,650.89	1,778.54	1,478.30	1,691.12	1,859.51	2,339.99	2,455.28	3,113.32	2,580.59
Money received against Share Warrants	—	—	—	—	—	—	20.25	20.25	—	—
Network (f)	1,484.06	1,740.89	1,868.54	1,568.30	1,781.12	1,949.51	2,450.24	2,565.53	3,207.82	2,675.39
Deferred Tax Liability / (Asset)	87.19	67.19	37.19	(29.81)	(56.81)	7.00	51.00	40.00	81.00	14.00
Loan Funds (g)	2,334.16	2,979.65	3,250.60	3,090.05	2,559.98	2,380.60	1,738.56	1,049.24	439.42	640.10
Total Capital Employed (h)	3,905.41	4,787.73	5,156.33	4,628.54	4,284.29	4,337.11	4,239.80	3,654.77	3,728.24	3,329.49

APPLICATION OF FUNDS

Gross Fixed Assets	3,505.33	4,186.60	4,741.85	4,972.66	5,127.37	5,138.11	5,043.79	5,180.64	5,041.60	4,557.01
Depreciation	1,502.76	1,794.99	2,119.56	2,461.98	2,804.32	2,979.66	3,130.63	3,347.13	3,231.80	2,796.33
Net Fixed Assets	2,002.57	2,391.61	2,622.29	2,510.68	2,323.05	2,158.45	1,913.16	1,833.51	1,809.80	1,760.68
Investments	277.74	243.74	182.91	182.91	252.41	252.41	302.41	388.05	603.85	527.56
Net Current Assets	1,625.10	2,152.38	2,351.13	1,934.95	1,708.83	1,926.25	2,024.23	1,433.21	1,314.59	1,041.25
Net Assets Employed	3,905.41	4,787.73	5,156.33	4,628.54	4,284.29	4,337.11	4,239.80	3,654.77	3,728.24	3,329.49

PERFORMANCE INDICATORS

Equity shares (Nos. in Mn) (i)	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	94.50	94.80
Face Value of Equity share (₹)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Earnings per share (EPS) (₹) (d / i)	3.37	4.02	2.12	(3.34)	2.83	2.57	6.27	1.75	7.16	(1.90)
Diluted Earnings per share (₹)	3.37	4.02	2.12	(3.34)	2.83	2.57	6.18	1.67	7.16	(1.90)
Dividend per share (₹)	1.00	1.00	0.60	—	0.40	0.60	0.80	0.40	0.80	—
Network per share (NWPS) (₹) (f / i)	16.49	19.34	20.76	17.43	19.79	21.66	27.22	28.51	33.95	28.22
Return on Average Network (RONW) (%) *	22.14	22.46	10.57	(17.47)	15.21	12.39	25.65	6.28	23.21	(6.12)
Return on Average Capital Employed (ROCE) (%) **	16.17	15.84	10.16	0.26	13.26	11.34	22.41	7.60	24.49	(4.15)
Total Debt to Network (g / f)	1.57	1.71	1.74	1.97	1.44	1.22	0.71	0.41	0.14	0.24
Interest Coverage Ratio (a+b+c) / b	6.63	5.46	2.90	0.95	2.98	3.02	4.21	3.79	18.57	2.61

* RONW = $\frac{PAT}{\{(Previous\ Year\ Network + Current\ Year\ Network) / 2\}} \times 100$

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

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHARE HOLDERS

To the Members of Pricol Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Pricol Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of

material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHARE HOLDERS

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

contracts including derivative contracts – Refer Note 2.29 to the standalone financial statements;

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

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

Coimbatore
25th May 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of Pricol Limited on the financial statements for the year ended 31st March, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Material discrepancies noticed on physical verification carried out during the year have been properly dealt with in the books of accounts.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.

- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system 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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (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 Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the 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, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it except in respect of sales tax where there have been slight delay in few cases.

AND

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

REPORT OF THE INDEPENDENT AUDITOR'S TO THE SHARE HOLDERS

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

S.No.	Name of the Statute	Period to which the amount relates	Nature of dues	Amount Disputed ₹ Million	Amount paid ₹ Million	Forum where dispute is pending
1.	Central Excise Act / Service tax / Customs	1990-2014	i) Excise Duty	23.131	Nil	Supreme Court
			ii) Excise Duty	36.561	Nil	CESTAT
			iii) Service Tax	152.031	Nil	CESTAT
			iv) Service Tax	0.252	Nil	Commissioner (Appeals)
			v) Customs Duty	0.910	Nil	Joint Secretary, Finance Ministry
2.	Sales Tax	1995-1997	i) Sales Tax	13.325	Nil	High Court
			ii) Penalty	19.988	Nil	
		2009-2010	iii) CST	6.964	0.900	DC (Appeals)
		2009-2010 & 2010-2011	iv) CST	7.439	Nil	Additional Commissioner
		2009-2010	v) VAT	0.431	0.220	Appellate Tribunal

- (c) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (xi) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) 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 on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

Coimbatore
25th May, 2015

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

BALANCE SHEET AS AT 31st MARCH 2015

	Note No.	31-3-2015 ₹ Million	31-3-2014 ₹ Million
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	94.797	94.500
(b) Reserves and Surplus	2.2	2,580.592	3,113.320
(2) Non Current Liabilities			
(a) Long Term Borrowings	2.3	200.000	—
(b) Deferred Tax Liabilities (Net)	2.4	14.000	81.000
(c) Long Term Provisions	2.5	112.867	60.564
(3) Current Liabilities			
(a) Short Term Borrowings	2.6	340.102	439.417
(b) Trade Payables	2.7	1,712.823	1,654.288
(c) Other Current Liabilities	2.8	474.003	323.801
(d) Short Term Provisions	2.9	62.524	60.674
Total		5,591.708	5,827.564
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	2.10		
(i) Tangible Assets		1,646.094	1,715.862
(ii) Intangible Assets		76.056	76.608
(iii) Capital Work-in-progress		38.535	17.329
(b) Non Current Investments	2.11	527.563	603.853
(c) Long Term Loans and Advances	2.12	59.500	35.047
(d) Other Non-Current Assets	2.13	297.873	624.716
(2) Current Assets			
(a) Current Investments	2.14	2.100	—
(b) Inventories	2.15	1,082.816	965.958
(c) Trade Receivables	2.16	1,644.743	1,589.746
(d) Cash and Cash Equivalents	2.17	67.582	37.797
(e) Short Term Loans and Advances	2.18	138.480	146.423
(f) Other Current Assets	2.19	10.366	14.225
Total		5,591.708	5,827.564

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

As per our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W
C.S. Sathyanarayanan
Partner
Membership No. 028328
Coimbatore, 25th May 2015

Vijay Mohan
Chairman

J. Sridhar
Chief Financial Officer

For and on behalf of the Board
Vanitha Mohan
Vice Chairman

Vikram Mohan
Managing Director

T.G. Thamizhanban
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2015

	Note No.	2014-15 ₹ Million	2013-14 ₹ Million
INCOME			
Revenue from Operations (Gross)		9,843.395	9,005.220
Less : Excise Duty		838.505	702.790
Revenue from Operations (Net)	2.20	9,004.890	8,302.430
Other Operating Revenue	2.21	491.753	609.053
Other Income	2.22	20.057	36.225
Total Revenue		9,516.700	8,947.708
EXPENSES			
Cost of Materials Consumed	2.23	6,002.960	5,508.331
Purchases of Stock-in-Trade		555.434	441.890
Changes in inventories of Work-in-progress, Finished Goods and Stock-in-Trade	2.24	25.066	58.220
Employee Benefits Expense	2.25	1,618.954	1,316.505
Finance Costs	2.26	78.900	65.196
Depreciation & Amortisation Expense	2.27	352.545	306.646
Other Expenses	2.28	1,061.390	928.409
Total Expenses		9,695.249	8,625.197
Profit / (Loss) from operations before Exceptional Items and Tax		(178.549)	322.511
Add : Exceptional Items	2.46	(46.768)	516.334
Profit / (Loss) Before Tax		(225.317)	838.845
Less : Tax Expense			
Current Tax		12.903	173.882
Deferred Tax		(48.378)	41.000
MAT Credit		(12.903)	(62.678)
For earlier years		3.033	16.648
Profit / (Loss) for the year		(179.972)	669.993
Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees	2.34		
Basic		(1.90)	7.16
Diluted		(1.90)	7.16

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

As per our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W
C.S. Sathyanarayanan
Partner
Membership No. 028328
Coimbatore, 25th May 2015

Vijay Mohan
Chairman

J. Sridhar
Chief Financial Officer

For and on behalf of the Board
Vanitha Mohan
Vice Chairman

Vikram Mohan
Managing Director

T.G. Thamizhanban
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

	2014-15 ₹ Million	2013-14 ₹ Million
A. Cash flow from operating activities :		
Net Profit / (Loss) Before Tax	(225.317)	838.845
Adjustments for :		
Depreciation & Amortisation Expense	352.545	306.646
Bad debts written off	1.593	42.009
Provision for doubtful debts written back	(2.277)	(38.480)
Provision for doubtful debts	13.010	8.206
(Profit) / Loss on sale of assets (Net)	4.301	(12.357)
Profit on Sale of Investment	(151.000)	—
Provision for Diminution in Value of Investment	287.538	—
Assets Discarded / Written off	24.614	18.291
Profit on Sale of undertaking / business	(18.800)	(516.334)
Profit on Sale of Land	(70.970)	—
Exchange Fluctuation (Gain) / Loss on Re-statement	(6.886)	19.431
Interest received	(3.094)	(0.525)
Finance Costs	78.900	65.196
	<u>509.474</u>	<u>(107.917)</u>
Operating Profit before working capital changes	284.157	730.928
Adjustments for :-		
Trade and other receivables	(40.206)	(98.911)
Inventories	(60.220)	71.308
Trade and other payables	143.523	53.146
	<u>43.097</u>	<u>25.543</u>
Cash generated from Operations	327.254	756.471
Direct taxes	(25.691)	(167.058)
Net cash from operating activities	301.563	589.413
B. Cash flow from investing activities :		
Purchase of Fixed Assets	(405.616)	(382.923)
Sale of Fixed Assets	98.815	61.919
Sale of undertaking / business	48.895	583.000
Interest received	3.094	0.525
Purchase of Investments	(262.348)	(215.803)
Sale of Investment	200.000	—
Net Cash (used in) / from investing activities	(317.160)	46.718
C. Cash flow from financing activities :		
Secured Long Term Borrowings	300.000	(511.210)
Unsecured Long Term Borrowings & Deposits	(0.018)	(35.416)
Working Capital Borrowings	(152.314)	22.397
Proceeds from issue of Share Capital	—	4.500
Premium on issue of Shares (Net off conversion of Share Warrants into Share Capital)	—	56.250
Dividend & Tax on Dividend paid	(44.338)	(85.827)
Finance Costs paid	(73.834)	(71.120)
Net Cash (used in) / from financing activities	29.496	(620.426)
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	13.899	15.705
Cash and cash equivalents as at 1.4.2014 and 1.4.2013 (Opening Balance)	37.797	22.092
Add : Pursuant to Amalgamation	15.886	—
Less : Bank Balances not considered as Cash and Cash equivalents as per Accounting Standard 3	40.017	18.780
Cash and cash equivalents as at 31.3.2015 and 31.3.2014 (Closing Balance)	<u>27.565</u>	<u>19.017</u>

As per our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W
C.S. Sathyanarayanan
Partner
Membership No. 028328
Coimbatore, 25th May 2015

Vijay Mohan
Chairman

J. Sridhar
Chief Financial Officer

For and on behalf of the Board
Vanitha Mohan
Vice Chairman

Vikram Mohan
Managing Director

T.G. Thamizhanban
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

1. SIGNIFICANT ACCOUNTING POLICIES

I. a) Basis of preparation :

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

b) Use of estimates :

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

II. Fixed Assets & Depreciation:

- a) Fixed Assets are stated at original cost net of tax / duty credits availed, if any, less accumulated depreciation, accumulated amortisation and cumulative impairment. Costs include pre-operative expenses and all expenses related to acquisition and installation of the assets concerned.
- b) Own manufactured assets are capitalised at cost including an appropriate share of overheads.
- c) New Product Development Cost including Technology Fee payable to Technology providers will be appropriately capitalised as and when the liability gets crystallised with mutual consent of parties concerned.
- d) (i) Depreciation has been provided under the Straight Line Method as per the useful lives stated in Schedule II to the Companies Act 2013, except for Dies, Tools and Moulds, which are depreciated at 33.33%. Depreciation for Plant & Machinery has been provided on Triple shift basis.
(ii) Intangible assets are amortised as follows: -
 - i) Specialised software : Over a period of 4 years
 - ii) Fees for Technical Know-how : Over a period of 4 years
- e) As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine ;

- i) the provision for impairment loss, if any, required or ;
- ii) the reversal, if any, required for impairment loss recognised in previous periods.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

- f) Leasehold Buildings are amortised over the lease period.

III. Investments:

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

IV. Valuation of Inventories:

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

V. Revenue Recognition:

- a) The company generally follows the mercantile system of accounting and recognises income and Expenditure on an accrual basis except those with significant uncertainties.
- b) Sale of goods is recognised when the risk and rewards of ownership are passed on to the customers, which is generally on despatch of goods.
- c) Dividend Income is recognised when the right to receive the dividend is unconditional at the Balance Sheet date.
- d) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- e) Claims made by the company including price escalations and those made on the Company are recognised in the Statement of Profit and Loss as and when the claims are accepted / liability is crystallised.

SIGNIFICANT ACCOUNTING POLICIES (Contd..)

VI. Foreign Currency Transactions:

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

VII. Research and Development:

Revenue Expenditure on Research and Development is charged under respective heads of account. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

VIII. Employee Benefits:

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

IX. Borrowing Costs:

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

X. Taxes on Income:

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

XI. Operating Leases :

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

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

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

XII. Government Grant and Subsidies :

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

XIII. Earnings per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and consolidation of shares, if any.

For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

XIV. Provisions :

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

XV. Cash and Cash equivalents :

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

2.1. SHARE CAPITAL

	31-3-2015 ₹ Million	31-3-2014 ₹ Million
Authorised		
482,000,000 Equity Shares of ₹ 1/- each (Previous year - 100,000,000 Equity Shares of ₹ 1/- each)	<u>482.000</u>	<u>100.000</u>
Issued, Subscribed and Paid-up		
94,796,721 Equity Shares of ₹ 1/- each fully paid-up (Previous year - 94,500,000 Equity Shares of ₹ 1/- each fully paid-up)	<u>94.797</u>	<u>94.500</u>

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

Equity Shares	31-3-2015		31-3-2014	
	No. of Shares Million	₹ Million	No. of Shares Million	₹ Million
At the beginning of the period	94.500	94.500	90.000	90.000
Add : Shares issued during the year	0.297	0.297	4.500	4.500
At the closing of the period	<u>94.797</u>	<u>94.797</u>	<u>94.500</u>	<u>94.500</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.

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

Equity Shares of ₹ 1/- each fully paid	31-3-2015		31-3-2014	
	No. of Shares	% held	No. of Shares	% held
- Vijay Mohan	9,828,353	10.37 %	9,544,440	10.10 %
- Viren Mohan	6,522,615	6.88 %	6,522,615	6.90 %
- Precot Meridian Limited (During the year 2014-15 Shareholding reduced below 5%)	—	—	5,462,250	5.78 %

Details of Shares held by Holding Company :

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

Details of Shares issued for consideration other than in cash :

296,721 Shares of ₹ 1/- each were allotted during the year in terms of Scheme of Amalgamation (Refer to Note No.2.47). There are no shares allotted by way of Bonus Shares and there have been no shares bought back in the immediately preceding five years.

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31-3-2015 ₹ Million	31-3-2014 ₹ Million			
2.2. RESERVES & SURPLUS					
Securities Premium Account					
Opening Balance	257.500	181.000			
Add : Premium on issue of Shares	—	76.500			
	<u>257.500</u>	<u>257.500</u>			
General Reserve					
Opening Balance	2,155.909	2,088.909			
Add : Transfer from Surplus in the Statement of Profit & Loss	—	67.000			
	<u>2,155.909</u>	<u>2,155.909</u>			
Less : Deficit on Amalgamation (Refer to Note No. 2.47)	<u>305.199</u>	—			
	<u>1,850.710</u>	<u>2,155.909</u>			
Surplus in the Statement of Profit & Loss					
Opening Balance	699.911	185.366			
Add : Profit / (Loss) for the year	(179.972)	669.993			
Less : Appropriations :-					
: Loss on Amalgamation from 1st Jan'14 to 31st Mar'14 (Refer to Note No. 2.47)	11.393	—			
: Adjustment relating to Fixed Assets (Net of Deferred Tax) (Refer to Note No. 2.48)	36.164	—			
: Interim Dividend - Nil (Previous year - 40% from Profit on sale of unit)	—	37.800			
: Final Dividend - Nil (Previous year - 40%)	—	37.800			
: Tax on Dividend	—	12.848			
: Transfer to General Reserve	—	67.000			
	<u>472.382</u>	<u>67.000</u>			
	<u>2,580.592</u>	<u>3,113.320</u>			
2.3. LONG TERM BORROWINGS					
	Non-Current portion		Current Maturities		
	31-3-2015	31-3-2014	31-3-2015	31-3-2014	
	₹ Million	₹ Million	₹ Million	₹ Million	
Secured Loans :					
Rupee Term Loan from Bank	200.000	—	100.000	—	
	<u>200.000</u>	<u>—</u>	<u>100.000</u>	<u>—</u>	
Term Loan of ₹ 300 Million for Medium Term Working Capital from Bank of Bahrain and Kuwait B.S.C. is repayable in 12 quarterly instalments of ₹ 25 Million each. Interest is payable on monthly basis at the rate of Bank Base Rate plus 10 bps. The loan is secured by an exclusive charge on the specific land and building of Plant III situated at Bilichi Village, Coimbatore District. Present Outstanding as on 31st March, 2015 is ₹ 300 Million (Previous year - Nil).					
2.4. DEFERRED TAX LIABILITIES (NET)			31-3-2015	Charged /	31-3-2014
			₹ Million	Reversed	₹ Million
Deferred Tax Liability				during the year	
Fixed Assets			55.303	₹ Million	109.479
	A		<u>55.303</u>	<u>(54.176)</u>	<u>109.479</u>
Deferred Tax Asset					
Disallowance under the Income Tax Act			41.303	12.824	28.479
	B		<u>41.303</u>	<u>12.824</u>	<u>28.479</u>
Deferred Tax Liability (Net)			A - B		
Less : Adjustment with Opening Balance of Surplus in the Statement of Profit & Loss (Refer to Note No. 2.48)			<u>14.000</u>	<u>(67.000)</u>	<u>81.000</u>
	Total			<u>(18.622)</u>	<u>(48.378)</u>
2.5. LONG TERM PROVISIONS					
For Gratuity (Refer to Note No. 2.44 (a))			30.453		2.978
For Leave Encashment (Refer to Note No. 2.44 (c))			9.674		3.792
For Central Excise Demands			32.289		32.289
For Others			40.451		21.505
			<u>112.867</u>		<u>60.564</u>

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31-3-2015	31-3-2014
	₹ Million	₹ Million
2.6. SHORT TERM BORROWINGS		
Secured Loans		
Working Capital Facilities from Banks		
- In Rupee	0.102	305.423
- In Foreign Currency	—	33.994
Unsecured Loans		
Working Capital Facilities from Banks		
- In Rupee	340.000	100.000
	<u>340.102</u>	<u>439.417</u>
<p>Working Capital Facilities from State Bank of India, ICICI Bank, The Bank of Nova Scotia and IDBI Bank are secured by pari-passu first charge on the current assets of the Company. Working Capital Facilities are further secured by pari-passu second charge on the specific immovable properties situated at Plant I - Perianaickenpalayam, Coimbatore District, Tamilnadu.</p> <p>Working Capital Facilities from Banks are repayable on demand and carries interest rates varying from 10.00% to 13.50% p.a.</p>		
2.7. TRADE PAYABLES		
Trade Payables *	1,712.823	1,654.288
	<u>1,712.823</u>	<u>1,654.288</u>
<p>* Trade Payables includes Dues to Micro, Small and Medium Enterprises amounting to ₹ 20.860 Million. (Previous year - ₹ 28.529 Million)</p> <p>There are no interest amounts paid / payable 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, which has been relied upon by the auditors.</p>		
2.8. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer to Note No. 2.3)	100.000	—
Interest Accrued but not due on loans	5.728	0.662
Unclaimed Dividend	5.894	6.008
Unclaimed Deposits including interest	—	0.018
Statutory Dues Payable	35.439	39.177
Other Payables	326.942	277.936
	<u>474.003</u>	<u>323.801</u>
2.9. SHORT TERM PROVISIONS		
For Leave Encashment (Refer to Note No. 2.44 (c))	0.328	0.168
For Gratuity (Refer to Note No. 2.44 (a))	13.935	8.968
For Labour Settlement	32.325	—
For Taxation (Net)	15.936	7.314
For Dividend	—	37.800
For Tax on Dividend	—	6.424
	<u>62.524</u>	<u>60.674</u>

NOTES TO FINANCIAL STATEMENTS (Contd.,)

2.10. FIXED ASSETS

₹ Million

	Gross Block					Upto 31-3-2014	Depreciation / Amortisation				Net Block	
	Cost as on 1-4-2014	Additions during 2014-15	Transfer on Amalga- mation	Sales / Deletions during 2014-15	Balance as on 31-3-2015		For 2014-15	Transfer on Amalga- mation	Transfer to Surplus	Withdrawn during 2014-15	Total upto 31-3-2015	Written down as on 31-3-2015
Tangible Assets												
Freehold Land	123.553	7.749	—	2.663	128.639	—	—	—	—	—	128.639	123.553
Leasehold Land	26.879	—	—	—	26.879	1.782	0.271	—	—	2.053	24.826	25.097
Buildings	994.500	21.167	—	—	1,015.667	348.338	28.352	—	3.699	380.389	635.278	646.162
Leasehold Buildings	8.065	—	—	—	8.065	2.688	1.344	—	—	4.032	4.033	5.377
Plant & Machinery	3,336.128	266.785	0.915	814.225	2,789.603	2,568.924	252.050	0.074	39.440	2,088.083	701.520	767.204
Computer Equipments	266.300	51.537	10.626	8.593	319.870	168.672	35.289	9.398	5.786	211.056	108.814	97.628
Furniture and Fittings	63.873	4.371	21.329	20.191	69.382	31.209	4.568	11.165	4.260	41.093	28.289	32.664
Office Equipments	4.247	1.827	—	—	6.074	1.932	0.420	—	0.677	3.029	3.045	2.315
Vehicles	35.376	1.113	3.247	8.961	30.775	19.514	3.423	2.391	0.924	19.125	11.650	15.862
Total Tangible Assets	4,858.921	354.549	36.117	854.633	4,394.954	3,143.059	325.717	23.028	54.786	2,748.860	1,646.094	1,715.862
Intangible Assets												
Computer Software	159.347	29.569	—	69.476	119.440	86.533	25.626	—	—	66.002	73.283	72.814
Technical Knowhow	6.000	0.292	—	2.207	4.085	2.206	1.202	—	—	2.096	1.312	3.794
Total Intangible Assets	165.347	29.861	—	71.683	123.525	88.739	26.828	—	—	68.098	47.469	76.608
Total	5,024.268	384.410	36.117	926.316	4,518.479	3,231.798	352.545	23.028	54.786	2,796.329	1,722.150	1,792.470
Previous year	5,154.591	391.642	—	521.965	5,024.268	3,347.132	306.646	—	—	421.980	3,231.798	
Capital Work-in-progress											38.535	17.329
Total Assets											1,760.685	1,809.799

- Notes :
- Additions to Fixed Assets includes Capital Expenditure on Research & Development of ₹ 59.894 Million (Previous year 2013-14 - ₹ 92.114 Million)
 - Freehold Land includes ₹ 47.666 Million (Previous year 2013-14 - ₹ 39.917 Million) paid by the Company towards the claim for additional compensation by Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC). The claim by HSIIDC is made in instalments and the payment is made as and when the instalments become due. The said payment had been made under protest and the matter is pending before the Supreme Court. Pending disposal of the appeal by the Court, the payment of instalments are capitalised to the cost of the land.

2.11. NON CURRENT INVESTMENTS

31-3-2015
₹ Million

31-3-2014
₹ Million

1. Shares in Subsidiary Company - Non Trade - Unquoted :

- 2,250,000 Equity Shares of ₹ 10/- each fully paid-up in Integral Investments Limited - (Extent of holding - 100%) **22.500** 22.500
- 1,803,657 Equity Shares of Euro 1/- each fully paid-up in Pricol Espana S.L. Spain (Previous year - Nil) - (Extent of holding - 100%) **155.168** —

2. Shares in Subsidiary Company - Trade - Unquoted :

- 37,437,500 Equity Shares of ₹ 10/- each fully paid-up in Pricol Castings Limited (Previous year - 33,027,500 Equity Shares of ₹ 10/- each) - (Extent of holding - 100%) (Refer to Note No. 2.46) **387.538** 343.438
- 3,500 Equity Shares of USD 1,000/- each fully paid-up in PT Pricol Surya, Indonesia (Previous year - 2,500 Equity Shares of USD 1,000/- each) - (Extent of holding - 100%) **184.857** 123.877
- 250,000 Equity Shares of USD 1/- each fully paid-up in Pricol Asia Pte Limited, Singapore - (Extent of holding - 100%) **15.038** 15.038

3. Shares in Joint Venture - Trade - Unquoted :

- 5,000,000 Equity Shares of ₹ 10/- each fully paid-up in Johnson Controls Pricol Private Limited - (Extent of holding - 50%) **50.000** 50.000
- 4,900,000 Equity Shares of ₹ 10/- each fully paid-up in Denso Pricol India Limited - (Extent of Holding - 49%) — 49.000

Aggregate Cost of Un-Quoted Investments

Less : Provision for Diminution in value of Investments **287.538** —

(Refer to Note No. 2.46)

Total **527.563** **603.853**

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31-3-2015	31-3-2014			
	₹ Million	₹ Million			
2.12. LONG TERM LOANS AND ADVANCES					
Unsecured considered good					
Capital Advances	32.321	12.396			
Deposits	27.179	22.651			
Unsecured considered doubtful	1.305	1.305			
Less : Provision for Doubtful Deposits	<u>1.305</u>	<u>1.305</u>			
	<u>59.500</u>	<u>35.047</u>			
2.13. OTHER NON-CURRENT ASSETS					
Unsecured Considered Good					
Long Term Trade Receivables (Refer to Note No. 2.47 & 2.54)	—	362.210			
Loans to Employees	0.160	0.368			
Balances with Government Authorities	5.060	0.765			
Tax Payments Pending Adjustment (Net)	22.445	4.068			
MAT Credit Entitlement	<u>270.208</u>	<u>257.305</u>			
	<u>297.873</u>	<u>624.716</u>			
2.14. CURRENT INVESTMENTS					
Sl.No.	Particulars	No. of Units		Amount (₹ Million)	
		31-3-2015	31-3-2014	31-3-2015	31-3-2014
	Investments in Mutual Funds - Non Trade - Quoted - Fully paid				
1.	ICICI Prudential MIP - 25 - Regular Plan - Growth	22,904	—	0.700	—
2.	IDFC Asset Allocation Fund of Funds - Aggressive Plan - Growth - (Regular Plan)	38,980	—	0.700	—
3.	Birla Sun Life MIP II - Wealth 25 Plan - Growth - Regular Plan	23,972	—	0.700	—
	Aggregate cost of Quoted Investments	<u>85,856</u>	<u>—</u>	<u>2.100</u>	<u>—</u>
		31-3-2015		31-3-2014	
		₹ Million		₹ Million	
2.15. INVENTORIES					
	Stock of Stores & Spares	29.193		23.606	
	Raw Materials & Components	732.138		663.414	
	(includes Goods in Transit of ₹ 130.621 Million Previous year - ₹ 137.259 Million)				
	Traded Goods	30.266		5.072	
	Work-in-progress	114.292		105.933	
	Finished Goods	88.102		79.108	
	Land - Stock-in-Trade	<u>88.825</u>		<u>88.825</u>	
		<u>1,082.816</u>		<u>965.958</u>	

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	31-3-2015 ₹ Million	31-3-2014 ₹ Million
2.16. TRADE RECEIVABLES		
a) Outstanding for a period exceeding six months		
i) Unsecured Considered Good	34.096	76.818
ii) Unsecured Considered Doubtful	52.250	23.628
Less : Provision for Doubtful Debts	<u>52.250</u>	<u>23.628</u>
b) Outstanding for a period less than six months		
i) Unsecured Considered Good	1,610.647	1,512.928
ii) Unsecured Considered Doubtful	31.867	22.872
Less : Provision for Doubtful Debts	<u>31.867</u>	<u>22.872</u>
	<u>1,644.743</u>	<u>1,589.746</u>
2.17. CASH AND CASH EQUIVALENTS		
Cash on hand	1.510	3.879
Balances with Banks		
In Current Account	26.055	15.138
In Unclaimed Dividend Account	5.894	6.008
In Fixed Deposit Account	20.630	11.000
In Margin Money Account #	<u>13.493</u>	<u>1.772</u>
	<u>67.582</u>	<u>37.797</u>
# Margin Money with banks is towards issue of Letter of credits, Buyers Credit for Imports and Bank Guarantee.		
Of the above, the balances that meet the definition of Cash and Cash equivalent as per AS 3 Cash flow Statement is	<u>27.565</u>	<u>19.017</u>
2.18. SHORT TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Advance to Related Party (Refer to Note No. 2.47 & 2.54)	—	30.000
Advances to Employees	1.939	5.016
Advances to Suppliers	27.966	35.329
Balances with Government Authorities	71.555	56.374
Prepaid Expenses	<u>37.020</u>	<u>19.704</u>
	<u>138.480</u>	<u>146.423</u>
2.19. OTHER CURRENT ASSETS		
Unsecured Considered Good		
Accrued Income	<u>10.366</u>	<u>14.225</u>
	<u>10.366</u>	<u>14.225</u>

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2014-15		2013-14	
	₹ Million		₹ Million	
2.20. REVENUE FROM OPERATIONS				
Sale of Products - Finished Goods				
Domestic	8,417.209		7,483.411	
Export	1,162.545		1,402.783	
Traded Goods	141.967		—	
	<u>9,721.721</u>		<u>8,886.194</u>	
Less : Excise Duty	<u>838.505</u>	8,883.216	<u>702.790</u>	8,183.404
Service Income		<u>121.674</u>		<u>119.026</u>
		<u>9,004.890</u>		<u>8,302.430</u>
Details of Sale of Products :				
1. Dashboard Instruments & Accessories				
a) Dashboard Instruments		3,730.990		3,693.577
b) Speedometer Cables		59.480		91.594
c) Sensors (all types)		1,355.650		1,352.185
d) Accessories & Sub-assembly Components		572.130		608.839
2. Oil Pumps		1,056.790		921.005
3. Chain Tensioners		333.330		278.885
4. Idle Speed Control Valve Assembly		175.230		175.282
5. Other Auto Components		734.450		544.631
6. Other Products		865.166		517.406
		<u>8,883.216</u>		<u>8,183.404</u>
2.21. OTHER OPERATING REVENUE				
Sale of Land held as Stock-in-Trade		—		135.183
Export Incentives		16.654		24.466
Sale of Traded Goods - Others		475.099		449.404
		<u>491.753</u>		<u>609.053</u>
2.22. OTHER INCOME				
Interest Received		3.094		0.525
Rent Received		16.094		15.274
Profit on Sale of Assets (Net)		—		12.357
Miscellaneous Income		0.869		8.069
		<u>20.057</u>		<u>36.225</u>
2.23. COST OF MATERIALS CONSUMED				
Value of imported and indigenous Raw Materials Consumed :				
		2014-15		2013-14
		₹ Million	%	₹ Million
				%
Imported	1,390.100	23.16		1,281.720
Indigenous	4,612.860	76.84		4,226.611
	<u>6,002.960</u>	<u>100.00</u>		<u>5,508.331</u>
				100.00

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2014-15		2013-14
	₹ Million		₹ Million
2.24. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE			
Work-in-progress	(8.359)		16.470
Finished Goods	(8.994)		21.471
Traded Goods	(25.194)		(0.698)
Land held as Stock-in-Trade	—		20.977
	<u>(42.547)</u>		<u>58.220</u>
Add : Inventory acquired on Amalgamation			
Traded Goods	63.339		—
Finished Goods	4.274		—
	<u>25.066</u>		<u>58.220</u>
2.25. EMPLOYEE BENEFITS EXPENSE			
a) Pay, Allowances and Bonus	1,401.215	1,133.122	
b) Contribution to Provident and other funds	115.558	77.442	
c) Welfare Expenses	102.181	105.941	
	<u>1,618.954</u>	<u>1,316.505</u>	
2.26. FINANCE COSTS			
Interest on Loans	78.140	62.112	
Other Borrowing Costs	0.760	3.084	
	<u>78.900</u>	<u>65.196</u>	
2.27. DEPRECIATION & AMORTISATION EXPENSE			
Depreciation (Refer to Note No. 2.10)	324.102	270.862	
Amortisation (Refer to Note No. 2.10)	28.443	35.784	
	<u>352.545</u>	<u>306.646</u>	
2.28. OTHER EXPENSES			
Power & Utilities (Refer to Note No. 2.35)	198.477		195.400
Stores & Spares Consumed	4.065		1.221
Repairs and Maintenance :			
- Machinery	106.730		85.464
- Building	16.055		20.284
- Others	13.521		14.861
Printing & Stationery	11.640		10.030
Postage & Telephone	23.767		13.542
Rent	27.376		19.490
Rates, Taxes & Licence	18.303		15.621
Insurance	24.105		23.879
Bank Charges	9.141		9.826
Travelling & Conveyance	89.869		81.038
Freight & Forwarding and Selling Expenses	196.922		137.903
Advertisement & Sales Promotion	10.250		4.188

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2014-15 ₹ Million	2013-14 ₹ Million		
OTHER EXPENSES (Contd.,)				
Commission & Discount on Sales	25.422	20.429		
Royalty	13.717	20.095		
Bad Debts written off	1.593	42.009		
Less : Provision for Doubtful debts written back	<u>2.277</u>	<u>38.480</u>		
Provision for doubtful debts	(0.684)	3.529		
Provision for Statutory Liability	13.010	8.206		
Provision for Statutory Liability	40.451	—		
Commission / Sitting Fees to Non-Whole Time Directors	1.570	2.295		
Auditors' Remuneration (Refer to Note No. 2.37)	6.911	4.890		
Professional Charges	149.682	163.829		
Exchange Fluctuation (Net)	9.055	18.559		
Assets Discarded / Written off	24.614	34.291		
Loss on sale of Assets (Net)	4.301	—		
Miscellaneous Expenses	15.899	19.289		
CSR Expenses (Refer to Note No. 2.51)	7.200	—		
Donations	0.021	0.250		
	<u>1,061.390</u>	<u>928.409</u>		
2.29. PROVISIONS AS ON THE CLOSING DATE :		₹ Million		
	Opening Balance 1-4-2014	Additions	Utilised / Reversals	Closing Balance 31-3-2015
1. Excise Duty Demands	32.289	—	—	32.289
2. Labour Settlement	—	32.325	—	32.325
3. Others	21.505	40.451	21.505	40.451
	<u>53.794</u>	<u>72.776</u>	<u>21.505</u>	<u>105.065</u>
2.30. CONTINGENT LIABILITIES AND COMMITMENTS AS ON THE CLOSING DATE :				₹ Million
	As at 31-3-2015			As at 31-3-2014
CONTINGENT LIABILITIES				
a) On account of Pending Litigations :				
Sales Tax Matters (excluding Interest & Penalty if any)	48.147			33.313
Excise, Service Tax and Customs Matters (excluding Interest & Penalty if any)	180.596			210.094
b) Others :				
Corporate Guarantee to Subsidiaries / Joint Venture	689.682			274.700
Letter of Credit	79.268			97.299
	<u>997.693</u>			<u>615.406</u>
COMMITMENTS				
Estimated Value of contracts remaining to be executed on Capital account	<u>251.616</u>			<u>34.851</u>

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2014-15 ₹ Million	2013-14 ₹ Million
2.31. EARNINGS IN FOREIGN CURRENCY (FOB) :		
Exports Sales	<u>1,110.027</u>	<u>1,360.086</u>
2.32. EXPENDITURE IN FOREIGN CURRENCY :		
<u>CIF Value of Imports :</u>		
Raw Materials & Components	1,613.510	1,325.847
Spares	8.054	7.130
Capital Goods	<u>38.223</u>	<u>32.557</u>
Total	<u>1,659.787</u>	<u>1,365.534</u>
<u>Other Payments :</u>		
Royalty on Sales	13.717	20.095
Interest on Foreign Currency Loans	1.919	4.212
Other matters	<u>66.236</u>	<u>56.348</u>
Total	<u>81.872</u>	<u>80.655</u>
2.33. DIVIDEND REMITTED IN FOREIGN CURRENCY	—	—
2.34. EARNINGS PER SHARE :		
Profit / (Loss) After Tax	(179.972)	669.993
Weighted Average No. of Shares Outstanding :		
Basic & Diluted (Nos. in Million)	94.797	93.600
Basic & Diluted Earnings per share (in ₹)	(1.90)	7.16
Face Value per Equity Share (in ₹)	1.00	1.00
2.35. Power & Utilities is net of Wind Power of ₹ 8.340 Million (Previous year - ₹ 11.485 Million) representing units supplied to the grid against which equivalent consumption was made inhouse.		
2.36. RESEARCH AND DEVELOPMENT EXPENDITURE :		
Capital	59.894	97.014
Recurring	206.891	217.343
Grant Received	—	(4.900)
	<u>266.785</u>	<u>309.457</u>
Note: Research and Development expenses of Revenue nature have been classified under the relevant heads of accounts in the Statement of Profit and Loss and the expenditure of Capital nature is grouped under fixed assets.		
2.37. REMUNERATION TO AUDITORS (EXCLUSIVE OF SERVICE TAX) :		
For Audit	3.000	2.400
For Taxation Matters	1.670	1.375
For Company Law Matters	1.000	—
For Certification and Others	0.964	0.990
Reimbursement of Expenses	<u>0.277</u>	<u>0.125</u>
Total	<u>6.911</u>	<u>4.890</u>

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2014-15 ₹ Million	2013-14 ₹ Million
2.38. EMPLOYEE BENEFITS EXPENSE INCLUDE :		
Remuneration to Whole Time Directors'		
Salary	7.260	6.860
HRA	4.356	4.090
Commission	—	8.242
Contribution to Provident Fund & Other Funds	1.960	1.852
Perquisites & Benefits	3.630	3.430
Total	<u>17.206</u>	<u>24.474</u>

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

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

2.41. INTEREST IN JOINT VENTURES :

The aggregate amount of assets, liabilities, income and expenses related to the Company's share in the Joint Venture is given below :

	₹ Million			
	Johnson Controls Pricol Private Limited		Denso Pricol India Limited	
	2014-15	2013-14	2014-15	2013-14
Extent of Holding	50%	50%	—	49%
Balance Sheet				
Share Capital	50.000	50.000	—	49.000
Reserves & Surplus	191.750	274.440	—	181.857
Non Current Liabilities	11.895	1.620	—	105.772
Current Liabilities	247.495	226.920	—	119.165
Fixed Assets (Net)	321.485	350.910	—	280.568
Long Term Loans & Advances	6.395	5.450	—	1.443
Current Assets	173.260	196.620	—	173.783
Income statement				
Income	497.015	518.495	—	283.845
Expenses	560.550	568.715	—	348.031
Profit / (Loss) Before Tax	(63.535)	(50.220)	—	(64.186)
Provision for Taxes	—	—	—	14.632
Profit / (Loss) After Tax	(63.535)	(50.220)	—	(78.818)
COMMITMENTS				
Estimated Value of contracts remaining to be executed on Capital account	0.350	0.225	—	3.356

Subsequent to the Balance Sheet Date the company has acquired balance 50% interest in Johnson Controls Pricol Private Limited (JCPPL) consequent which JCPPL becomes the wholly owned subsidiary of the Company.

During the year the Company sold its 49% interest in Joint Venture with Denso Pricol India Limited.

NOTES TO FINANCIAL STATEMENTS (Contd.,)

2.42. Income Tax Assessments are completed upto Assessment Year 2012-13.

2.43. During the financial year the Company has sold its 49% stake of its Joint Venture with Denso Corporation, Japan. The excess of sale consideration over the cost of investment has been included under exceptional item.

2.44. a) Particulars regarding defined benefit plan :

The Company operates a defined benefit plan for payment of post employment benefits in the form of Gratuity. Benefits under the plan are based on pay and years of service and are vested on completion of five years of service, as provided in the Payment of Gratuity Act, 1972. The terms of the benefits are common for all the employees of the Company.

I. Principal actuarial assumptions used as at the Balance Sheet Date :

Period Covered	2014-15	2013-14
Discount Rate	7.75% p.a.	9.15% p.a.
Expected Return on Plan assets	8.00% p.a.	8.00% p.a.
Average future working life	16 yrs	16 yrs

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

II. Changes in the Present Value of the Obligation :

	₹ Million	₹ Million
Present Value of obligation beginning of the period	151.958	144.955
Interest cost	10.905	12.192
Current service cost	15.867	13.996
Past service cost	—	—
Benefits paid	(22.479)	(23.426)
Actuarial (Gain) / Loss on obligation	28.594	4.241
Present Value of obligation end of the period	184.845	151.958

III. Changes in the Fair Value of plan assets :

Fair Value of plan assets beginning of the period	140.012	122.792
Expected return on plan assets	11.219	10.512
Contributions	13.000	24.700
Benefits paid	(21.172)	(19.095)
Actuarial Gain / (Loss) on plan assets	(2.602)	1.103
Fair Value of plan assets as at the end of the period	140.457	140.012

IV. Amounts recognised in the Balance Sheet :

Present Value of obligation	184.845	151.958
Fair Value of plan assets	(140.457)	(140.012)
Liability / (Asset)	44.388	11.946
Unrecognised past service cost	—	—
Asset / (Liability) recognised in the Balance Sheet	(44.388)	(11.946)

V. Expenses recognised in the Statement of Profit & Loss :

Current service cost	15.867	13.996
Interest Cost	10.905	12.192
Expected return on plan assets	(11.219)	(10.512)
Net Actuarial (Gain) / Loss recognised in the year	31.196	3.138
Past service cost	—	—
Expenses recognised in the Statement of Profit & Loss	46.749	18.814

The expense has been included under the head "Contribution to provident and other funds" under "Employee Benefits Expense" in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	₹ Million				
VI. Amount for the current period :	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of obligation	184.845	151.958	144.955	138.294	136.047
Plan Assets	140.457	140.012	122.792	138.301	119.799
Surplus / (Deficit)	(44.388)	(11.946)	(22.163)	0.007	(16.248)
Experience adjustments on plan liabilities	13.568	12.697	23.553	2.440	12.706
Experience adjustments on plan assets	2.602	(1.103)	(1.900)	(1.356)	0.222

VII. Major Categories of plan assets (As percentage of total plan assets) :	2014-15 ₹ Million	2013-14 ₹ Million
Funds Managed by Insurance Companies	100%	100%

VIII. Enterprise's best estimate of contribution during next year (₹ Mn.) **13.935** 8.968

b) Contribution of ₹ 63.189 Million (Previous year - ₹ 48.980 Million) made to defined contribution plans were charged to Statement of Profit and Loss.

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

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

Actuarial Assumptions :

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

Period Covered	2014-15	2013-14
Discount Rate	7.75% p.a.	9.15% p.a.

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

I. Amounts recognised in the Balance Sheet :

Present Value of obligation	10.002	3.960
Liability recognised in the Balance Sheet	10.002	3.960

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

Current Service cost	3.497	3.960
Interest Cost	0.235	—
Benefits Paid	(1.841)	—
Actuarial (Gain) / Loss on obligation	4.151	—
Expenses recognised in the Statement of Profit & Loss	6.042	3.960

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

NOTES TO FINANCIAL STATEMENTS (Contd.,)

	2014-15 ₹ Million	2013- 14 ₹ Million
2.45. Operating Leases :		
a) As Lessee :		
Amortisation of premium paid for leasehold rights	0.271	0.271
Annual lease payments charged off to Statement of Profit and Loss	4.863	6.584
Future Minimum Lease Payments		
- Not later than one year	7.014	6.246
- Later than one year and not later than five years	13.681	20.809
- Later than five years	8.657	13.108
b) As Lessor :		
Annual lease receipts included as income in the Statement of Profit and Loss	9.944	7.460
Future Minimum Lease Receivables		
- Not later than one year	10.504	9.862
- Later than one year and not later than five years	22.977	32.274
- Later than five years	—	—
2.46. Exceptional Items :		
a) Profit from Sale of Land	70.970	—
b) Profit on Sale of Speedo Cable Business (a non core business) on a slump sale basis	18.800	—
c) Profit on Sale of Investment (Shares in Joint Venture - 4,900,000 Equity Shares of ₹ 10/- each with Denso Pricol India Limited)	151.000	—
d) Profit on Sale of Instrument Cluster business related to four wheeler personal passenger vehicles under a Slump Sale Basis	—	516.334
e) Provision for Diminution in value of Investment in Pricol Castings Limited, a Wholly Owned Subsidiary	(287.538)	—
	(46.768)	516.334

2.47. (i) As per the Scheme sanctioned by the Hon'ble High Court of Madras on 1st December 2014, the amalgamation has been given effect to under the "Pooling of Interest Method" in accordance with Accounting Standard 14 - Accounting for Amalgamations as on the appointed date of 1.1.2014. Accordingly, assets, liabilities and reserves of the Transferor Company (Xenos Automotive Limited) have been recorded in the books of the Company (Pricol Limited) at their carrying amounts as at the appointed date.

(ii) Assets and Liabilities transferred by the Transferor Company pursuant to the Scheme :

Sl. No.	Particulars	₹ Million
1.	Non Current Assets	42.075
2.	Current Assets	155.897
3.	Current Liabilities and Provisions (including accumulated Depreciation on Fixed Assets)	141.410

Upon the scheme being effective, in consideration of the transfer and vesting of the entire undertaking of the business of the transferor Company, the Company issued 296,721 equity shares of ₹ 1/- each in the ratio of 1 Equity Share of ₹ 1/- each for every 122 Equity Shares of ₹ 10/- each held by the equity shareholders of the transferor Company. In respect of Inter-company owing, the outstanding balance of ₹ 391.464 Million has been appropriately adjusted. The difference in the book value of liabilities over the assets of the transferor company, amounting to ₹ 305.199 Million has been debited to General Reserve. The working results of the transferor company for the period from 01.01.2014 to 31.03.2014, amounting to a loss of ₹ 11.393 Million has been adjusted in the opening balance of surplus in Statement of Profit & Loss.

Consequent to the Amalgamation, current year figures are not strictly comparable with those of the previous year.

NOTES TO FINANCIAL STATEMENTS (Contd.,)

- 2.48. Consequent to enactment of Companies Act, 2013 and its applicability for accounting periods commencing after 1st April, 2014, the company has re-worked depreciation as prescribed by Schedule II to the Act. Accordingly, the unamortised carrying value is being depreciated / amortised over the revised / remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of deferred tax, in the Opening balance of Surplus amounting to ₹ 36.164 Million.

Consequent to the above, the depreciation charge for the current year is higher by ₹ 73 Million.

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

Particulars	Foreign Currency	2014-15	2013-14	2014-15	2013-14
		Amount of Foreign Currency in Million		Equivalent Amount in ₹ Million	
Buyers Credit	USD	2.674	5.318	167.354	333.968

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

Particulars	Foreign Currency	2014-15	2013-14	2014-15	2013-14
		Amount of Foreign Currency in Million		Equivalent Amount in ₹ Million	
Trade Payables	CHF	0.007	0.063	0.422	4.245
	EUR	0.053	0.017	3.572	1.416
	GBP	0.001	0.002	0.072	0.204
	JPY	135.330	103.067	70.520	60.634
	USD	0.953	1.155	59.634	69.415
Trade Receivables	EUR	0.701	0.685	47.303	56.570
	USD	4.249	4.377	265.934	263.040
	AUD	0.005	—	0.252	—
	GBP	0.001	—	0.021	—

- 2.50. **Segment Reporting**

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

- 2.51. **CSR Expenditure**

2014-15
₹ Million

- i) Gross amount required to be spent by the company during the year 3.777
ii) Amount spent during the year 7.200

Particulars	Incurred	Yet to be incurred	Total
a) Construction / acquisition of any asset	—	—	—
b) On other purpose other than (a) above	7.200	—	7.200

The CSR contribution is made to a Trust, in which two Directors of the Company are Trustee.

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

- 2.53. All figures are in Million unless otherwise stated.

- 2.54. **Related Party disclosure as per Accounting Standard 18 :**

Holding Company : Nil ; **Fellow Subsidiary :** Nil ; **Associate :** Nil ; **Subsidiary Companies :** Pricol Castings Limited, PT Pricol Surya, Indonesia, Pricol Asia Pte Limited, Singapore, Pricol Espana S.L. Spain, Pricol Do Brasil Componentes Automotivos Ltda, Brazil (Subsidiary of Pricol Espana S.L. Spain) and Integral Investments Limited **Key Management Personnel :** Mrs. Vanitha Mohan and Mr. Vikram Mohan **Relatives of Key Management Personnel :** Mr. Vijay Mohan **Joint Venture :** Johnson Controls Pricol Private Limited, Denso Pricol India Limited (Upto 16th March, 2015) **Others: (Enterprise over which key management personnel are able to exercise significant influence)** Pricol Holdings Limited, PPL Enterprises Limited (Formerly, Pricol Packaging Limited), Pricol Travel Limited, Pricol Technologies Limited, Pricol Properties Limited, Pricol Corporate Services Limited, Pricol Engineering Industries Limited, Target Manpower Services Limited, Prinfra Limited, M and M Enterprises (India) Limited, Bhavani Infin Services India Private Limited, Shrimay Enterprises Private Limited, Sagittarius Investments Private Limited, Libra Industries, Leo Industries, Bhavani Global Enterprises and Ellargi & Co.

NOTES TO FINANCIAL STATEMENTS (Contd.,)

₹ Million

Nature of Transaction	Subsidiary Companies		Key Management Personnel and their Relatives		Others / Joint Venture	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Purchase / Labour Charges	862.490	41.800	—	—	297.026	252.957
Sales / Job Work Charges	37.381	43.755	—	—	389.253	445.830
Sale of Undertaking	—	—	—	—	—	583.000
Sale of Interest in Joint venture	—	—	—	—	200.000	—
Purchase of Fixed Assets	—	—	—	—	0.020	0.229
Sale of Fixed Assets	—	—	—	—	85.058	42.645
Receiving of Services / Reimbursement of Expenses Paid	—	—	17.431	24.474	432.547	319.263
Rendering of Services / Reimbursement of Expenses Received	2.441	0.741	—	—	129.099	132.187
Loan / Advance Receivable / Deposit / Interest - Opening	8.252	8.402	—	—	28.666	1.089
Add : Amount advanced / Deposit during the year	56.400	156.793	2.048	—	7.525	30.000
Less : Amount received / converted into capital during the year	—	152.293	—	—	—	—
Add : Interest receivable for the year	—	—	—	—	—	—
Less : Amount received / Adjustments on Amalgamation	64.652	4.650	2.000	—	30.000	—
Less : Rental advance received	—	—	—	—	0.125	2.423
Less : Interest received for the year	—	—	—	—	—	—
Loan / Advance Receivable / Deposit / Interest - Closing	—	8.252	0.048	—	6.066	28.666
Advance payable - Opening	—	—	—	—	—	—
Less : Amount repaid during the year	—	—	—	—	—	—
Advance payable - Closing	—	—	—	—	—	—
Investments - Opening	504.853	338.050	—	—	99.000	50.000
Add : Investments made during the year	260.248	167.303	—	—	—	49.000
Less : Divestment during the year	—	0.500	—	—	49.000	—
Investments - Closing	765.101	504.853	—	—	50.000	99.000
Guarantee - Opening	274.700	401.885	—	—	—	—
Add : Guarantee provided during the year	194.982	30.000	—	—	220.000	—
Less : Guarantee released during the year	—	157.185	—	—	—	—
Guarantee - Closing	469.682	274.700	—	—	220.000	—
Receivable - Opening	88.738	101.490	—	—	514.148	454.203
Add : Amount receivable during the year	37.506	49.017	—	—	611.104	770.626
Less : Amount received / Adjustments on Amalgamation	89.798	61.769	—	—	913.554	710.681
Receivable - Closing	36.446	88.738	—	—	211.698	514.148
Payable - Opening	7.933	2.436	8.242	3.286	73.986	101.957
Add : Amount payable during the year	953.121	60.327	17.486	24.474	808.803	684.652
Less : Amount paid / Adjustments on Amalgamation	902.709	54.830	25.503	19.518	794.644	712.623
Payable - Closing	58.345	7.933	0.225	8.242	88.145	73.986

As per our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W
C.S. Sathyanarayanan
Partner
Membership No. 028328
Coimbatore, 25th May 2015

Vijay Mohan
Chairman

J. Sridhar
Chief Financial Officer

For and on behalf of the Board
Vanitha Mohan
Vice Chairman

Vikram Mohan
Managing Director

T.G. Thamizhanban
Company Secretary

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Pricol Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Pricol Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entities as at 31st March, 2015, their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of two subsidiaries and one joint controlled entity, whose financial statements reflects total assets of ₹ 1,869.61 Mn as at March 31, 2015, total revenues of ₹ 3,001.29 Mn and net cash flows amounting to ₹ 6.87 Mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so

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

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

- (b) We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 1165.87 Mn as at March 31, 2015, total revenues of ₹ 285.59 Mn and net cash flows amounting to ₹ 0.26 Mn for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements and our report on the Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the management.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company, subsidiary companies and jointly controlled entities incorporated in India, we give in the Annexure, 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, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated

Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- On the basis of written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies, jointly controlled entities incorporated in India, none of the directors of the Group companies and jointly controlled entities incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- 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:
 - The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities – Refer Note 2.36 to the consolidated financial statements;
 - Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 2.37 to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled entities.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and jointly controlled entities incorporated in India.

Coimbatore
25th May 2015

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

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

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Pricol Limited on the consolidated financial statements for the year ended 31st March 2015]

- (i) (a) The Group and jointly controlled entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Group and jointly controlled entities have been physically verified by the management of the respective entities and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to their size and the nature of their assets.
- (ii) (a) The inventory (excluding stocks lying with third parties) of the Group and jointly controlled entities have been physically verified by the management of the respective entities during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management of the Group and jointly controlled entities are reasonable and adequate in relation to their size and the nature of its business.
- (c) The Group and jointly controlled entities are maintaining proper records of inventory. Material discrepancies noticed on physical verification carried out during the year have been properly dealt with in the books of account of the respective entities.
- (iii) As informed, the Group and jointly controlled entities have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given by the management of the Group and jointly controlled entities, there exists an adequate internal control system commensurate with the size of the respective entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the respective entities.
- (v) In our opinion and according to the information and explanations given by the management of the Group and jointly controlled entities, the respective entities have 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 Central Government of India has not prescribed the maintenance of cost records for any of the products of the Group and jointly controlled entities under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Group and jointly controlled entities are generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it. However, in case of Sales tax relating to Holding Company, there have been slight delay in few cases.

AND

- (a) According to the information and explanations given by the management of the Group and jointly controlled entities, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, on account of any dispute, are as follows:

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

No. of Components / Holding Company	Name of the Statute	Period to which the amount relates	Nature of dues	Amount Disputed ₹ Million	Amount paid ₹ Million	Forum where dispute is pending
Holding Company	Central Excise Act / Service tax / Customs	1990-2014	i) Excise Duty	23.131	Nil	Supreme Court
			ii) Excise Duty	36.561	Nil	CESTAT
			iii) Service Tax	152.031	Nil	CESTAT
			iv) Service Tax	0.252	Nil	Commissioner (Appeals)
			v) Customs Duty	0.910	Nil	Joint Secretary, Finance Ministry
Holding Company	Sales Tax	1995-1997	i) Sales Tax	13.325	Nil	High Court
			ii) Penalty	19.988	Nil	
		2009-2010	iii) CST	6.964	0.900	DC (Appeals)
		2009-2010 & 2010-2011	iv) CST	7.439	Nil	Additional Commissioner
		2009-2010	v) VAT	0.431	0.220	Appellate Tribunal

- (c) According to the information and explanations given by the management of the Group and jointly controlled entities, there have been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the respective entities.
- (viii) The Group and jointly controlled entities did not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year except in case of a subsidiary, namely, Pricol Castings Limited, where the accumulated losses of the company are more than fifty percent of its net worth and have incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given by the management of the Group and jointly controlled entities, the respective entities have not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) According to the information and explanations given by the management of the Group and jointly controlled entities, the respective entities have not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given by the management of the Group and jointly controlled entities, the term loans have been applied for the purpose for which the loans were obtained.
- (xii) During the course of examination of the books and records of the Group and jointly controlled entities, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the respective entities.

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

Coimbatore
25th May 2015

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2015

	Note No.	31-3-2015 ₹ Million	31-3-2014 ₹ Million
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	2.1	94.797	94.500
(b) Reserves and Surplus	2.2	2,623.878	3,330.500
(2) Non Current Liabilities			
(a) Long Term Borrowings	2.3	225.020	117.147
(b) Deferred Tax Liabilities (Net)	2.4	—	92.257
(c) Long Term Provisions	2.5	144.378	82.892
(d) Other Non Current Liabilities	2.6	79.889	—
(3) Current Liabilities			
(a) Short Term Borrowings	2.7	549.920	544.024
(b) Trade Payables	2.8	2,571.622	2,283.983
(c) Other Current Liabilities	2.9	1,046.807	505.888
(d) Short Term Provisions	2.10	65.850	70.624
Total		7,402.161	7,121.815
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets	2.11		
(i) Tangible Assets		2,495.244	2,367.739
(ii) Intangible Assets		152.455	394.704
(iii) Capital Work-in-progress		156.222	36.482
(b) Non Current Investments	2.12	16.620	7.200
(c) Deferred Tax Assets (Net)	2.4	62.744	—
(d) Long Term Loans and Advances	2.13	63.241	42.241
(e) Other Non-Current Assets	2.14	300.031	659.773
(2) Current Assets			
(a) Current Investments	2.15	22.045	16.591
(b) Inventories	2.16	1,388.217	1,263.054
(c) Trade Receivables	2.17	2,233.036	1,849.768
(d) Cash and Cash Equivalents	2.18	126.547	172.415
(e) Short Term Loans and Advances	2.19	375.393	293.479
(f) Other Current Assets	2.20	10.366	18.369
Total		7,402.161	7,121.815

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

As per our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W
C.S. Sathyanarayanan
Partner
Membership No. 028328
Coimbatore, 25th May 2015

Vijay Mohan
Chairman
J. Sridhar
Chief Financial Officer

For and on behalf of the Board
Vanitha Mohan
Vice Chairman

Vikram Mohan
Managing Director
T.G. Thamizhanban
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2015

	Note No.	2014-15 ₹ Million	2013-14 ₹ Million
INCOME			
Revenue from Operations (Gross)		11,872.021	11,212.478
Less : Excise Duty		930.550	851.973
Revenue from Operations (Net)	2.21	10,941.471	10,360.505
Other Operating Revenue	2.22	491.753	608.751
Other Income	2.23	72.770	44.577
Total Revenue		11,505.994	11,013.833
EXPENSES			
Cost of Materials Consumed	2.24	7,537.313	6,980.084
Purchases of Stock-in-Trade		555.434	441.890
Changes in inventories of Work-in-progress, Finished Goods and Stock-in-Trade	2.25	92.340	79.896
Employee Benefits Expense	2.26	1,932.144	1,606.813
Finance Costs	2.27	134.407	101.795
Depreciation & Amortisation Expense	2.28	456.786	423.950
Other Expenses	2.29	1,447.297	1,339.159
Total Expenses		12,155.721	10,973.587
Profit / (Loss) from operations before Exceptional Items and Tax		(649.727)	40.246
Add : Exceptional Items	2.30	240.770	516.334
Profit / (Loss) Before Tax		(408.957)	556.580
Less : Tax Expense			
Current Tax		13.770	174.240
Deferred Tax		(52.770)	55.566
MAT Credit		(12.903)	(62.678)
For earlier years		3.033	16.649
Profit / (Loss) for the year		(360.087)	372.803
Earnings per Equity Share (Face Value of ₹ 1/-) in Rupees	2.31		
Basic		(3.80)	3.98
Diluted		(3.80)	3.98

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

As per our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W
C.S. Sathyanarayanan
Partner
Membership No. 028328
Coimbatore, 25th May 2015

Vijay Mohan
Chairman

J. Sridhar
Chief Financial Officer

For and on behalf of the Board
Vanitha Mohan
Vice Chairman

Vikram Mohan
Managing Director

T.G. Thamizhanban
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2015

	2014-15 ₹ Million	2013-14 ₹ Million
A. Cash Flow From Operating Activities :		
Net Profit / (Loss) Before Tax	(408.957)	556.580
Adjustments for :		
Depreciation & Amortisation Expense	456.786	423.950
Bad debts written off	1.593	42.009
Provision for Doubtful debts written back	(2.277)	(38.480)
Provision for Doubtful debts	46.659	10.190
Effect of change in Foreign Currency Translation Reserve	(14.377)	8.576
Adjustment relating to interest in Subsidiary (Net)	(21.694)	—
Provision for Diminution in value of Investments	—	(0.280)
(Profit) / Loss on Sale of Assets (Net)	4.147	(13.083)
Assets Discarded / Written off	24.614	18.291
Profit on Sale of Undertaking / business	(18.800)	(516.334)
Profit on Sale of Land	(70.970)	—
Profit on Sale of Investment	(151.000)	—
Exchange Fluctuation (Gain) / Loss on Re-statement	(6.886)	19.431
Interest received	(3.415)	(1.493)
Finance Costs	134.407	101.795
Income from Current Investments	(3.411)	(0.663)
	<u>375.376</u>	<u>53.909</u>
Operating profit before working capital changes	(33.581)	610.489
Adjustments for :-		
Trade and other receivables	(165.660)	(234.548)
Inventories	51.831	10.482
Trade and other payables	282.902	407.084
	<u>169.073</u>	<u>183.018</u>
Cash generated from operations	135.492	793.507
Direct taxes	(28.022)	(173.311)
Net Cash flow from operating activities	107.470	620.196
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(449.838)	(860.832)
Sale of Fixed Assets	98.800	95.898
Sale of Undertaking / business	48.895	583.000
Interest received	3.415	1.493
Purchase of Investments	(37.299)	(30.680)
Sale of Investments	225.836	31.207
Adjustment on Disposal of Interest in Joint Venture	(81.564)	—
Net Cash used in Investing Activities	(191.755)	(179.914)
C. Cash Flow from Financing Activities :		
Secured Long Term Borrowings	349.498	(575.505)
Unsecured Long Term Borrowings & Deposits	(0.018)	55.724
Working Capital Borrowings	(153.235)	10.137
Proceeds from issue of Share Capital	—	4.500
Premium on issue of Shares (Net off conversion of Share Warrants into Share Capital)	—	316.930
Dividend & Tax on Dividend paid	(44.338)	(85.827)
Finance Costs paid	(129.376)	(108.174)
Net Cash (Used in) / from financing activities	22.531	(382.215)
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	(61.754)	58.067
Cash and cash equivalents as at 1.4.2014 and 1.4.2013	172.415	114.348
(Opening Balance)		
Add : Pursuant to Amalgamation	15.886	—
Less : Bank Balances not considered as Cash and Cash Equivalents as per Accounting Standard 3	43.882	18.833
Cash and cash equivalents as at 31.3.2015 and 31.3.2014	82.665	153.582
(Closing Balance)		

As per our report of date attached
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Regn. No. 103523W
C.S. Sathyanarayanan
Partner
Membership No. 028328
Coimbatore, 25th May 2015

Vijay Mohan
Chairman
J. Sridhar
Chief Financial Officer

For and on behalf of the Board
Vanitha Mohan
Vice Chairman

Vikram Mohan
Managing Director
T.G. Thamizhanban
Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

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

I. Basis of Preparation of Consolidated Financial Statements :

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

II. Principles of Consolidation :

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

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

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

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

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

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

IV. Other Significant Accounting Policies:

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

2.1. SHARE CAPITAL

Authorised

482,000,000 Equity Shares of ₹ 1/- each
(Previous year - 100,000,000 Equity Shares of ₹ 1/- each)

31-3-2015

₹ Million

482.000

31-3-2014

₹ Million

100.000

Issued, Subscribed and Paid-up

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

(Previous year - 94,500,000 Equity Shares of ₹ 1/- each fully paid-up)

94.797

94.500

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

Equity Shares

	31-3-2015		31-3-2014	
	No. of Shares Million	₹ Million	No. of Shares Million	₹ Million
At the beginning of the period	94.500	94.500	90.000	90.000
Add : Shares issued during the year	0.297	0.297	4.500	4.500
At the closing of the period	94.797	94.797	94.500	94.500

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.

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

Equity Shares of ₹ 1/- each fully paid	31-3-2015		31-3-2014	
	No. of Shares	% held	No. of Shares	% held
- Vijay Mohan	9,828,353	10.37%	9,544,440	10.10%
- Viren Mohan	6,522,615	6.88%	6,522,615	6.90%
- Precot Meridian Limited (During the year 2014-15 Shareholding reduced below 5%)	—	—	5,462,250	5.78 %

Details of Shares held by Holding Company :

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

Details of Shares issued for consideration other than in cash :

296,721 Shares of ₹ 1/- each were allotted during the year in terms of scheme of amalgamation. There are no Shares allotted by way of Bonus Shares and there have been no shares bought back in the immediately preceding five years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2015 ₹ Million	31-3-2014 ₹ Million
2.2. RESERVES & SURPLUS		
Securities Premium Account		
Opening Balance	860.180	523.000
Add : Premium on issue of Shares	—	337.180
Less : Adjustment on disposal of interest in Joint Venture	<u>260.680</u>	—
	599.500	860.180
General Reserve		
Opening Balance	2,160.192	2,093.192
Add : Transfer from Surplus in the Statement of Profit & Loss	—	67.000
Less : Deficit on Amalgamation	<u>305.199</u>	—
	1,854.993	2,160.192
Statutory Reserve		
Opening Balance	9.374	9.309
Add : Transfer from Surplus in the Statement of Profit & Loss	<u>0.579</u>	0.065
	9.953	9.374
Capital Reserve		
Opening Balance	—	—
Add : Addition during the year #	<u>222.124</u>	—
	222.124	—
# Capital Reserve represents the difference between the Net Assets acquired and the Cost of Investment in Pricol do Brasil Componentes Automotivos Ltda, Brazil		
Surplus / (Deficit) in the statement of Profit & Loss		
Opening Balance	318.217	100.927
Add : Profit / (Loss) for the year	(360.087)	372.803
Less : Appropriations :		
: Loss on Amalgamation from 1st Jan'14 to 31st Mar'14	11.393	—
: Adjustment relating to Fixed Assets (Net of Deferred Tax)	36.603	—
: Adjustment on disposal of interest in Joint Venture	(78.823)	—
: Interim Dividend - Nil (Previous year - 40% From profit on sale of unit)	—	37.800
: Final Dividend - Nil (Previous year - 40%)	—	37.800
: Tax on Dividend	—	12.848
: Transfer to Statutory Reserve	0.579	0.065
: Transfer to General Reserve	—	67.000
	(11.622)	318.217
Foreign Exchange Translation Reserve		
Opening Balance	(17.463)	(14.507)
Add : Addition during the year	<u>(33.607)</u>	(2.956)
	(51.070)	(17.463)
	<u>2,623.878</u>	<u>3,330.500</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2015 ₹ Million	31-3-2014 ₹ Million
2.3. LONG TERM BORROWINGS		
	<u>Non-Current portion</u>	<u>Current Maturities</u>
	31-3-2015 ₹ Million	31-3-2014 ₹ Million
	31-3-2015 ₹ Million	31-3-2014 ₹ Million
Secured Loans :		
a. Rupee Term Loan from Banks	218.590	16.649
b. Foreign Currency Term Loan from Banks	6.430	9.358
Unsecured Loans :		
a. Foreign Currency Loan from Others	—	91.140
	<u>225.020</u>	<u>117.147</u>
	<u>461.965</u>	<u>132.450</u>
<p>Term Loan of ₹ 300 Million for Medium Term Working Capital from Bank of Bahrain and Kuwait B.S.C is repayable in 12 quarterly instalments of ₹ 25 Million each. Interest is payable on monthly basis at the rate of Bank Base Rate plus 10 bps. The loan is secured by an exclusive charge on the specific land & building of Plant III situated at Billichy Village, Coimbatore District. Present Outstanding as on 31st March, 2015 is ₹ 300 Million (Previous year- Nil).</p> <p>Rupee Term Loan of ₹ 15.613 Million from Bank are secured by First Charge on Land & Building situated at Pollachi Main Road, Thamaraiikulam Post, Kinathukadavu (Via), Pollachi Taluk, Coimbatore - 642 109 and hypothecation of Goods, Book Debts, other movable assets at Pollachi Main Road, Thamaraiikulam Post, Kinathukadavu (Via), Pollachi Taluk, Coimbatore - 642 109 and Corporate Guarantee from Holding Company. The Loans are repayable in equal monthly instalments.</p> <p>Rupee Term Loan of ₹ 10 Million from Bank is secured by way of hypothecation of machineries and other fixed assets of the respective Company and the loan is repayable in four quarterly instalments after an initial holiday period of two years from the date of disbursement of loan.</p> <p>Term Loan of subsidiary in Indonesia is secured by way of Land and factory building, inventories and Corporate Guarantee from Holding Company. The loan is repayable in May, 2015.</p> <p>Other Loans of subsidiary is secured by specific receivables.</p> <p>Interest for the above term loans varies from 8% to 15% p.a.</p>		
2.4. DEFERRED TAX LIABILITIES / (ASSET) (NET)	31-3-2015 ₹ Million	31-3-2014 ₹ Million
Deferred Tax Liability		
Fixed Assets	116.118	137.751
A	<u>116.118</u>	<u>137.751</u>
Deferred Tax Asset		
Disallowance under the Income Tax Act	50.119	32.509
Unabsorbed Depreciation / Business Loss	128.743	12.985
B	<u>178.862</u>	<u>45.494</u>
Deferred Tax Liability / (Asset) (Net)	<u>(62.744)</u>	<u>92.257</u>
A - B		
2.5. LONG TERM PROVISIONS		
For Gratuity	57.538	25.011
For Leave Encashment	10.244	4.087
For Central Excise Demands	32.289	32.289
For Others	44.307	21.505
	<u>144.378</u>	<u>82.892</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2015 ₹ Million	31-3-2014 ₹ Million
2.6. OTHER NON CURRENT LIABILITIES		
Special Instalment Programme (Payable to the State Government of Sao Paulo in 97 unequal instalments at the interest rate of 1% per month)	79.889	—
2.7. SHORT TERM BORROWINGS		
Secured Loans		
Working Capital Facilities from Banks		
- In Rupee	103.790	370.000
- In Foreign Currency	106.130	33.994
Unsecured Loans		
Working Capital Facilities from Banks		
- In Rupee	340.000	140.030
	<u>549.920</u>	<u>544.024</u>
Working capital facilities from banks are secured by Pari-passu first charge on the current assets of the respective companies. The loans are further secured by pari-passu second charge on the immovable properties of the respective Companies. The loans are further Guaranteed by the holding company.		
Working Capital Facilities from Banks are repayable on demand and carry interest rates varying from 10% to 15% p.a.		
2.8. TRADE PAYABLES		
Trade Payables *	2,571.622	2,283.983
	<u>2,571.622</u>	<u>2,283.983</u>
* Trade Payables includes Dues to Micro, Small and Medium Enterprises amounting to ₹ 20.860 Million (Previous year - ₹ 28.529 Million)		
2.9. OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt (Refer to Note No. 2.3)	461.965	132.450
Interest Accrued but not due on loans	5.918	0.887
Unclaimed Dividend	5.894	6.008
Unclaimed Deposits including interest	—	0.018
Statutory Dues Payable	61.995	41.303
Other Payables	511.035	325.222
	<u>1,046.807</u>	<u>505.888</u>
2.10. SHORT TERM PROVISIONS		
For Leave Encashment	0.408	0.243
For Gratuity	14.093	9.237
For Labour Settlement	32.325	—
For Taxation (Net)	19.024	16.920
For Dividend	—	37.800
For Tax on Dividend	—	6.424
	<u>65.850</u>	<u>70.624</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.11. FIXED ASSETS

₹ Million

	Cost as on 1-4-2014	Additions / Deletions during 2014-15	Gross Block Sales / Deletions during 2014-15	Translation Adjustment	Balance as on 31-3-2015	Upto 31-3-2014	For 2014-15	Depreciation / Amortisation Additions / Adjustments 2014 - 15	Transfer to Surplus	Withdrawn during 2014-15	Translation Adjustment	Total upto 31-3-2015	Written down Value as on 31-3-2014	Net Block Value as on 31-3-2015
Tangible Assets														
Freehold Land	287,445	18,563	2,663	(6,511)	296,834	—	—	—	—	—	—	—	296,834	287,445
Leasehold Land	26,879	—	—	—	26,879	1,782	0,271	—	—	—	—	2,053	24,826	25,097
Freehold Buildings	1,226,205	21,817	0,015	(9,767)	1,238,240	418,636	37,251	—	3,699	0,119	(3,656)	455,811	782,429	807,569
Leasehold Building	8,065	6,083	—	—	14,148	2,688	1,344	5,909	—	—	—	9,941	4,207	5,377
Plant & Machinery	3,852,635	1,354,025	861,769	(12,635)	4,332,256	2,775,652	312,431	766,408	39,813	776,405	(6,532)	3,111,367	1,220,889	1,076,983
Computer Equipments	271,543	91,090	10,678	—	351,955	171,713	35,290	33,787	5,786	8,397	—	238,179	113,776	99,830
Furniture and Fittings	70,538	35,993	23,861	—	82,670	33,401	4,687	19,565	4,260	10,189	—	51,724	30,946	37,137
Office Equipments	37,520	2,544	—	(2,311)	37,753	26,827	4,358	—	0,743	0,050	(1,837)	30,041	7,712	10,693
Vehicles	38,978	5,673	9,171	—	35,480	21,370	3,602	3,086	0,924	7,127	—	21,855	13,625	17,608
Total Tangible Assets	5,819,808	1,535,788	908,157	(31,224)	6,416,215	3,452,069	399,234	828,755	55,225	802,287	(12,025)	3,920,971	2,495,244	2,367,739
Intangible Assets														
Computer Software	161,255	95,457	69,476	(0,063)	187,173	87,151	26,265	61,756	—	66,002	(0,032)	109,138	78,035	74,104
Technical Knowhow	6,000	18,831	2,207	—	22,624	2,206	1,202	5,909	—	2,096	—	7,221	15,403	3,794
Business & Commercial Rights	403,427	—	253,004	—	150,423	86,621	30,085	—	—	25,300	—	91,406	59,017	316,806
Total Intangible Assets	570,682	114,288	324,687	(0,063)	360,220	175,978	57,552	67,665	—	93,398	(0,032)	207,765	152,455	394,704
Total	6,390,490	1,650,076	1,232,844	(31,287)	6,776,435	3,628,047	456,786	896,420	55,225	895,685	(12,057)	4,128,736	2,647,699	2,762,443
Previous year	6,112,998	818,856	524,025	(17,339)	6,390,490	3,632,823	423,950	—	—	422,919	(5,807)	3,628,047	—	—
Capital Work-in-Progress													156,222	36,482
Total Assets													2,803,921	2,798,925

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.12. NON CURRENT INVESTMENTS	31-3-2015	31-3-2014
Non - Trade - Unquoted :	₹ Million	₹ Million
720,000 Equity Shares of ₹ 10/- each fully paid-up in Pricol Technologies Limited - (Extent of holding - 5.35%)	7.200	7.200
150,000 Equity Shares of USD 1/- each fully paid-up in PS Asia Wiring Systems Pte. Limited (Extent of holding - 30%)	9.420	—
Aggregate Cost of Un-quoted Investments	<u>16.620</u>	<u>7.200</u>
2.13. LONG TERM LOANS AND ADVANCES		
Unsecured, Considered Good		
Capital Advances	32.948	17.177
Deposits	30.293	25.064
Unsecured considered Doubtful	1.305	1.305
Less : Provision for Doubtful Deposits	<u>1.305</u>	<u>1.305</u>
	<u>63.241</u>	<u>42.241</u>
2.14. OTHER NON CURRENT ASSETS		
Unsecured Considered Good		
Long Term Trade Receivables (Refer to Note No. 2.39 & 2.44)	—	390.055
Loans to Employees	0.160	0.368
Balances with Government Authorities	5.060	0.765
Tax Payments Pending Adjustment	24.603	11.280
MAT Credit Entitlement	<u>270.208</u>	<u>257.305</u>
	<u>300.031</u>	<u>659.773</u>

2.15. CURRENT INVESTMENTS

S.No.	Particulars	No. of Shares / Units		Amount (₹ Million)		Market Value (₹ Million)	
		31-3-2015	31-3-2014	31-3-2015	31-3-2014	31-3-2015	31-3-2014
a) Investment in Equity Instruments							
- Non Trade - Quoted - Fully Paid							
1.	Bajaj Auto Limited	—	25	—	0.033	—	0.052
2.	Hero Motocorp Limited	—	20	—	0.034	—	0.045
3.	ITC Limited	—	100	—	0.017	—	0.035
4.	Larsen & Toubro Limited	—	225	—	0.263	—	0.286
5.	LIC Housing Finance Limited	—	200	—	0.045	—	0.047
6.	Mahindra & Mahindra Limited	—	100	—	0.052	—	0.098
7.	Maruti Suzuki India Limited	—	15	—	0.017	—	0.030
8.	Regaliaa Reality Limited	<u>20,692</u>	<u>20,692</u>	<u>0.207</u>	<u>0.207</u>	<u>0.207</u>	<u>0.300</u>
	TOTAL - A	<u>20,692</u>	<u>21,377</u>	<u>0.207</u>	<u>0.668</u>	<u>0.207</u>	<u>0.893</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

S.No.	Particulars	No. of Shares / Units		Amount (₹ Million)		Market Value (₹ Million)	
		31-3-2015	31-3-2014	31-3-2015	31-3-2014	31-3-2015	31-3-2014
CURRENT INVESTMENTS (Contd.,)							
b) Investment in Mutual Funds - Non Trade - Quoted - Fully paid							
1.	ICICI Prudential Focussed Bluechip	67,295	—	1.500	—	1.493	—
2.	ICICI Prudential Balanced Advanced Fund - Regular Monthly Dividend	207,603	—	2.767	—	2.848	—
3.	ICICI Prudential Value Discovery Fund - Regular Plan - Dividend	22,561	—	0.764	—	0.731	—
4.	Bench Mark MF - Liquid	—	39	—	0.035	—	0.039
5.	Reliance Equity Opportunities Fund	60,110	—	2.000	—	2.040	—
6.	ICICI Focussed Blue Chip Equity Fund - Regular Growth	52,268	56,608	1.500	1.118	1.541	1.224
7.	ICICI Prudential Short Term Plan - Regular Growth	79,621	240,331	2.037	6.032	2.280	6.171
8.	Reliance Monthly Income Plan - Growth Plan - Growth Option	218,960	257,001	6.470	6.638	7.330	6.984
9.	Reliance Top 200 Fund - Dividend Plan	159,096	179,577	2.700	2.100	2.683	2.206
10.	ICICI Prudential MIP - 25 - Regular Plan - Growth	22,904	—	0.700	—	0.702	—
11.	IDFC Asset Allocation Fund of Funds- Aggressive Plan - Growth - (Regular Plan)	38,980	—	0.700	—	0.702	—
12.	Birla Sun Life MIP II - Wealth 25 Plan - Growth - Regular Plan	23,972	—	0.700	—	0.702	—
	Total - B	953,370	733,556	21.838	15.923	23.052	16.624
	Total - (A + B)			22.045	16.591	23.259	17.517
2.16. INVENTORIES					31-3-2015		31-3-2014
	Stock of Stores & Spares				₹ Million		₹ Million
	Raw Materials & Components				64.189		30.097
	(includes Goods in Transit of ₹ 140.166 Million Previous Year - ₹ 157.899 Million)				932.769		851.815
	Traded Goods				30.266		5.072
	Work-in-progress				141.146		189.631
	Finished Goods				131.022		97.614
	Land - Stock-in-Trade				88.825		88.825
					1,388.217		1,263.054
2.17. TRADE RECEIVABLES							
a)	Outstanding for a period exceeding six months						
i)	Unsecured Considered Good				35.583		3.152
ii)	Unsecured Considered Doubtful			52.790		23.903	
	Less : Provision for Doubtful Debts			52.790		23.903	
b)	Outstanding for a period less than six months						
i)	Unsecured Considered Good				2,197.453		1,846.616
ii)	Unsecured Considered Doubtful			31.952		23.820	
	Less : Provision for Doubtful Debts			31.952		23.820	
					2,233.036		1,849.768

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	31-3-2015 ₹ Million	31-3-2014 ₹ Million
2.18. CASH AND CASH EQUIVALENTS		
Cash on hand	6.411	4.106
Balances with Banks		
In Current Account	76.254	106.601
In Unclaimed Dividend Account	5.894	6.008
In Fixed Deposit Account	24.495	53.875
In Margin Money Account #	<u>13.493</u>	<u>1.825</u>
	<u>126.547</u>	<u>172.415</u>
# Margin Money with banks is towards issue of Letter of Credits, Buyers Credit for Imports and Bank Guarantee.		
Of the above, the balances that meet the definition of		
Cash and Cash equivalents as per AS 3 Cash Flow statement is	<u>82.665</u>	<u>153.582</u>
2.19. SHORT TERM LOANS AND ADVANCES		
Unsecured Considered Good		
Advance to Related Party (Refer to Note No. 2.39 & 2.44)	—	30.000
Advances to Employees	4.809	5.316
Advances to Suppliers	87.289	45.979
Balances with Government Authorities	237.192	189.647
Prepaid Expenses	<u>46.103</u>	<u>22.537</u>
	<u>375.393</u>	<u>293.479</u>
2.20. OTHER CURRENT ASSETS		
Unsecured Considered Good		
Accrued Income	10.366	18.369
	<u>10.366</u>	<u>18.369</u>
2.21. REVENUE FROM OPERATIONS	2014-15 ₹ Million	2013-14 ₹ Million
Sale of Products - Finished Goods		
Domestic	9,768.699	9,111.040
Export	1,830.289	1,979.875
Traded Goods	<u>141.967</u>	—
	11,740.955	11,090.915
Less : Excise Duty	<u>930.550</u>	<u>851.973</u>
	<u>10,810.405</u>	<u>10,238.942</u>
Service Income	131.066	121.563
	<u>10,941.471</u>	<u>10,360.505</u>
2.22. OTHER OPERATING REVENUE		
Sale of Land held as Stock-in-Trade	—	135.183
Export Incentives	16.654	24.466
Sale of Traded Goods - Others	<u>475.099</u>	<u>449.102</u>
	<u>491.753</u>	<u>608.751</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2014-15 ₹ Million	2013-14 ₹ Million
2.23. OTHER INCOME		
Interest Received	3,415	1,493
Income from Current Investments	3,411	0,663
Rent Received	18,404	17,584
Profit on Sale of Assets (Net)	—	13,083
Miscellaneous Income	47,540	11,754
	<u>72,770</u>	<u>44,577</u>
2.24. COST OF MATERIALS CONSUMED		
Materials Consumed	<u>7,537.313</u>	<u>6,980.084</u>
2.25. CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, FINISHED GOODS AND STOCK-IN-TRADE		
Work-in-progress	48,485	32,738
Finished Goods	(33,408)	26,879
Traded Goods	(25,194)	(0,698)
Land held as Stock-in-Trade	—	20,977
	<u>(10,117)</u>	<u>79,896</u>
Add : Adjustment on amalgamation / acquisition of subsidiary / disposal of interest in Joint Venture (Net)		
Traded Goods	63,339	—
Finished Goods	28,111	—
Work-in-progress	11,007	—
	<u>92,340</u>	<u>79,896</u>
2.26. EMPLOYEE BENEFITS EXPENSE		
a) Pay, Allowances and Bonus	1,677.735	1,410.767
b) Contribution to Provident and other funds	120.366	83.052
c) Welfare Expenses	134.043	112.994
	<u>1,932.144</u>	<u>1,606.813</u>
2.27. FINANCE COSTS		
Interest on Loans	133.437	98.453
Other Borrowing Costs	0.970	3.342
	<u>134.407</u>	<u>101.795</u>
2.28. DEPRECIATION & AMORTISATION EXPENSE		
Depreciation (Refer to Note No. 2.11)	397.619	332.097
Amortisation (Refer to Note No. 2.11)	59.167	91.853
	<u>456.786</u>	<u>423.950</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2014-15 ₹ Million	2013-14 ₹ Million
2.29. OTHER EXPENSES		
Power & Utilities	246.543	272.089
Stores & Spares Consumed	17.478	32.628
Repairs and Maintenance :		
- Machinery	120.209	117.741
- Building	16.534	20.863
- Others	16.687	18.725
Printing & Stationery	13.514	13.233
Postage & Telephone	29.704	20.987
Rent	27.677	23.260
Rates, Taxes & Licence	23.239	22.256
Insurance	25.046	25.747
Bank Charges	14.693	12.672
Travelling & Conveyance	103.806	106.327
Freight & Forwarding and Selling Expenses	275.509	181.429
Advertisement & Sales Promotion	12.909	5.965
Commission & Discount on Sales	25.452	24.879
Royalty	13.717	21.981
Bad Debts Written off	1.593	42.009
Less : Provision for Doubtful debts written back	<u>2.277</u>	<u>38.480</u>
Provision for doubtful debts	(0.684)	3.529
Provision for Statutory Liability	46.659	10.190
Provision for Statutory Liability	42.316	—
Commission / Sitting Fees to Non-Whole Time Directors	1.673	2.409
Auditors' Remuneration (Refer to Note No. 2.35)	9.143	7.493
Professional Charges	228.235	254.987
Exchange Fluctuation (Net)	58.179	81.369
Assets Discarded / Written off	24.614	18.291
Loss on Sale of Assets	4.147	—
Miscellaneous Expenses	24.689	38.819
CSR Expenses	7.200	—
Donations	0.021	0.250
Prior period expenses (Net) in Subsidiary / Joint Venture	18.388	1.040
	<u>1,447.297</u>	<u>1,339.159</u>
2.30. Exceptional Items :		
a) Profit from Sale of Land	70.970	—
b) Profit on Sale of Speedo Cable Business (a non core business) on a slump sale basis	18.800	—
c) Profit on Sale of Investment (Shares in Joint Venture - 4,900,000 Equity Shares of ₹ 10/- each with Denso Pricol India Limited)	151.000	—
d) Profit on Sale of Instrument Cluster business related to four wheeler personal passenger vehicles under a Slump Sale Basis	—	516.334
	<u>240.770</u>	<u>516.334</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

	2014-15 ₹ Million	2013-14 ₹ Million
2.31. EARNINGS PER SHARE		
Profit / (Loss) After Tax	(360.087)	372.803
Weighted Average No. of Shares Outstanding :		
Basic & Diluted (Nos. in Million)	94.797	93.600
Basic and Diluted Earnings per share (in ₹)	(3.80)	3.98
Face Value per Equity Share (in ₹)	1.00	1.00

2.32. THE SUBSIDIARY COMPANIES / JOINT VENTURES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS :

S. No.	Name of the Company	Country of Incorporation	Subsidiary / Joint Venture	% of Ownership
1.	Pricol Castings Limited	India	Subsidiary	100%
2.	Integral Investments Limited	India	Subsidiary	100%
3.	PT Pricol Surya	Indonesia	Subsidiary	100%
4.	Pricol Asia Pte Limited	Singapore	Subsidiary	100%
5.	Johnson Controls Pricol Private Limited	India	Joint Venture	50%
6.	Denso Pricol India Limited	India	Joint Venture	— (Previous year - 49%)
7.	Pricol Espana S.L.	Spain	Subsidiary	100% (Previous year - Nil)
8.	Pricol do Brasil Componentes Automotivos Ltda	Brazil	Subsidiary of Pricol Espana S.L.	100% (Previous year - Nil)

2.33. INTEREST IN JOINT VENTURES :

The following represents the Group's share of assets & liabilities and Income and results of the Joint Venture included in the Balance Sheet and Statement of Profit and Loss :

	₹ Million			
	Johnson Controls Pricol Private Limited		Denso Pricol India Limited	
	2014-15	2013-14	2014-15	2013-14
Extent of Holding	50%	50%	—	49%
Balance Sheet				
Reserves & Surplus	191.750	274.440	—	181.857
Non Current Liabilities	11.895	1.620	—	105.772
Current Liabilities	247.495	226.920	—	119.165
Fixed Assets (Net)	321.485	350.910	—	280.568
Long Term Loans & Advances	6.395	5.450	—	1.443
Current Assets	173.260	196.620	—	173.783
Income statement				
Income	497.015	518.495	—	283.845
Expenses	560.550	568.715	—	348.031
Profit / (Loss) Before Tax	(63.535)	(50.220)	—	(64.186)
Provision for Taxes	—	—	—	14.632
Profit / (Loss) After Tax	(63.535)	(50.220)	—	(78.818)

Subsequent to the Balance Sheet Date the company has acquired balance 50% interest in Johnson Controls Pricol Private Limited (JCPPL) consequent which JCPPL becomes the wholly owned subsidiary of the Company.

During the year the Company sold its 49% interest in Joint Venture with Denso Pricol India Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

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

Particulars	31st March, 2015		31st March, 2014	
	Within India	Outside India	Within India	Outside India
Segment Revenue	9,031.752	2,401.472	8,670.199	2,299.057
Segment Assets	5,678.723	1,641.974	6,461.049	653.566
Purchase of Fixed Assets	397.634	25.778	785.813	33.043

Geographical Segment :

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

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

2.35. REMUNERATION TO AUDITORS (EXCLUSIVE OF SERVICE TAX) :

	2014-15 ₹ Million	2013-14 ₹ Million
For Audit	4.891	4.740
For Taxation Matters	1.903	1.565
For Company Law Matters	1.000	—
For Certification and Others	1.065	1.062
Reimbursement of Expenses	0.284	0.126
	<u>9.143</u>	<u>7.493</u>

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

	As at 31-3-2015 ₹ Million	As at 31-3-2014 ₹ Million
CONTINGENT LIABILITIES		
a) On account of Pending Litigations		
i) in respect of Joint Ventures		
Excise / Customs Matters	3.320	3.320
Claims against the Company not acknowledged as debts	0.975	1.110
ii) in respect of Others		
Sales Tax Matters	48.147	39.474
Excise Matters	180.596	210.094
b) Others		
Letter of Credit	79.268	97.299
	<u>312.306</u>	<u>351.297</u>
COMMITMENTS		
Estimated Value of contracts remaining to be executed on Capital account		
- in respect of Joint Ventures	0.350	3.581
- in respect of Others	471.616	34.851
	<u>471.966</u>	<u>38.432</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.37. PROVISIONS AS ON THE CLOSING DATE :

₹ Million

	Opening Balance 1-4-2014	Additions	Utilised / Reversals	Closing Balance 31-3-2015
1. Excise Duty Demands	32.289	—	—	32.289
2. Labour Settlement	—	32.325	—	32.325
3. Others	23.495	42.317	21.505	44.307
	<u>55.784</u>	<u>74.642</u>	<u>21.505</u>	108.921

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

2.39. (i) As per the Scheme sanctioned by the Hon'ble High Court of Madras on 1st December 2014, the amalgamation has been given effect to under the "Pooling of Interest Method" in accordance with Accounting Standard 14-Accounting for Amalgamations as on the appointed date of 1.1.2014. Accordingly, assets, liabilities and reserves of the Transferor Company (Xenos Automotive Limited) have been recorded in the books of the Company (Pricol Limited) at their carrying amounts as at the appointed date.

(ii) Assets and Liabilities transferred by the Transferor Company pursuant to the Scheme:

		₹ Million
Sl. No.	Particulars	Amount
1.	Non Current Assets	42.075
2.	Current Assets	155.897
3.	Current Liabilities and Provisions (including accumulated Depreciation on Fixed Assets)	141.410

Upon the scheme being effective, in consideration of the transfer and vesting of the entire undertaking of the business of the transferor company, the company issued 296,721 equity shares of ₹ 1/- each in the ratio of 1 Equity Share of ₹ 1/- each for every 122 equity shares of ₹ 10/- each held by the equity shareholders of the transferor company. In respect of Inter-company owing, the outstanding balance of ₹ 391.464 Million has been appropriately adjusted. The difference in the book value of liabilities over the assets of the transferor company, amounting to ₹ 305.199 Million has been debited to General Reserve. The working results of the transferor company for the period from 01.01.2014 to 31.03.2014, amounting to a loss of ₹ 11.393 Million has been adjusted in the opening balance of surplus in Statement of Profit and Loss.

Consequent to the Amalgamation, current year figures are not strictly comparable with those of the Previous year.

2.40. During the year, Pricol Asia Pte Limited, Singapore, being the wholly owned subsidiary has made an investment in PS Asia Wiring Systems Pte. Limited having 30% interest. The investment is intended to be held temporarily. Hence, the same has not been included for the purpose of consolidation.

2.41. Other Notes forming part of Accounts

These are set out in and under "Notes to Financial Statement forming part of accounts for the year ended 31st March 2015" as given in the standalone financial statements of Pricol Limited.

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

2.43. All figures are in Million unless otherwise stated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Contd.,)

2.44. Related Party disclosure as per Accounting Standard 18 :

Key Management Personnel : Mrs.Vanitha Mohan and Mr.Vikram Mohan **Relatives of Key Management Personnel :** Mr. Vijay Mohan **Joint Venture :** Johnson Controls Pricol Private Limited, Denso Pricol India Limited (Upto 16th March, 2015) **Others: (Enterprise over which key management personnel are able to exercise significant influence)** Pricol Holdings Limited, PPL Enterprises Limited (Formerly, Pricol Packaging Limited), Pricol Travel Limited, Pricol Technologies Limited, Pricol Properties Limited, Pricol Corporate Services Limited, Pricol Engineering Industries Limited, Target Manpower Services Limited, Prinfra Limited, M and M Enterprises (India) Limited, Bhavani Infin Services India Private Limited, Shrimay Enterprises Private Limited, Sagittarius Investments Private Limited, Libra Industries, Leo Industries, Bhavani Global Enterprises and Ellargi & Co.

₹ Million

Nature of Transaction	Key Management Personnel and their Relatives		Others / Joint Venture	
	2014-15	2013-14	2014-15	2013-14
Purchase / Labour Charges	—	—	299.509	255.613
Sales / Job Work Charges	—	—	389.253	445.830
Sale of Undertaking	—	—	—	583.000
Sale of Interest in Joint Venture	—	—	200.000	—
Purchase of Fixed Assets	—	—	0.020	0.229
Sale of Fixed Assets	—	—	85.058	42.645
Receiving of Services / Reimbursement of Expenses Paid	17.431	24.974	437.537	321.892
Rendering of Services / Reimbursement of Expenses Received	—	—	129.099	132.187
Loan / Advance Receivable / Deposit / Interest - Opening	—	—	28.666	1.089
Add : Amount advanced / Deposit during the year	2.048	—	7.525	30.000
Less : Amount received / converted into capital during the year	—	—	—	—
Add : Interest receivable for the year	—	—	—	—
Less : Amount received / Adjustments on Amalgamation	2.000	—	30.000	—
Less : Rental advance received	—	—	0.125	2.423
Less : Interest received for the year	—	—	—	—
Loan / Advance Receivable / Deposit / Interest - Closing	0.048	—	6.066	28.666
Advance payable - Opening	—	—	—	—
Less : Amount repaid during the year	—	—	—	—
Advance payable - Closing	—	—	—	—
Investments - Opening	—	—	—	—
Add : Investments made during the year	—	—	—	—
Less : Divestment during the year	—	—	—	—
Investments - Closing	—	—	—	—
Guarantee - Opening	—	—	—	—
Add : Guarantee provided during the year	—	—	—	—
Less : Guarantee released during the year	—	—	—	—
Guarantee - Closing	—	—	—	—
Receivable - Opening	—	—	514.148	454.203
Add : Amount receivable during the year	—	—	611.104	770.626
Less : Amount received / Adjustments on Amalgamation	—	—	913.554	710.681
Receivable - Closing	—	—	211.698	514.148
Payable - Opening	8.242	3.286	74.887	101.957
Add : Amount payable during the year	17.486	24.474	816.274	687.742
Less : Amount paid / Adjustments on Amalgamation	25.503	19.518	802.578	714.812
Payable - Closing	0.225	8.242	88.583	74.887

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

Part - "A" - Subsidiaries

₹ Million

Particulars	PT Pricol Surya, Indonesia	Pricol Asia Pte. Limited, Singapore	Pricol Espana S.L. Spain	Pricol Do Brasil Componentes Automotivos Ltda Brazil (Subsidiary of Pricol Espana)	Integral Investments Limited	Pricol Castings Limited
Reporting Period	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar	Apr - Mar
Reporting Currency	Indonesian Rupiah (IDR)	Singapore Dollar (SGD)	Euro	Brazilian Reals (BRL)	Indian Rupee (INR)	Indian Rupee (INR)
Exchange Rate for 1 reporting currency as on 31st March 2015 (INR)	0.00481	45.625	68.017	19.311	N.A.	N.A.
Share Capital	173.134	14.439	122.679	1,289.627	22.500	374.375
Reserves and Surplus	(188.172)	16.879	0.323	(1,159.877)	4.068	(334.611)
Total Assets	587.449	279.877	123.002	1,042.871	27.182	139.549
Total Liabilities	587.449	279.877	123.002	1,042.871	27.182	139.549
Investments	—	9.420	0.00	—	27.145	—
Turnover	964.183	1,043.079	1.179	# 284.416	3.411	228.562
Profit / (Loss) before Tax	(123.713)	10.524	0.330	# (64.030)	3.493	(184.552)
Provision for Taxation	(4.851)	0.267	—	# 1.277	0.600	—
Profit / (Loss) after Tax	(118.862)	10.257	0.330	# (65.307)	2.893	(184.552)
Proposed Dividend	—	—	—	—	—	—
% of Shareholding	100%	100%	100%	100%	100%	100%

Transaction from 23rd January 2015 to 31st March 2015.

Part - "B" - Associates and Joint Ventures

₹ Million

Particulars	Johnson Controls Pricol Private Limited
1. Latest audited Balance Sheet Date	31st March, 2015
2. Shares of Associate / Joint Venture held by the company on the year end (in Numbers)	5,000,000
Amount of Investment in Associate / Joint Venture	50.000
Extent of Holding %	50%
3. Description of how there is significant influence	Joint Venture Agreement
4. Reason why the associate / Joint venture is not consolidated	Not Applicable
5. Networth attributable to Shareholding as per latest audited Balance Sheet	241.750
6. Profit / (Loss) for the year	(127.070)
(i) Considered in Consolidation	(63.535)
(ii) Not Considered in Consolidation	(63.535)

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