

Annual Report 2015

**PRICOL CASTINGS LIMITED**

**PRICOL CASTINGS LIMITED**

**CIN: U02922TZ1994PLC005583**

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<b>Directors</b>	Mr. Vijay Mohan (DIN: 00001843) Mr. K Udhayakumar – Executive Director (DIN: 00002200) Mr. P Vijay Raghunath (DIN: 00002963) Mr. D Ravichandran (DIN: 00169876)
<b>Chief Financial officer</b>	Mr. K V Krishnakumar
<b>Company Secretary</b>	Mr. V Krishnamoorthy (Relieved w.e.f 31 <sup>st</sup> March, 2015)
<b>Auditors</b>	M/s.Haribhakti & Co. LLP Chartered Accountants (FRN. 103523W) Shree Shanmugapriya Towers, II Floor 454, Ponnaiyan Street, Cross Cut road, Gandhipuram, Coimbatore – 641 012.
<b>Bankers</b>	City Union Bank 3/220, New Scheme Road, PB No. 6310 Papanaicken Palayam, Coimbatore – 642 109.
<b>Registered Office &amp; Factory</b>	No.100/ 1 A, Pollachi Main Road Tamaraikulam Post Kinathukadavu Via Pollachi Taluk Coimbatore 642 109

**Pricol Castings Limited**  
**CIN: U02922TZ1994PLC005583**

No.100/ 1 A, Pollachi Main Road, Tamaraikulam Post, Kinathukadavu Via,  
Pollachi Taluk, Coimbatore 642 109  
Ph: +9104259-242754, 242756 Fax: +91 04259 - 242760  
E-mail: cs@pricol.co.in

**NOTICE TO THE SHARE HOLDERS**

Notice is hereby given that the Twenty First Annual General Meeting of the Company will be held on Friday, 7<sup>th</sup> August 2015 at 10.30 a.m. at the Registered office of the Company situated at 100/1A, Pollachi Main Road, Tamaraikulam (Post), Kinathukadavu (Via), Pollachi (TK), Coimbatore - 642 109, to transact the following business:

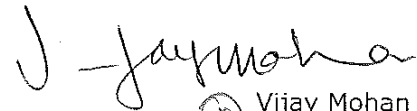
**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2015 and the Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2015 and the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr.K.Udhaya Kumar, who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, including any amendment, modification, variation or re-enactment thereof, M/s. Haribhakti & Co. LLP., Chartered Accountants (Firm's Registration No : 103523W), Coimbatore, was appointed for a term of 4 years, from the conclusion of 20<sup>th</sup> Annual General Meeting held in the year 2014 until the conclusion of the 24<sup>th</sup> Annual General Meeting to be held in the year 2018, and the appointment of M/s. Haribhakti & Co. LLP as Statutory Auditors of the Company for the year 2015-16 be and is hereby ratified."

"RESOLVED FURTHER that payment of remuneration of Rs.0.500 million plus service tax and actual out-of-pocket and travelling expenses to M/s. Haribhakti & Co. LLP., incurred by them in connection with the Statutory Audit for the financial year 2015-16 which is excluding the fees payable for other permitted services as may be approved by the Board."

By order of the Board

  
(X) Vijay Mohan  
Chairman

Coimbatore  
25<sup>th</sup> May 2015

**NOTE:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS BEHALF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXY FORM IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

## REPORT OF THE DIRECTORS

Your Directors take pleasure in presenting the Twenty First Annual Report and Audited Accounts for the financial year ended 31<sup>st</sup> March 2015.

### WORKING RESULTS:

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

Particulars	Rs. In Million	
	2014-15	2013-14
Sales & Service Charges - Domestic	216.996	378.469
- Export	11.566	8.959
<b>Total</b>	<b>228.562</b>	<b>387.428</b>
<b>Profit Before Interest, Depreciation &amp; Other Income</b>	<b>(146.783)</b>	<b>(47.525)</b>
Less : Interest & Finance Charges	11.887	12.313
: Depreciation	26.440	17.483
Add : Other Income	0.557	0.798
<b>Profit / (Loss) Before Tax</b>	<b>(184.553)</b>	<b>(76.523)</b>
Add : Excess provision of income tax relating to earlier years	-	(1.421)
<b>Profit / (Loss) After Tax</b>	<b>(184.553)</b>	<b>(77.944)</b>
Balance brought forward	(149.621)	(71.677)
Reserve adjustment for the year	(0.438)	-
Balance Carried to Balance Sheet	(334.612)	(149.621)

### DIVIDEND

No dividend has been recommended for the financial year 2015-16.

### REVIEW OF OPERATIONS & OUTLOOK:

During the year 2014-15, the company made a sales turnover of Rs.228.562 Million against Rs.387.428 Million achieved during the previous year. The company incurred a loss of Rs.184.553 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 Limited (holding Company) 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.

### SHARE CAPITAL

During the year the Company issued 44,10,000 equity shares of Rs.10 each on rights basis to the holding company Pricol Limited, subsequent to which the paid up capital of the Company raised from 3,30,27,500 equity shares of Rs.10 each to 3,74,37,500 equity shares of Rs.10 each.

## **DIRECTORS**

Mr.K.Udhaya Kumar, Whole-time Director is liable to retire by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

The Board constitutes the following Directors:

<b>Name of the Director</b>	<b>Category</b>	<b>Attendance</b>
Mr. Vijay Mohan	Non executive – Non Independent Director	4
Mr. P Vijay Raghunath	Non executive – Independent Director	4
Mr. D Ravichandran	Non executive – Independent Director	3
Mr. K Udhayakumar	Executive – Non Independent Director	3

The Board of Directors met four times during the year.

As per the provisions of Section 149 of the Companies Act, 2013, the Members of the Company at the AGM held on 8th August 2014, appointed the independent directors as mentioned below:

<b>Name of Independent Director</b>	<b>Period of Appointment</b>
Mr. D Ravichandran	1 <sup>st</sup> April 2014 - 31st March 2019
Mr. Vijay Raghunath	1 <sup>st</sup> April 2014 - 31st March 2019

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

## **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 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**

As per section 203 of the Companies Act, 2013 the Board of Directors of the Company has appointed the whole time key managerial personnel with effect from 30<sup>th</sup> July, 2014.

Mr. K.Udhaya Kumar - Whole Time Director  
Mr. K.V.Krishnakumar - Chief Financial Officer  
Mr. V.Krishnamoorthy - Company Secretary (ceased with effect from 31st March, 2015)

Mr. V.Krishnamoorthy was relieved as Company Secretary of the Company on 31<sup>st</sup> March, 2015. The Board places on record its warm appreciation for the contributions rendered by Mr. V.Krishnamoorthy, as Company Secretary.

### **BOARD COMMITTEES**

#### **Audit Committee**

As per section 177 of the Companies Act, 2013 the company has constituted the audit committee with the terms and reference as stipulated by the Act. The committee constitutes the following members:

<b>Name of the Member</b>	<b>Category</b>	<b>Attendance</b>
Mr. P Vijay Raghunath	Non executive – Independent Director	3
Mr. D Ravichandran	Non executive – Independent Director	4
Mr. K Udhayakumar	Executive – Non Independent Director	3

The committee met four times during the year.

#### **Nomination and Remuneration Committee**

As per section 178 of the Companies Act, 2013 the company has constituted the Nomination and Remuneration committee with the terms and reference as stipulated by the Act. The committee constitutes the following members:

<b>Name of the Member</b>	<b>Category</b>	<b>Attendance</b>
Mr. P Vijay Raghunath	Non executive – Independent Director	1
Mr. D Ravichandran	Non executive – Independent Director	1
Mr. K Udhayakumar	Executive – Non Independent Director	-

The committee met one time during the year.

The Board has framed and adopted the Nomination and Remuneration Policy on 21<sup>st</sup> May, 2014. The policy is annexed to the Directors Report as "**Annexure A**"

### **FIXED DEPOSITS**

The Company has not accepted any Deposits from the public during the year and there is no unpaid or unclaimed deposits as at 31<sup>st</sup> March, 2015.

### **PARTICULARS ON LOANS, GUARANTEE OR INVESTMENTS**

During the year the Company has not provided any loan, Guarantee or made any investments under section 186 of the Companies Act, 2013.

### **RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on arm's length basis and in ordinary course of business, therefore the disclosure requirement under section 134(3)(h) of the Companies Act, 2013 is not applicable.

### **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.

### **AUDITORS:**

As per Section 139 of the Companies Act 2013, a public company having paid up capital of Rs.10 crore or more shall not appoint / re-appoint an Audit Firm as Statutory Auditors for more than 2 terms of 5 consecutive years. M/s.Haribhakti & Co, (the name has been changed to M/s.Haribhakti & Co.LLP) was appointed as Statutory Auditors of the Company in the twentieth Annual General Meeting held on 8<sup>th</sup> August, 2014 for a period of 4 years (2014-15 to 2017-18). In compliance with the said requirement, your Board requests the members to ratify their appointment and remuneration to the statutory auditors M/s.Haribhakti & Co.LLP for the year 2015-16.

### **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 to the Directors Report as "Annexure B"

### **EXTRACT OF THE ANNUAL RETURN**

Extract of Annual Return in form no. MGT – 9 is annexed herewith as "Annexure C"

### **RISK MANAGEMENT**

The Company has identified all the potential risk and mitigation efforts are in place.

### **INTERNAL FINANCIAL CONTROLS**

The Company has adopted adequate financial control system which:

- ensures the orderly and efficient conduct of its business, including adherence to company's policies,
- safeguards its assets,
- prevents and detects frauds and errors,
- ensures the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

### **PARTICULARS OF EMPLOYEES**

There was no employee whose remuneration was in excess of the limits prescribed under section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

**DIRECTORS RESPONSIBILITY STATEMENT:**

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

- a) in the preparation of annual accounts for the financial year ended 31st March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) they had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for the year under review;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts for the financial year ended 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.

**ACKNOWLEDGEMENT:**

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

By order of the Board

Coimbatore  
25<sup>th</sup> May 2015.

  
① Vijay Mohan  
Chairman

  
② K. Udhaya Kumar  
Executive Director



## ANNEXURE TO DIRECTORS REPORT FOR THE YEAR 2014-15

### ANNEXURE 'A' TO DIRECTOR'S REPORT

#### Nomination and Remuneration Policy

##### Introduction

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 as amended from time to time, this 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 21<sup>st</sup> May, 2015.

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

##### 1) OBJECTIVE

The Objectives of the Policy are:

- 1.1. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the Directors, Key Managerial Personnel and Senior Management and provide necessary reports to the Board for their further evaluation.
- 1.3. To recommend the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.4. 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.
- 1.5. To attract, retain, motivate and promote talent and to ensure the long term sustainability of talented managerial persons and create a competitive advantage.
- 1.6. To devise a policy on Board diversity.
- 1.7. To develop a succession plan for the Board and to regularly review the plan.

##### 2) POLICY RELATING TO APPOINTMENT, REMUNERATION AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

###### 2.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and shall recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is being considered for appointment. The Committee has discretion to decide whether the qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- c) In line with the retirement policy of the Company, the Company shall not appoint any person as Director who has attained the age of Seventy (70) years.
- d) Appointment of Independent Directors is subject to compliance of the provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and the rules made thereunder for the time being in force.
- e) A person shall not be eligible for appointment as a Director of the Company, if he is disqualified under section 164 of the Companies Act, 2013 or under any other regulations.
- f) Appointment of KMP and Senior Management Personnel shall be in line with the HR policy of the Company.

## **2.2. Term / Tenure**

### **a) Managing Director/Whole-time Director / Executive Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

### **b) Independent Director:**

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to be an Independent Director. Provided that an Independent Director shall not, during the aforementioned period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of an Independent Director, it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such a person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.

### **c) KMP / Senior Management Personnel:**

The Company may in general not appoint or continue the employment of any person as KMP / Senior Management Personnel who has attained the age of retirement i.e. Fifty Eight (58) years.

But at the discretion of the Top Management, the retirement age can be extended to Sixty (60) years, subject to competency & good health of the individual. Subsequently, subject to the same criteria of competency & good health, on a yearly basis of evaluation the retirement age can be extended to Sixty Five (65) years. The same criteria of competency & good health shall apply also for

appointments upto the age of Sixty Five (65) years.

### **2.3. REMOVAL**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder or the Company's HR policy, the Committee may recommend, to the Board with reasons recorded in writing, the removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **2.4. RETIREMENT**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **2.5. REMUNERATION**

#### **2.5.1. General:**

- a) The remuneration / compensation / commission etc. to the Director (Executive & Non-Executive), KMP and Senior Management Personnel will be in accordance with the HR policy of the Company. The remuneration / commission etc. to the directors shall be subject to the prior/post approval of the shareholders of the Company and the Central Government, wherever required.
- b) The remuneration and commission including increments, to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions specified as per the provisions of the Act.
- c) Where any insurance has been taken by the Company on behalf of its Whole-time Director, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proven to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### **2.5.2. REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR**

##### **a) Remuneration**

The Whole-time Director shall be eligible for remuneration as may be approved by the shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and the Central Government, wherever required.

##### **b) Minimum remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its whole-time Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

### **2.5.3. REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR:**

#### **a) Sitting Fees:**

The Non-Executive / Independent Director may receive remuneration by way of fees for attending the meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs.1,00,000/- (Rupees One Lakh ) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

#### **b) Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

#### **c) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

### **2.5.4. REMUNERATION TO KMP & SENIOR MANAGEMENT PERSONNEL**

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and the prevailing market standards.

The KMP and the Senior Management Personnel of the Company shall be paid monthly remuneration as per the Company's HR policies and/or as may be approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be as per the Company's HR policy.

This remuneration policy shall apply to all future/ continuing employment/ engagement(s) with the Company. In other respects, the remuneration policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

### **3. AMENDMENT TO THE POLICY**

The Board of Directors on its own and / or as per the recommendations of the Committee can amend this policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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## ANNEXURE 'B' TO DIRECTOR'S REPORT

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

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

#### a. CONSERVATION OF ENERGY:

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

b) Energy Consumption as per Form -A :

PARTICULARS	Units	2014-15	2013-14
1) Electricity Charges	Rs. In Million	11.202	13.387
2) EB Units Purchased	Kwh.	1,466,776	1,947,624
3) Rate per Unit Purchased	Rs.	7.64	6.87
1) Generator – Diesel	Rs. In Million	3.248	12.128
2) Units Generated	Kwh.	1,84,707	718,930
3) Cost per Unit Generated	Rs.	17.58	16.87
1) Total Power & Fuel (Excl. LPG)	Rs. In Million	14.450	25.515
2) Units Purchased/generated	Kwh.	1,651,483	2,666,554
3) Cost per Unit Consumed	Rs.	8.75	9.57
1) Liquefied Petroleum Gas (LPG)	Rs. In Million	10.330	16.493
2) Kgs Consumed	Kgs.	1,33,551	212,963
3) Cost per Kg	Rs.	77.35	77.44

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

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

#### c. FOREIGN EXCHANGE EARNING & OUTGO:

- i. Earnings in Foreign Exchange (FOB): Rs.11.567 Million (Previous Year Rs.8.959 Million)
- ii. Outgo in Foreign Currency (CIF): Rs.27.556 Million (Previous Year Rs.56.336 Million)

**ANNEXURE 'C' TO DIRECTOR'S 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:- U02922TZ1994PLC005583**
- ii) Registration Date: **9<sup>th</sup> December 1994**
- iii) Name of the Company: **Pricol Castings 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: **No.100/1A, Pollachi Main Road  
Thamaraikulam Post  
Kinathukadavu Via,  
Pollachi Taluk  
Coimbatore District 642 109  
Ph:+9104259-  
242754,242756  
Fax: +91 04259 - 242760  
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:  
**Not applicable**

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Aluminium Castings	2432	93.71%
2	Tools & Dies	2593	6.29%

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

S. No	Name and address of the company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	<b>Pricol Limited</b> CPM Towers, 109 Race Course Coimbatore -641018	CIN - L33129TZ1972PLC000641	· Holding	100%	2(46)



(specify)										
<b>Sub-total (B)(1):-</b>	--	--	--	--	--	--	--	--	--	--
<b>2.Non-Institutions</b>										
a)Bodies Corp.										
i) Indian	--	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--	--
b) Individuals										
i) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--	--
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	--	--	--	--	--	--
c) Others (specify)										
c-i) Non Resident Indians	--	--	--	--	--	--	--	--	--	--
c-ii) Trust	--	--	--	--	--	--	--	--	--	--
<b>Sub-total (B)(2):-</b>	--	--	--	--	--	--	--	--	--	--
Total Public Shareholding (B)=(B)(1)+(B)(2)	--	--	--	--	--	--	--	--	--	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--	--
<b>Grand Total(A+B+C)</b>	--	3,30,27,500	3,30,27,500	<b>100</b>	--	3,74,37,500	3,74,37,500	<b>100</b>	--	--



(ii) *Shareholding of Promoters*

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pricol Limited	3,30,27,500	88.22	--	3,74,37,500	100.00	--	--

(iii) *Change in Promoters' Shareholding ( please specify, if there is no change)*

SI. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Pricol Limited</b> At the beginning (as on 1-Apr-2015) Allotment (Rights) – 30/07/2014 Allotment (Rights) – 30/07/2014 Allotment (Rights) – 27/03/2015 At the End of the year (as on 31-Mar-2015)	3,30,27,500 8,50,000 5,00,000 30,60,000 3,74,37,500	88.22 2.27 1.34 8.17 100.00	3,30,27,500 3,38,77,500 3,43,77,500 3,74,37,500 3,74,37,500	88.22 90.49 91.83 100.00 100.00

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

SI. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
	Not applicable	---	---	---	---

(v) Shareholding (U/s 187) of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	No. of shares	% of total shares
1	<b>Mr. Vijay Mohan – Non-Executive</b>				
	At the beginning of the year (as on 1-Apr-2014)	1	--	1	--
	Allotment / transfer / bonus / sweat	--	--	--	--
	At the End of the year (as on 31-Mar-	1	--	1	--
2	<b>Mr.K.Udhavakumar- Whole-time</b>				
	At the beginning of the year (as on 1-Apr-2014)	1	--	1	--
	Allotment / transfer / bonus / sweat	--	--	--	--
	At the End of the year (as on 31-Mar-	1	--	1	--

**V. INDEBTEDNESS**

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

Rs. In Million

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year (1-Apr-2014)</b>				
i) Principal Amount	88.233	0.000	0.000	88.233
ii) Interest due but not paid	0.000	0.000	0.000	0.000
iii) Interest accrued but not due	0.000	0.000	0.000	0.000
<b>Total (i+ii+iii)</b>	<b>88.233</b>	<b>0.000</b>	<b>0.000</b>	<b>88.233</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	0.000	0.000	0.000	0.000
• Reduction	3.642	0.000	0.000	3.642
<b>Net Change</b>	<b>(3.642)</b>	<b>0.000</b>	<b>0.000</b>	<b>(3.642)</b>
<b>Indebtedness at the end of the financial year (31-Mar-2015)</b>				
i) Principal Amount	84.591	0.000	0.000	84.591
ii) Interest due but not paid	0.000	0.000	0.000	0.000
iii) Interest accrued but not due	0.000	0.000	0.000	0.000
<b>Total (i+ii+iii)</b>	<b>84.591</b>	<b>0.000</b>	<b>0.000</b>	<b>84.591</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNE

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. K. Udhayakumar		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000		6,00,000
	(b) Value of perquisites u/s	-		-
	(c) Profits in lieu of salary under section	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission - as % of profit - others, specify...	-		-
5.	Others, please specify	-		-
	<b>Total (A)</b>	<b>6,00,000</b>		<b>6,00,000</b>
	<b>Ceiling as per the Act</b>	<b>42,00,000</b>		<b>42,00,000</b>

### B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors			Total Amount (Rs.Mn)
<b>1. Independent Directors</b>	-	Mr. D. Ravichandran	Mr. Vijay Raghunath	
Fee for attending board/committee meetings	-	40,000	40,000	80,000
Commission	-	-	-	-
Others, please specify	-	-	-	-
<b>Total (1)</b>	-	<b>40,000</b>	<b>40,000</b>	<b>80,000</b>
<b>2. Other Non-Executive Directors</b>	Mr. Vijay Mohan	-	-	-
Fee for attending board/committee meetings	20,000	-	-	20,000
Commission	-	-	-	-
Others, please specify	-	-	-	-
<b>Total (2)</b>	<b>20,000</b>	-	-	<b>20,000</b>
<b>Total Managerial Remuneration</b>	<b>1,00,000</b>			

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

Sl. No.	Particulars of Remuneration	Chief Financial Officer Mr. K V Krishnakumar	Amount in Rs.
1.	Gross salary	Nil	Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil
5.	Others, please specify	18,60,000	18,60,000
	<b>Total</b>	<b>18,60,000</b>	<b>18,60,000</b>

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

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

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# HARIBHAKTI & CO. LLP

Chartered Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Members of Pricol Castings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Pricol Castings Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We 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 financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 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 financial statements.

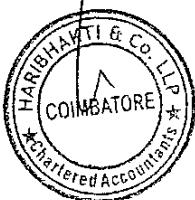
## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 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;



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

(i) The Company does not have any pending litigations which would impact its financial statements;

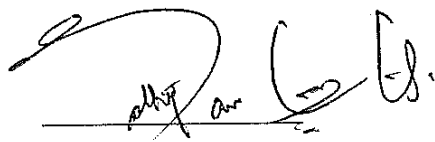
(ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



C. S. Sathyanarayanan

Partner

Membership No.028328

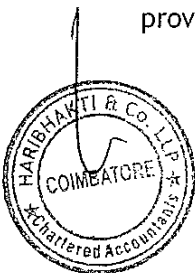


Coimbatore: 25<sup>th</sup> May 2015

## 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 Castings Limited on the financial statements for the year ended 31<sup>st</sup> March, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (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 and no material discrepancies were noticed on physical verification carried out during the year.
- (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 with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness 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.





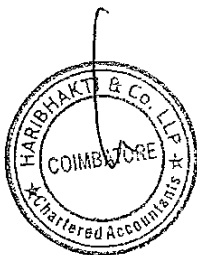
# HARIBHAKTI & CO. LLP

Chartered Accountants

- (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.

AND

- (a) 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.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) In our opinion, 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 to us, the Company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (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.



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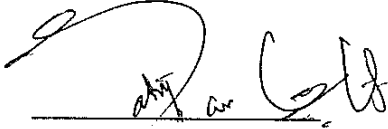
Chartered Accountants

- (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.

For Haribhakti & Co. LLP

Chartered Accountants

Firm Registration No.103523W



CS Sathyanarayanan

Partner

Membership No.028328



Coimbatore

25<sup>th</sup> May, 2015

Pricol Castings Limited  
Balance Sheet as at 31st March 2015

Rs. in mn.

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' funds			
Share Capital	2.01	374.375	330.275
Reserves and Surplus	2.02	(334.612)	(149.620)
		39,763	180.655
Non-current liabilities			
Long Term Borrowings	2.03	8.590	16.649
Long Term Provisions	2.04	2.018	2.750
		10.609	19.399
Current Liabilities			
Short Term Borrowings	2.05	68.978	64.577
Trade Payables	2.06	3.341	46.341
Other Current Liabilities	2.07	16.715	28.047
Short Term Provisions	2.08	0.142	0.269
		89,176	139,234
		139,548	339,288
<b><u>ASSETS</u></b>			
Non-current Assets			
Fixed Assets			
Tangible Assets	2.09	114.661	139.817
Non Current Investments		-	-
Deferred tax asset (Net)		-	-
Long Term loans and advances	2.10	3.021	3.874
Other Non-Current Assets	2.11	0.000	32.999
		117,682	176,690
Current Assets			
Inventories	2.12	13.274	104.249
Trade receivables	2.13	7.064	50.255
Cash and Cash equivalents	2.14	0.151	0.276
Short Term loans and advances	2.15	1.377	7.818
Other current assets	2.16	-	-
		21,866	162,598
		139,548	339,288

Significant Accounting Policies and Notes to Financial Statements 1 to 2.33

Vide our report of even date attached  
For Haribhakti & Co LLP  
Chartered Accountants  
Firm Registration No. 103523W

C S SATHYANARAYANAN  
Partner  
Membership No. 028328

Place : Coimbatore  
Date : 25th May 2015



For Pricol Castings Limited

Vijay Mohan  
Chairman

K Udhaya Kumar  
Executive Director

K V B  
Krishnakumar K.V  
Chief Financial Officer

Pricol Castings Limited  
Statement of Profit and Loss for the year ended March 31, 2015

Rs. In Mn

Particulars	Note No.	2014-2015	2013-2014
<b>INCOME:</b>			
Revenue From Operations (Gross)	2.17	259.652	437.994
Less: Excise Duty		31.090	50.566
Revenue From Operations (Net)		228.562	387.428
Other income	2.18	0.557	0.798
<b>Total Revenue</b>		<b>229.119</b>	<b>388.226</b>
<b>EXPENSES:</b>			
Cost of materials consumed	2.19	146.299	203.659
Changes in inventories of finished goods and work-in-progress	2.20	65.388	29.658
Employee benefits expense	2.21	41.241	58.017
Finance costs	2.22	11.887	12.313
Depreciation and amortization expense	2.23	26.440	17.483
Other expenses	2.24	122.417	143.619
<b>Total Expenses</b>		<b>413.672</b>	<b>464.749</b>
<b>Profit / ( Loss ) before tax</b>		<b>(184.553)</b>	<b>(76.523)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred Tax		-	1.421
MAT Credit		-	-
Excess provision of previous years written off		-	-
<b>Profit / ( Loss ) for the year</b>		<b>(184.553)</b>	<b>(77.944)</b>

Earnings / ( loss ) per equity share of face value of ₹ 10 /- each  
Basic and Diluted (₹ in Rs.)

2.25      -5.354      -4.379

Significant Accounting Policies and Notes to Financial Statements | 1 to 2.33

Vide our report of even date attached

For Haribhakti & Co LLP

Chartered Accountants

Firm Registration No. 103523W

C S SATHYANARAYANAN

Partner

Membership No. 028328

Place : Coimbatore

Date : 25th May 2015



For Pricol Castings Limited

*V. Jaymohan*

Vijay Mohan  
Chairman

*K. Udhaya Kumar*

K Udhaya Kumar  
Executive Director

*K. V. Krishnakumar*

Krishnakumar K.V  
Chief Financial Officer

Pricol Castings Limited  
Cash Flow Statement for the year ended 31-03-2015

Particulars	3/31/2015		3/31/2014	
	Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn
Net Profit/(Loss) after tax		(184.553)		(77.944)
<u>Add Back:</u>				
Depreciation on Fixed Assets	26.440		17.483	
Profit on sale of Fixed Assets (Net)	(0.149)		(0.456)	
Interest Received	(0.197)		(0.320)	
Interest Paid	11.887	37.981	12.313	29.020
<b>CASH GENERATED BEFORE WORKING CAPITAL CHANGES</b>		<b>(146.572)</b>		<b>(48.924)</b>
Increase/(Decrease) in Inventories	90.975		0.322	
Increase/(Decrease) in Trade Receivables	43.191		(14.765)	
Increase/(Decrease) in Trade Payables	(43.000)		5.071	
Increase/(Decrease) in Long Term Loans and Advances	0.853		2.611	
Increase/(Decrease) in Short Term Loans and Advances	6.441		(3.480)	
Increase/(Decrease) in Other Current Liabilities	(11.332)		0.691	
Increase/(Decrease) in Other Current Assets	-		0.090	
Increase/(Decrease) in Long Term Provisions	(0.731)		1.143	
Increase/(Decrease) in Non Current Assets	32.999		(1.539)	
Increase/(Decrease) in Short Term Provisions	(0.127)		0.269	
Increase/(Decrease) in Short Term borrowings	4.401	123.670	(15.225)	(24.812)
<b>CASH GENERATED FROM OPERATIONS</b>		<b>(22.902)</b>		<b>(73.736)</b>
Income tax Paid		-		-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(22.902)</b>		<b>(73.736)</b>
Capital Advances made	-		-	
Purchase of Fixed Assets	(2.079)		(72.814)	
Sale Proceeds from Fixed Assets	0.505		0.822	
Interest Received	0.197		0.320	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(1.377)</b>		<b>(71.672)</b>
Proceeds from Issue of Shares including premium	44.100		152.295	
Proceeds from Long Term Borrowings	(8.059)		5.583	
Interest Paid	(11.887)		(12.313)	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>24.154</b>		<b>145.565</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(0.125)</b>		<b>0.157</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>		<b>0.276</b>		<b>0.119</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>		<b>0.151</b>		<b>0.276</b>

Vide our report of even date attached  
For Haribhakti & Co LLP  
Chartered Accountants  
Firm Registration No. 103523W

C S SATHYANARAYANAN  
Partner  
Membership No. 028328

Place : Coimbatore  
Date : 25th May 2015



For Pricol Castings Limited

*Vijay Mohan*

Vijay Mohan  
Chairman

*K Udhaya Kumar*

K Udhaya Kumar  
Executive Director

*K V K*  
Krishnakumar K.V  
Chief Financial Officer

PRICOL CASTINGS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> 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 the Companies Act read with rule 7 of the companies (Accounting Standards) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company 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) Depreciation has been provided under the Straight Line Method as per Schedule II to the Companies Act, 2013. Depreciation for Plant & Machinery has been provided on Triple shift basis.
- d) 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.

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) The continuous effort on the part of the company to follow-up with old customers to clear the semi-finished goods did not yield the desired results. Considering the current state of affairs of the company in discontinuing the manufacturing operations, the management has decided to absorb the value of semi-finished goods which cannot be converted to finished products for the old customers.
- c) The basis of determining cost for various categories of inventories are as follows:-

i) Raw Materials, Packing Materials and Stores & spares	Weighted Average Basis.
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) Claims made by the company and those made on the company are recognised in the Statement of profit and loss as and when the claims are accepted.
- d) Price Increase / Decrease consequent to fluctuations in market prices of input, are accounted as and when the same are approved by the customers.

**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.

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

XII. Provisions :

A provision is recognized 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.

XIII. Cash and Cash equivalents :

Cash flow are reported using the indirect method, whereby net profit 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.



Notes to Financial Statements

EQUITY AND LIABILITIES

Note 2.01 - Share Capital

Particulars	As at 31st March 2015	As at 31st March 2014
	Rs. in Mn	Rs. in Mn
<b>Authorised</b> 4,30,00,000 Equity Shares of Rs. 10/- each (31 March 2014 : 4,30,00,000 Equity Shares of Rs. 10/- each)	430.000	430.000
<b>Issued, Subscribed &amp; fully Paid up</b> 3,74,37,500 Equity Shares of Rs. 10/- each (31 March 2014 : 3,30,27,500 Equity Shares of Rs. 10/- each)	374.375	330.275
	374.375	330.275

i) The reconciliation of the number of equity shares outstanding is set out below:

Particulars	Equity Shares			
	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	Rs. in Mn	No. of Shares	Rs. in Mn
Equity Shares at the beginning of the year	33,027,500	330.275	17,798,200	177.982
Add: Shares Issued during the year	4,410,000	44.100	15,229,300	152.293
Equity Shares at the end of the year	37,437,500	374.375	33,027,500	330.275

ii) There are no shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

iii) Details of Shares held by Holding Company

S.No	Name of Shareholder	Equity Shares			
		As at 31st March 2015		As at 31st March 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Pricol limited - Holding Company	37,437,500	100%	33,027,500	100%

iii) Details of Shareholder's holding more than 5% of Shares:

S.No	Name of Shareholder	Equity Shares			
		As at 31st March 2015		As at 31st March 2014	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Pricol Limited & its Nominees	37,437,500	100%	33,027,500	100%

Note 2.02 - Reserves and Surplus

Particulars	Balance as at 31st March 2014	Additions during the year	Deductions/ Adjustments during the	Balance as at 31st March 2015
	Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn
Capital reserve	0.001	-	-	0.001
Reserve adjustments for the year (Depreciation adjustment)	-	(0.438)	-	(0.438)
Date : 25th May 2015	(149.621)	(184.553)	-	(334.174)
	-149.620	-184.992	-	-334.612

## NON CURRENT LIABILITIES

### Note 2.03 - Long Term Borrowings

Particulars	Non Current portion		Current maturities	
	As at 31st March 2015	As at 31st March 2014	As at 31st March 2015	As at 31st March 2014
	Rs. in Mn	Rs. in Mn	Rs. in Mn	Rs. in Mn
<u>Secured</u>				
Term loans from Banks - Rupee Loan	8.590	16.649	7.023	7.007
<u>Unsecured</u>				
From Directors	-	-	-	-
From Others	-	-	-	-
	8.590	16.649	7.023	7.007

Term loan from City Union Bank is fully secured against fixed assets and current assets. The loan is secured by Factory land and Building located at 100/1A Pollachi main road, Thamaraikulam post, Kinathukadavu (via) Pollachi Taluk, Coimbatore 642109 and a Corporate guarantee of the holding company. The term loan is repayable in EMI over 5 years (60 instalments). The rate of interest on Term Loan for the time being ranges between 14.75% to 15% p.a. There are no defaults in repayment of loans and interest.

### Note 2.04 - Long Term Provisions

Particulars	As at 31st March 2015	As at 31st March 2014
	Rs. in Mn	Rs. in Mn
Provision for Employee Benefits Gratuity (Refer Note No. 2.32)	2.018	2.750
	2.018	2.750

## CURRENT LIABILITIES

### Note 2.05 - Short Term Borrowings

Particulars	As at 31st March 2015	As at 31st March 2014
	Rs. in Mn	Rs. in Mn
<u>Secured</u>		
Working Capital Loans From Banks Cash Credit Account with banks	68.978	64.577
	68.978	64.577

Cash Credit from bank is fully secured against hypothecation of fixed assets and current assets and supported by corporate guarantee of holding company. The rate of interest for the time being is 13.50 % p.a. There is no default in repayment of loans and interest.

### Note 2.06 - Trade Payables

Particulars	As at 31st March 2015	As at 31st March 2014
	Rs. in Mn	Rs. in Mn
Trade Payables		
Due to Micro, Small and Medium Enterprises	-	-
Due to Others	3.341	46.341
	3.341	46.341

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

**Note 2.07 - Other Current Liabilities**

Particulars	As at	As at
	31st March 2015	31st March 2014
	Rs. in Mn.	Rs. in Mn.
(a) Current maturities of long-term debt ( Refer Note No. 2.03 )	7.023	7.007
(b) Statutory Dues Payable	0.603	1.232
(c) Advance Received From Customers	-	11.106
(d) Other Payables		
Electricity charges payable	0.298	1.230
Provision for Expenses	1.980	0.800
Employee benefits payable	6.811	6.672
	<b>16.715</b>	<b>28.047</b>

**Note:**

Other payables include provision for accrued expenses and employee benefits.

**Note 2.08 - Short Term Provisions**

Particulars	As at	As at
	31st March 2015	31st March 2014
	Rs. in Mn.	Rs. in Mn.
Gratuity (Refer Note No. 2.32)	0.142	0.269
	<b>0.142</b>	<b>0.269</b>

Note. 2.09 Fixed Asset

in Rs.

Particulars	Gross Block			Depreciation and Amortization					Written down Value		
	As at April 01, 2014	Additions during the year	Sales during the year	As at March 31, 2015	Upto March 31, 2014	For the year	Reserve adjustment	Withdrawn during the year	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
<b>Tangible Assets</b>											
Freehold Land	1,237,129	-	-	1,237,129	-	-	-	-	-	1,237,129	1,237,129
Freehold Buildings	43,080,931	467,160	-	43,548,091	28,934,502	1,274,864	-	-	30,209,366	13,338,725	14,146,429
Plant and Machinery	216,498,451	1,611,779	821,326	217,288,904	97,819,150	23,726,886	372,687	568,312	121,350,411	95,938,494	118,679,302
Lab Equipments	5,114,629	-	-	5,114,629	4,261,492	225,495	-	-	4,486,988	627,641	853,136
Electrical Fittings	20,075,586	-	150,000	19,925,586	18,262,496	351,120	-	47,655	18,565,961	1,359,625	1,813,090
Furniture & Fittings	2,097,586	-	-	2,097,586	1,954,529	38,694	-	-	1,993,223	104,363	143,057
Computers & Office Equipments	10,471,029	-	-	10,471,029	9,104,127	654,294	65,644	-	9,824,065	646,963	1,366,901
Vehicles	3,393,266	-	-	3,393,266	1,816,768	168,761	-	-	1,985,529	1,407,737	1,576,497
<b>Total</b>	<b>301,968,606</b>	<b>2,078,939</b>	<b>971,326</b>	<b>303,076,219</b>	<b>162,153,064</b>	<b>26,440,114</b>	<b>438,330</b>	<b>615,967</b>	<b>188,415,541</b>	<b>114,660,678</b>	<b>139,815,542</b>
Previous Year											
Capital Work-in-progress											
<b>Total Assets</b>	<b>301,968,606</b>	<b>2,078,939</b>	<b>971,326</b>	<b>303,076,219</b>	<b>162,153,064</b>	<b>26,440,114</b>	<b>438,330</b>	<b>615,967</b>	<b>188,415,541</b>	<b>114,660,678</b>	<b>139,815,542</b>

## ASSETS

## Note 2.10- Long Term Loans and Advances

Particulars	As at	As at
	31st March 2015	31st March 2014
	Rs. in Mn	Rs. in Mn
Unsecured, considered good		
Capital Advances	0.013	1.591
Tax Payment pending adjustment	0.473	0.415
Deposits	2.535	1.868
	3.021	3.874

## Note 2.11 - Other Non-Current Assets

Particulars	As at	As at
	31st March 2015	31st March 2014
	Rs. in Mn	Rs. in Mn
Unsecured, Considered good		
Long Term Trade receivables and Advances	29.327	29.481
Other Long Term Advances	4.483	5.154
	33.810	34.635
Less: Provision for Doubtful non current assets @ 2.5%	(33.810)	(1.636)
	0.000	32.999

## CURRENT ASSETS

## Note 2.12- Inventories

Particulars	As at	As at
	31st March 2015	31st March 2014
	Rs. in Mn	Rs. in Mn
Raw Materials and components	9.716	32.461
Work-in-progress	-	65.388
Finished goods	-	-
Stores and spares	3.527	4.752
Fuel Stock	0.031	1.648
	13.274	104.249

## Note 2.13 - Trade Receivables

Particulars	As at	As at
	31st March 2015	31st March 2014
	Rs. in Mn	Rs. in Mn
Unsecured, considered good		
Outstanding for more than six months	-	1.999
Others	7.064	48.256
Unsecured, considered Doubtful		
Others	-	0.918
Less: Provision for bad and doubtful debts	-	-0.918
	7.064	50.255

## Note 2.14 - Cash and Cash Equivalents

Particulars	As at	As at
	31st March 2015	31st March 2014
	Rs. in Mn	Rs. in Mn
a) Balances with banks		
In current accounts	0.113	0.163
b) Cash on hand	0.038	0.113
	0.151	0.276

## Note 2.15 - Short Term loans and advances

Particulars	As at	As at
	31st March 2015	31st March 2014
	Rs. in Mn	Rs. in Mn
Unsecured, considered good		
Balances with Government authorities	0.263	5.268
Advance to Trade Suppliers	0.259	2.024
Advance to Employees	0.171	0.026
Prepaid expenses	0.500	0.350
Rental Advance	0.184	0.150
	1.377	7.818

## Note 2.16 - Other Current assets

Particulars	As at	As at
	31st March 2015	31st March 2014
	Rs. in Mn	Rs. in Mn
Accrued Interest receivable	-	-
	-	-

Notes to Financial Statements

Note 2.17 - Revenue from Operations

Particulars	31/03/15	31/03/14
	Rs. in Mn	Rs. in Mn
<u>Revenue from operations</u>		
Domestic Sales	247.194	426.772
Export Sales	11.566	8.959
Revenue from Operations (Gross)	258.760	435.731
Less: Excise Duty	31.090	50.566
Revenue from Operations (Net)	227.670	385.165
<u>Other operating revenue</u>		
Job Work Receipts	0.892	2.263
Gross revenue from operations	0.892	2.263
	228.562	387.427

Details of Products Sold during the year (Exclusive of Excise duty)

Particulars	31/03/15	31/03/14
	Rs. in Mn	Rs. in Mn
<u>Aluminium Castings</u>		
Domestic	203.413	339.050
Exports	9.940	8.959
<u>Tools and Dies</u>		
Domestic	12.691	37.156
Exports	1.626	-
Total	227.670	385.17

Note 2.18 - Other Income

Particulars	31/03/15	31/03/14
	Rs. in Mn	Rs. in Mn
Interest Received	0.197	0.320
Sundry old credits written back	-	0.018
Profit On Sale of Assets	0.149	0.456
Miscellaneous Income	0.211	0.004
	0.557	0.798

Note 2.19 - Cost of materials consumed

Particulars	31/03/15	31/03/14
	Rs. in Mn	Rs. in Mn
Opening Stock	32.461	3.325
Add: Purchases	123.554	232.795
	156.016	236.120
Less: Closing Stock	9.716	32.461
Cost of Materials Consumed	146.299	203.659

Note 2.20 - Changes in inventories of finished goods and work-in-progress

Details of changes in Inventory

Inventory at the end of the year

Particulars	31/03/15	31/03/14	(Increase) / Decrease
	Rs. in Mn	Rs. in Mn	Rs. in Mn
Work in Progress	-	65.388	65.388
Finished Goods	-	-	-
Total	A	65.388	65.388

Inventory at the beginning of the year

Particulars	31/03/15	31/03/14	(Increase) / Decrease
	Rs. in Mn	Rs. in Mn	Rs. in Mn
Work in Progress	65.388	95.046	29.658
Finished Goods	-	-	-
Total	B	95.046	29.658
(Increase)/Decrease in Inventories	B-A	29.658	

Note 2.21 - Employee benefits expense

Particulars	31/03/15	31/03/14
	Rs. in Mn	Rs. in Mn
Pay, Allowances and Bonus	36.574	51.999
Director Remuneration	0.600	0.500
Contribution to Provident and other Funds	3.088	3.682
Staff welfare expenses	0.978	1.836
	41.241	58.017

Details of Managerial Remuneration

Particulars	31/03/15	31/03/14
	Rs. in Mn	Rs. in Mn
<u>Executive Director - K Udhayakumar</u>		
Salary and Allowances	0.600	0.484
Contribution to Provident Fund	-	0.016
	0.600	0.50

Note 2.22 - Finance Cost

Particulars	31/03/15	31/03/14
	Rs. in Mn	Rs. in Mn
Interest on Borrowings	11.887	12.313
	11.887	12.313

Note 2.23 - Depreciation and Amortization expense

Particulars	31/03/15	31/03/14
	Rs. in Mn	Rs. in Mn
Depreciation	26.440	17.483
Amortisation of Intangible assets	-	-
	26.440	17.483

Note 2.24 - Other Expenses

Particulars	31/03/15	31/03/14
	Rs. in Mn	Rs. in Mn
Opening Stock	4.752	5.633
Add: Purchases of Stores	5.859	12.724
Closing Stock	3.527	4.752
Consumption of Stores and Spares	7.085	13.605
Labour charges paid		
Processing Labour Charges	18.102	21.109
Opening Stock	1.648	0.569
Add: Purchase of Power and Fuel	36.872	65.956
Less: Closing Stock	0.031	1.648
Power and Fuel Consumed	38.490	64.877
Packing, Freight and Forwarding	8.941	13.956
Repairs and Maintenance Expenses		
Building	0.349	0.185
Machinery	5.676	16.208
Others	0.417	0.883
Printing & Stationery	0.121	0.396
Professional charges	3.508	1.064
Directors sitting fee	0.103	0.114
Auditor's Remuneration	0.751	0.606
Rates & Taxes	2.094	2.680
Travelling and Conveyance	0.267	0.554
Postage and Telephone	0.257	0.320
Commission & Discount on Sales	0.030	0.206
Advertisement and Sales Promotion	0.188	0.412
Insurance expenses	0.372	0.242
Watch and Ward Expenses	1.479	1.196
Other Administrative Expenses	0.180	0.589
Foreign Exchange Loss	0.503	1.256
Prior Period expenses	-	-
Bad debts/ Irrecoverable advances written off	-	-
Provision for Bad and Doubtful Debts	33.334	1.784
Bank Charges	0.171	1.377
	122.417	143.619



Payments to the auditor as	31/03/15	31/03/14
	Rs. in Mn.	Rs. in Mn.
(a) Auditor		
- For Statutory Audit	0.500	0.500
- For Tax Matters	0.150	0.105
- For certification & Others	0.101	-
	<b>0.751</b>	<b>0.605</b>

Note No. 2.25 Earnings per share

Particulars	31/03/15	31/03/14
	Rs. in Mn.	Rs. in Mn.
Net Profit/(Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders	-184.554	-77.944
Weighted Average number of equity shares used as denominator for calculating EPS (Nos in Million)	34.471	17.80
Basic & Diluted Earnings / (Loss) per share (in Rs.)	-5.354	-4.379
Face Value per equity share (in Rs.)	10.000	10.00

Calculation of Weighted Average Number of Equity Shares	
Particulars	Amount
Opening Number of Shares	33,027,500
Number of Days Outstanding - Opening Shares	111
Number of shares issued in July 2014	1,350,000
Number of Days Outstanding - First issue	255
Total No of shares after first issue	34,377,500
Number of Shares issued in March 2015	3,060,000
Closing Number of Shares	37,437,500
Number of Days Outstanding - Closing Shares	4
Total Weighted Average Number of Equity Shares	34,471,410

NOTES TO FINANCIAL STATEMENTS (Contd.,)

Note No.2.26

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

- i. Earnings in Foreign Exchange (FOB) : 11.567 (Previous Year - 8.959)
- ii. Outgo in Foreign Currency (CIF) : 27.556 (Previous Year - 56.336)

Note No. 2.27

- i. Estimated amount of contracts remaining to be executed on capital account and not provided - Nil (Previous Year Nil).
- ii. Other commitments - NIL

Note No. 2.28

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

The continuous effort on the part of the company to follow-up with old customers to clear the semi-finished goods did not yield the desired results.

Considering the current state of affairs of the company in discontinuing the manufacturing operations, the management has decided to absorb the value of semi-finished goods which cannot be converted to finished products for the old customers.

Note No. 2.29

Net Deferred Tax Asset has not been recognized considering prudence.

NOTES TO FINANCIAL STATEMENTS (Contd.,)

Note No. 2.30 Report under AS-15 (Revised 2005)	As on 31.03.2015	As on 31.03.2014
<b>1. Assumptions</b>		
Discount Rate	7.84%	9.10%
Salary Escalation	0.00% in first year & 2.00% p.a thereafter	6.50%
<b>2. Changes in present value of obligations</b>		
Present value of obligations as at beginning of year	4,502,546	3,033,556
Interest Cost	321,626	262,541
Current Service Cost	325,181	593,493
Benefits paid	-800,335	-296,989
Actuarial (Gain) / Loss on Obligations	-1,434,797	909,945
Present value of obligations as at end of year	2,914,221	4,502,546
<b>3. Changes in fair value of plan assets</b>		
Fair value of plan assets at beginning of year	1,483,552	1,426,573
Expected return on plan assets	97,873	127,318
Contributions	20,925	240,000
Benefits paid	-800,335	-296,989
Actuarial Gain / (Loss) on Plan Assets	-48,465	-13,350
Fair Value of plan assets at the end of year	753,550	1,483,552
<b>4. Fair value of plan assets</b>		
Fair value of plan assets at beginning of year	1,483,552	1,426,573
Actual return on plan assets	97,873	127,318
Contributions	20,925	240,000
Benefits paid	-800,335	-296,989
Fair value of plan assets at the end of year	753,550	1,483,552
Funded Status	-2,160,671	-3,018,994
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 <sup>st</sup> March)	Nil	Nil
<b>5. Actuarial Gain/Loss recognized</b>		
Actuarial Gain / (Loss) for the year - Obligations	1,434,797	(909,945)
Actuarial Gain / (Loss) for the year - plan assets	(48,465)	(13,350)
Total (Gain) / Loss for the year	1,386,332	(923,295)
Actuarial (Gain) / Loss recognized in the year	1,386,332	(923,295)
<b>6. The amounts to be recognized in the Balance Sheet</b>		
Present value of obligations as at end of year	2,914,221	4,502,546
Fair Value of plan assets as at the end of the year	753,550	1,483,552
Funded Status	-2,160,671	-3,018,994
Net Asset / (Liability) recognized in Balance Sheet	-2,160,671	-3,018,994
<b>7. Expenses Recognized in Statement of Profit &amp; Loss</b>		
Current Service Cost	325,181	593,493
Interest Cost	321,626	262,541
Expected return on plan assets	97,873	127,318
Net Actuarial (Gain) / Loss recognized in the year	(1,386,332)	923,295
Expenses / (Income) recognized in statement of Profit & Loss	(837,398)	1,652,011
Addl. Provision towards gratuity	0	0

PRICOL CASTINGS LIMITED

NOTES TO FINANCIAL STATEMENTS (Contd.,)

Note No.2.31

List of Related parties with whom transactions have taken place during the year 2014-15 and Relationship

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

Related Party Transactions during the year 2014-15									(Rs. in Million)	
Nature of Transaction	Holding Company		Fellow Subsidiaries		Key Mgmt. Personnel		Others			
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14		
Purchase / Labour Charges Paid	0.306	3.815	27.892	-	-	-	2.483	2.656		
Sales / Job Work Charges Received	16.652	13.375	-	-	-	-	-	-		
Receiving of Services	-	0.098	-	-	0.600	0.500	4.990	2.629		
Receiving of unsecured Loan		-	-	-	-	-		-		
Unsecured Loan Outstanding as at 31.03.2015		-	-	-	-	-		-		
Interest on the above unsecured loan		-	-	-	-	-		-		
Payables as at 31.03.2015	0.056		-	-	0.050	-	0.438	0.901		
Receivables Closing as at 31.03.2015	0.164	2.064	-	-	-	-		-		
Investment in Pricol castings Ltd by way of share capital	44.1	152.293	-	-	-	-		-		

**Note No. 2.32**

The Company is in the process of restructuring its line of operations and consequently the present manufacturing operations have been suspended. Based on the detailed evaluation of the current situation and plans formulated, management is confident of raising adequate finance and receiving continued support from the group. Accordingly, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustment is required to the carrying value of assets and liabilities.

**Note No. 2.33**

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

Vide our report of even date attached

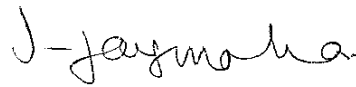
**For Haribhakti & Co LLP**  
Chartered Accountants  
Firm Registration No. 103523W



Membership No. 028328

Place : Coimbatore  
Date : 25<sup>th</sup> May 2015

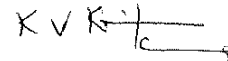
For Pricol Castings Limited



Ⓟ Vijay Mohan  
Chairman



Ⓟ K. Udhaya Kumar  
Executive Director



Krishnakumar K.V  
Chief Financial Officer