

**BOARD OF DIRECTORS**

Mr. Vijay Mohan, Chairman & Managing Director  
 Mr. Suresh Jagannathan  
 Mr. C.R. Swaminathan  
 Mr. D. Sarath Chandran  
 Mr. Mitsuhiro Masegi (From 30th October 2009)  
 Mr. Yoshihiko Kato, Alternate Director to Mr. Mitsuhiro Masegi  
 Mr. V. Ramakrishnan  
 Mr. R. Vidhya Shankar  
 Mr. M. Lakshminarayan  
 Mr. Vikram Mohan  
 Mr. G. Soundararajan (From 31st July 2009)  
 Mr. K. Murali Mohan (From 31st July 2009)  
 Mr. C.N. Srivatsan (Upto 1st July 2009)  
 Mr. Mitsuharu Kato (Upto 30th October 2009)  
 Mr. K. Udhaya Kumar, President & Chief Operating Officer  
 Mrs. Vanitha Mohan, Executive Director

**COMPANY SECRETARY**

Mr. T.G. Thamizhanban

**AUDITORS**

M/s. Suri & Co.,  
 Chartered Accountants, Coimbatore

**BANKERS**

State Bank of India	The Bank of Nova Scotia
Andhra Bank	Indian Bank
IDBI Bank Limited	Canara Bank
ICICI Bank Limited	Indian Overseas Bank

**REGISTERED OFFICE**

702/7, Avanashi Road,  
 Coimbatore - 641 037, India.  
 Ph : +91 422 4336000 Fax : +91 422 4336299  
 E-mail : city@pricol.co.in

**FACTORIES**

**PLANT I**

132, Ooty Main Road,  
 Perianaickenpalayam,  
 Coimbatore - 641 020.

**PLANT II**

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

**PLANT III**

4/558, Chinnamathampalayam,  
 Bilichi Village,  
 Press Colony Post,  
 Coimbatore - 641 019.

**PLANT V**

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

**PLANT VI**

Plot No.11, Sector 10,  
 Integrated Industrial Estate,  
 Pantnagar, SIDCUL,  
 Rudrapur - 263 153.  
 Dist. U.S. Nagar (Uttarakhand)

**PLANT VII**

Plot No.45, Sector 11,  
 Integrated Industrial Estate,  
 Pantnagar, SIDCUL,  
 Rudrapur - 263 153.  
 Dist. U.S. Nagar (Uttarakhand)

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## DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Your Directors have pleasure in presenting the Thirty Eighth Annual Report and audited accounts for the financial year ended 31st March 2010.

### FINANCIAL RESULTS

The summarised financial results are :

	2009-10	Rs. Million 2008-09
Net Sales & Services		
- Domestic	6,338.064	4,765.512
- Export	1,085.860	1,375.254
<b>Total</b>	<b>7,423.924</b>	<b>6,140.766</b>
Profit Before Interest and Depreciation	942.809	377.613
Less : Interest & Finance charges	316.452	395.505
: Depreciation	351.783	364.911
<b>Profit / (Loss) Before Tax</b>	<b>274.574</b>	<b>(382.803)</b>
Less : Provision for Current Taxation	46.771	—
Fringe Benefit Tax	—	6.600
Deferred Tax (Asset)	(27.000)	(67.000)
Add : Tax provision for earlier years no longer required written back	—	22.156
<b>Profit / (Loss) After Tax</b>	<b>254.803</b>	<b>(300.247)</b>
Add : Balance brought forward	(115.612)	184.635
<b>Amount available for appropriation</b>	<b>139.191</b>	<b>(115.612)</b>

### DIVIDEND

Your Directors recommend a dividend of 40% on the paid-up equity share capital of the Company for the year ended 31st March 2010.

### APPROPRIATION

	2009-10	Rs. Million 2008-09
Dividend Re.0.40 per share of Re.1.00 face value (Previous year - Nil)	36.000	—
Tax on Dividend @ 16.61%	5.979	—
General Reserve	26.000	—
Surplus / (Deficit) to be carried over	71.212	(115.612)
<b>Total</b>	<b>139.191</b>	<b>(115.612)</b>

### INDUSTRY STRUCTURE AND DEVELOPMENTS

Riding on the back of economic growth, easy availability of finance, fiscal stimulus measures and launch of new models, the domestic auto industry recorded a growth of 26% in 2009-10.

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

Category	Vehicles Sold		Growth 2009-10 %
	2008-09	2009-10	
	In numbers		
Passenger Car	1,552,010	1,968,497	26.84
Utility Vehicle	228,655	275,556	20.51
Multi Purpose Vehicle Medium & Heavy Commercial Vehicle	107,767	151,869	40.92
Light Commercial Vehicle	200,314	265,481	32.53
Scooters / Scooterettee	226,505	310,921	37.27
Motor cycles	1,173,823	1,492,632	27.16
Mopeds	6,802,971	8,444,243	24.13
Three Wheelers	438,514	571,489	30.32
	497,793	613,650	23.27
<b>Total</b>	<b>11,228,352</b>	<b>14,094,338</b>	<b>25.52</b>

Barring unforeseen circumstances, the vehicle industry is expected to grow 10% to 15% during next financial year.

### OPERATIONS

During 2009-10, increase of sales to domestic vehicle manufacturers and sales of fleet management products, sintered components & railway products increased our company's domestic sales from Rs.4,766 million to Rs.6,338 million, a growth of 33%.

Due to the continuation of recession in the countries where we export, our export turnover decreased from Rs.1,375 million to Rs.1,086 million. Overall, the total sales increased to Rs.7,424 million from Rs.6,141 million, a growth of 21%.

In 2009-10, due to effective cost control measures carried out by the company, the profit before interest and depreciation has increased from Rs.378 million to Rs.943 million, and Profit After Tax has gone up from a loss of Rs.300 million to a profit of Rs.255 million.

Due to the Indian Rupee having strengthened substantially against Euro and to certain extent against US Dollar, the export realisation will be affected. The financial crisis in Europe, our Company's largest export market is also a worrisome factor.

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd..)

The long drawn labour strike in the year 2007 resulted in cancellation of product development for the new models to be released in this financial year. Therefore, the phasing of old models for which our Company was supplying products and introduction of new models where our Company will not be supplying similar products, there will hardly be any growth in the domestic market.

Therefore, the company's overall sales for 2010-11 is expected to go up only marginally by 3%.

But, the Company will continue its efforts to further reduce the operational costs to improve the profits.

During February 2010, for administrative and operational convenience, the manufacturing operations of Plant IV, Coimbatore were moved to other plants in Coimbatore.

### SUBSIDIARY COMPANIES

#### PT Pricol Surya, Indonesia

The wholly owned subsidiary manufacturing instruments for two wheelers, commenced operations from April 2007. The major customer Suzuki Motorcycles lost substantial market share in ASEAN countries. Sale to Yamaha Motor Cycles planned to start in December 2009 was delayed due to postponement of model release by Yamaha.

Consequently for the financial year 2009-10, sales reduced to Rs.95 million (Rs.122 million in 2008-09). In spite of decreased sales, the profit after tax was Rs.16 million (against a loss of Rs.38 million) mainly due to forex fluctuation gain of Rs.51 million.

In the financial year 2010-11, sale to both Yamaha Motor Cycles and Astra Honda Motor will commence. Sales to Yamaha Motor Cycles is expected to commence from July 2010 and to Astra Honda Motor from February 2011. This would help the Company to make operational profits from the last quarter of the financial year 2010-11.

#### English Tools and Castings Limited

The wholly owned subsidiary manufactures aluminium pressure die casting components, primarily catering to commercial vehicle sector (80%) and industrial sector (20%).

In the latter half of the financial year 2009-10, new customers like TVS Motors for three wheeler components and Greaves Cotton for transmission components were added. But the power crisis in Tamilnadu hampered the production and also increased the cost of power

substantially due to running of gensets. Due to the above, the company was able to achieve only a turnover of Rs.127 million and incurred a loss of Rs.35 million.

The outlook for the Company is brighter for the financial year 2010-11 since at present, the Company is having order book of Rs.25 million per month, due to the increased requirements indicated by the customers now.

To help the subsidiary company augment their financial needs, so as to enable growth and come back to profitability, Pricol Limited invested Rs.69.500 million towards equity shares of English Tools & Castings Limited.

#### Integral Investments Limited

The wholly owned subsidiary during the financial year 2009-10 received a dividend of Rs.0.420 million. Due to adverse stock market condition, it ended with a loss of Rs.0.285 million.

### OUTLOOK

The vehicle industry expects the growth in automobile sector to continue, fuelled by rising disposable incomes. Global automakers are expected to continue their investment into India, growing auto manufacturing first and later auto engineering and R & D Services.

The outlook for the auto ancillary industry appears healthy. The demand from the export markets however remains weak because of the conditions prevailing in the target markets.

### OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

The entry of global OEMs making India as their manufacturing base, has given a big boost to the industry. Export of automobiles has also emerged as a key component of growth. India continues to be an attractive destination for automobile production.

Unlike in Europe, the transition to the new emission norms has not been smooth. Oil companies have asked for a deferment in supply of BS III fuel and for those companies whose emission and durability of products would be affected due to the use of lower grade of fuel, it is really a very taxing time. Prices are on the upswing in the case of rubber, steel and fuel.

The auto component industry has been exposed to many risks of varying intensity. The hardening of interest rate, tightening money supply, excise duty hike, volatility in the price of raw materials & other inputs, currency fluctuations, OEM's demand for price reduction, stiff

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd..)

competition by the entry of Multinationals and their home country partnership, upgradation in emission norms and Just In Time supplies are the major risks and challenges faced by the Companies. It is forcing Companies to plan operations effectively and produce quality components at lower costs.

The Company through continuous monitoring, timely action and control measures works towards controlling the above risks.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company's internal control system has been designed & implemented, taking into account of nature of business and size of operations, to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and policies.
- Compliance with applicable statutes, policies, listing requirements, management policies and procedures.
- Effective use of resources and safeguarding of assets.

The company, through its own Internal Audit Department, carries out periodic audits to access the internal controls at all the processes and functions. The observations arising out of audit are periodically reviewed and compliances ensured. The summary of the Internal audit observations is submitted to the Audit committee. The Audit Committee at their meetings regularly review 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.

### RISK MANAGEMENT

Risk is an integral part of the business process.

To enhance the risk management process, the company has mapped the risks. A system has been formulated based on Balanced Score Card with various appropriate measures and accountabilities to identify, assess, prioritise and mitigate the risks. Reports generated from the system are monitored regularly to ensure that appropriate corrective actions are taken.

### FINANCE

During the year the company has not accepted / renewed any fixed deposit from public. The total deposits from public outstanding as on 31st March, 2010 is NIL. 3 deposits amounting to Rs.0.065 million

matured but had not been claimed by the depositors as on that date. Reminders have been sent to unclaimed deposit holders for suitable instructions.

The Company undertook several steps to restructure its borrowings to keep a control over the cost of borrowings. As the Company turned around and made profits, ICRA upgraded the credit rating to 'LBBB-' (Previous year - 'LBB' ) for Working Capital fund based facilities & Term Loan facilities and 'A3' (Previous year - 'A4') for working capital non fund based facilities like Letters of Credit and Buyers Credit for imports.

### DIRECTORS

It is with deep regret the Board informs that Mr. L.G. Varadarajulu, Promoter Director and long time Chairman of the Board till 2004, passed away on the 19th of May 2010.

Mr. L.G. Varadarajulu played a leading role not only in establishment of our Company, but also involved himself extensively in the formative years to guide Mr. Vijay Mohan to grow the Company.

The Board places on record it's deep appreciation of the immense contribution made by Late Mr. L.G. Varadarajulu and prays for his soul to rest in peace.

Mr. R. Vidhya Shankar and Mr. M. Lakshminarayan Directors retire by rotation at the ensuing Annual General Meeting and are eligible for reappointment.

Mr. G. Soundararajan was inducted into the Board on 31st July 2009 to fill up the vacancy due to the resignation of Dr. Kalyani Gandhi from the Board of Directors. Mr. G. Soundararajan will hold office upto the ensuing Annual General Meeting 2010. He is eligible for appointment.

Mr. C.N. Srivatsan has resigned from the Board effective 1st July 2009, due to his personal commitments. The Board places on record it's warm appreciation of the valuable contribution made by Mr. C.N. Srivatsan during his association with the company.

Mr. K. Murali Mohan was inducted into the Board on 31st July 2009 to fill up the vacancy due to the resignation of Mr. C.N. Srivatsan. Mr. K. Murali Mohan will hold office upto the 39th Annual General Meeting 2011.

Denso Corporation nominated Mr. Mitsuhiro Masegi in place of Mr. Mitsuharu Kato. Mr. Mitsuhiro Masegi has joined the Board of Directors on 30th October 2009 as

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd..)

an additional director under section 260 of the Companies Act, 1956. He vacates office on the date of the forthcoming 38th Annual General Meeting and is eligible for appointment. The Board places on record its warm appreciation of the valuable contribution made by Mr. Mitsuharu Kato during his association with the company.

Mr. Vijay Mohan has been reappointed as Chairman & Managing Director for a period of 3 years with effect from 1st April 2010 to 31st March 2013, subject to the shareholders approval at the ensuing 38th Annual General Meeting 2010.

### AUDITORS

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

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

### DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS

The company went through a stressful industrial relations situation. External advisors are working with the management to rebuild relationship with the workforce. These efforts are yielding positive results.

### CORPORATE SOCIAL OBJECTIVES

Corporate Social Responsibility continues to assume an important role in the activities of the Company. Afforestation, Water Management, Literacy and Health continue to be the chosen areas of work by the Company and its employees. An Eco-friendly gasifier crematorium constructed near Plant-I at Perianaickenpalayam is maintained under Pricol Rural Development Programme (PRDP).

### CONSERVATION OF ENERGY

Though your Company is not a power intensive industry, the Company continues its efforts to reduce energy usage by adopting various methods of energy saving and conservation.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year the Company's foreign exchange earnings were Rs.1049.436 million (Rs.1286.326 million in 2008-09). The revenue expenditure in foreign currency was Rs.1805.301 million (Rs.1679.837 million in 2008-09) and the capital expenditure was Rs.25.114 million (Rs.40.619 million in 2008-09).

### STATUTORY STATEMENTS

As required by section 212 of the Companies Act, 1956 a statement showing the Company's interest in the subsidiaries is enclosed to the Balance Sheet of the Company.

The company has obtained the approval of the Ministry of Corporate Affairs, New Delhi vide letter No.47/09/2010-CL-III dated 25th March 2010 in terms of Section 212(8) of the Companies Act, 1956 exempting the company from attaching the balance sheet and profit and loss account of the subsidiaries namely (1) English Tools and Castings Limited (2) Integral Investments Limited and (3) PT Pricol Surya, Indonesia, along with the report of Board of Directors and that of the auditors' thereon, with the company's accounts for the year ended 31st March 2010.

Accordingly, the audited accounts of the subsidiary companies, (1) English Tools and Castings Limited (2) Integral Investments Limited and (3) PT Pricol Surya, Indonesia are not attached to the Balance Sheet of Pricol Limited.

As directed by the Central Government, the accounts of the subsidiaries are consolidated with the accounts of the company in accordance with Accounting Standard 21 (AS 21) prescribed by The Institute of Chartered Accountants of India and Listing Agreement prescribed by Securities Exchange Board of India. The consolidated accounts duly audited by the statutory auditors and the consolidated balance sheet information form part of the annual report.

The annual accounts, reports and other documents of the subsidiary companies will be made available to the members and investors upon receipt of a request from them.

The annual accounts of the subsidiary companies will be available at the registered office of the company and at the respective subsidiary companies. Any member or investor can inspect the same during the business hours of any working day.

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS (Contd..)

The statement showing the particulars of technology absorption pursuant to section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in the annexure forming part of this report.

As required by the provisions of section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, the names and other particulars of employees are set out in the annexure forming part of this report.

### DIRECTORS RESPONSIBILITY STATEMENT

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

- a) in the preparation of annual accounts for the financial year ended 31st March 2010, 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 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, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities and
- d) they had prepared the annual accounts for the financial year ended 31st March 2010, on a going concern basis.

### CORPORATE GOVERNANCE

Your company reaffirms its commitment to the good corporate governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report is annexed to Directors' Report and Auditors' Certificate regarding compliance of the Corporate Governance is made a part of this Annual Report.

### 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, other statutes and other incidental factors.

### ACKNOWLEDGEMENTS

The Board wish to thank Denso Corporation, Japan, Customers, Distributors, Dealers, Suppliers, Shareholders, Bankers and Other Collaborators for their continued support and co-operation during the year under review. The Directors wish to place on record their appreciation to the employees for their continued co-operation and commitment.

Coimbatore  
28th May 2010

For and on behalf of the Board  
**Vijay Mohan**  
Chairman & Managing Director

## ANNEXURES TO DIRECTORS' REPORT

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

### TECHNOLOGY ABSORPTION

#### I. Research and Development (R & D)

##### (i) Specific areas of R & D

The Company has two R & D centres, which are approved by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India, New Delhi. Our R & D is engaged in several areas including:

- Designing and development of new products.
- Value Engineering and cost effective alternates development.
- Build domain expertise.
- Quality enhancement and feature improvements in existing products.
- Identify appropriate new technology areas continuously.

##### (ii) Benefits derived from R & D

- New Products development and tapping new markets.
- Meeting cost effectiveness in new products.
- Increasing localisation of inputs to save valuable foreign exchange.
- Registration of patents & designs.

##### (iii) Future plan of action

- Work closely with customers to understand the requirements in terms of features and reliability for a complete product solution.
- Nurture and Promote indigenous technology.
- Enhance the existing IPR base to higher levels.
- Focus on new technology products.
- Reduce time to market the product.
- Achieve price competitiveness with desired profit margin through target pricing.

<b>Expenditure on R &amp; D :</b>	<b>2009-10</b>
	(Rs. Million)
Capital	<b>69.630</b>
Recurring	<b>156.245</b>
Total	<b>225.875</b>
R & D expenditure as a percentage of sales	<b>3.04%</b>

#### II. Technology Absorption, Adaptation and Innovation

##### Imported Technology

The Technology Imported during the year 2006-07 from Magneti Marelli Sistemi Elettronici S.P.A., Italy for manufacture of Instrument Cluster for Renault - Mahindra's Logan Model Car has been fully absorbed. Supplies have commenced from April 2007. Pricol is supplying to Domestic Market requirement and South Africa Market for Logan Model.

## ANNEXURES TO DIRECTORS' REPORT (Contd..)

The Technology imported during the year 2007-08 from Garant GmbH, Germany for the manufacture of New Design Stepper Motor has been fully absorbed. Assembly Line has been established. Mass production run is under progress.

The Technology imported during the year 2008-09 from Mashad Powder Metallurgy Company, Iran to enhance the knowledge of manufacturing powder metal and powder forged components and to implement the same at its own In House Manufacturing Shop has been fully absorbed. The same will be fully implemented in the years 2010-11 and 2011-12.

### Particulars of Employees pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Report of the Directors for the year ended 31st March 2010.

Name & (Age)	Designation / Nature of Duties	Remuneration Rs. Million		Qualification & Experience (Years)	Date of Commencement of Employment	Last Employment
		Gross	Net			
Vijay Mohan (62)	Chairman & Managing Director General Management of affairs of the Company	2.824	1.621	Bachelor of Engineering (Mechanical) & Master of Management Science (37)	3rd April 1973	—
K. Udhaya Kumar (60)	President & Chief Operating Officer Head Manufacturing Operations	2.776	1.636	Bachelor of Engineering (Mechanical) (34)	12th February 1976	PSG Industrial Institute & Foundries, Coimbatore

- Note :
1. Mr. Vijay Mohan was appointed as Chairman & Managing Director for a period of 5 years (1st April 2005 to 31st March 2010). He is reappointed for a period of 3 years (1st April 2010 to 31st March 2013) subject to the approval of shareholders at the ensuing Annual General Meeting.
  2. Mr. Vijay Mohan is related to Mr. D. Sarath Chandran, Director, Mrs. Vanitha Mohan, Executive Director and Mr. Vikram Mohan, Director. Mr. Vijay Mohan owns more than 2% of the equity shares of the company as on 31st March 2010.
  3. Mr. K. Udhaya Kumar was appointed as President & Chief Operating Officer for a period of 5 years (1st June 2008 to 31st May 2013). He is not related to any other Director of the Company. He does not own more than 2% of the equity shares of the company as on 31st March 2010.
  4. Gross remuneration comprises salary, commission, allowances, monetary value of perquisites and the Company's contribution to provident fund, gratuity and superannuation fund.
  5. Net remuneration is exclusive of contributions to provident fund, gratuity fund, superannuation fund and tax deducted.

## 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 make its customers, employees, suppliers and shareholders feel proud of their association with the Company through highest level of transparency in its dealings.

### 2. Board of Directors:

#### a. Composition of the Board

As on 31st March 2010, the company's Board comprised of 13 Directors. The Board consists of 3 (23%) Whole Time Directors and 10 (77%) Non-Whole Time Directors, 8 of them are independent. Details are given in the below table. The members of the Board are well experienced professionals and industrialists. The day-to-day management affairs is managed by the Chairman & Managing Director subject to the supervision, control and direction of the Board of Directors and is assisted by the Executive Director and President & Chief Operating Officer. 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	—	3	2	—	2	—
Mr. C.R. Swaminathan	Non-Executive - Independent	5	✓	1	3	—	—	—
Mr. D. Sarath Chandran	Non-Executive - Promoter	5	—	6	—	—	2	—
Mr. Mitsuhiro Masegi (From 30th October 2009)	Non-Executive - Independent	—	—	—	—	2	—	—
Mr. Yoshihiko Kato (Alternate Director to Mr. Mitsuhiro Masegi, from 30th October 2009)	Non-Executive - Independent	2	—	—	1	—	—	—
Mr. V. Ramakrishnan	Non-Executive - Independent	5	—	—	—	3	—	—
Mr. R. Vidhya Shankar	Non-Executive - Independent	4	—	2	—	—	2	—
Mr. M. Lakshminarayan	Non-Executive - Independent	2	—	3	2	—	2	—
Mr. Vikram Mohan	Non-Executive - Promoter	5	✓	7	1	—	—	—
Mr. G. Soundararajan (From 31st July 2009)	Non-Executive - Independent	4	—	—	6	1	—	—
Mr. K. Murali Mohan (From 31st July 2009)	Non-Executive - Independent	3	—	1	—	—	—	—
Mr. K. Udhaya Kumar (President & Chief Operating Officer)	Executive	5	—	1	—	1	—	—
Mrs. Vanitha Mohan (Executive Director)	Executive - Promoter	5	✓	3	2	—	—	—
Mr. Vijay Mohan (Chairman & Managing Director)	Executive - Promoter	5	✓	10	1	—	1	—
Mr. C.N. Srivatsan (Upto 1st July 2009)	Non-Executive - Independent	—	—	5	2	—	2	1
Mr. Mitsuharu Kato (Upto 30th October 2009)	Non-Executive - Independent	—	—	—	—	1	—	—

## REPORT ON CORPORATE GOVERNANCE (Contd..)

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 Chairman of more than five such Committees.

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

### c. Board Meetings:

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

During the year 2009-10, the board met 5 times on 29th May 2009, 31st July 2009, 30th October 2009, 28th January 2010 and 31st March 2010 and the gap between two meetings did not exceed four months.

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

**Mr. R. Vidhya Shankar**, 40 years of age, is a Bachelor of Commerce and Bachelor of Law from Bharathiar University, Coimbatore. He is a partner of M/s. Ramani and Shankar, Advocates, a Law firm. His area of specialisations are Corporate Laws and allied subjects, FEMA, Structured and Equity Financing, Commercial Cases, General Civil Law, International and Domestic Arbitration, Sales Tax and Central Excise. He represents cases before Civil Courts, Company Law Board, BIFR, Sales Tax Special Tribunal, Commissioner of Central Excise, Central Excise Appellate Tribunal, Consumer Forum, Debt Recovery and Appellate Tribunal, Securities and Exchange Board of India, Securities Appellate Tribunal and Arbitral Tribunals. He is a Director in L.G. Balakrishnan & Bros Limited and Treadsdirect Limited. He is also a member of the Audit Committee of Treadsdirect Limited and the Investors' Grievance Committee of L.G. Balakrishnan & Bros Limited. He is a member of the Audit Committee and Shareholders / Investors Relations Committee of the Company. He does not hold any shares of the Company.

**Mr. M. Lakshminarayan**, 63 years of age, a Masters degree in Technology from the Indian Institute of Technology, Mumbai. He was the Joint Managing Director of Bosch Limited. Presently, he is the Managing Director of Harman International India Pvt Limited, a 100% subsidiary of Harman International USA. He is deeply connected with the activities of Confederation of Indian Industry (CII) and past Chairman, CII Southern Region. He is a Director in Kirloskar Engines India Limited, Carborundum Universal Limited, Rane (Madras) Limited and Voith Engineering Services (India) Private Limited. He is a member of the Audit Committee of Carborundum Universal Limited and Rane (Madras) Limited. He does not hold any shares of the Company.

**Mr. Mitsuhiro Masegi**, 56 years of age, holds a Bachelor's degree in Electrical Engineering & Electronics and a Masters degree in Engineering from Nagoya University in Nagoya, Japan. He is the Managing Officer, Information & Safety Systems Business Group, Information & Safety Systems R & D Department, Denso Corporation. He is also a Director in Jeco Corporation and Marcon Denso Corporation. He does not hold any shares of the Company.

**Mr. G. Soundararajan**, 52 years of age, is a Bachelor of Science from PSG College of Arts and Science, Coimbatore. He is the Managing Director of Magna Marketing Private Limited, Vice Chairman of C.R.I. Pumps Private Limited and a Director in Apex Bright Bars (CBE) Private Limited, C.R.I. Amalgamations Private Limited, C.R.I. Infrastructures India Private Limited, G4 Investments India Private Limited, C.R.I. Pumps S.A. (PTY) Limited and a Trustee of C.R.I. Charitable Trust and Shri K. Gopal Memorial Trust. He does not hold any shares of the Company.

**Mr. Vijay Mohan**, 62 years of age, is the Chairman & Managing Director of the company. He is managing the affairs of the company since, 1974. He is a B.E. (Mech.,) and Master of Management Science (USA). He is also a director in Precot Meridian Limited, English Tools and Castings Limited, Pricol Holdings Limited, Pricol Technologies Limited, Pricol Properties Limited, Pricol Packaging Limited, Pricol Medical Systems Limited, Xenos Technologies Limited, Ananya Innovations Limited and Bhavani Infin Services India Private Limited. He is a member of the Investors Relations Committee of Precot Meridian Limited. He holds 9,544,440 shares of the Company.

## REPORT ON CORPORATE GOVERNANCE (Contd..)

### 3. Audit Committee:

The Committee is mandated with the same terms of reference as specified in Clause 49 of the Listing Agreements with Stock Exchanges and these also conform to provisions of section 292A of the Companies Act, 1956.

#### a. Composition, Name of Members & Chairman :

Name of the Member	Category
Mr. C.R. Swaminathan (Chairman)	Non-Executive - Independent
Mr. K. Murali Mohan	Non-Executive - Independent
Mr. R. Vidhya Shankar	Non-Executive - Independent
Mrs. Vanitha Mohan	Executive - Promoter

#### b. Meetings held during the year 2009-10 and Members present:

Date of Meeting	Members present
25th May 2009	Mr. C.R. Swaminathan, Mr. C.N. Srivatsan, Mr. R. Vidhya Shankar and Mrs. Vanitha Mohan
27th July 2009	Mr. C.R. Swaminathan, Mr. R. Vidhya Shankar and Mrs. Vanitha Mohan
24th October 2009	Mr. C.R. Swaminathan, Mr. K. Murali Mohan, Mr. R. Vidhya Shankar and Mrs. Vanitha Mohan
19th January 2010	Mr. C.R. Swaminathan, Mr. K. Murali Mohan, Mr. R. Vidhya Shankar and Mrs. Vanitha Mohan

The Company Secretary acts as the Secretary to the Committee. The 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 required to explain details about the operations.

### 4. Remuneration Committee:

The Committee is entrusted to determine and recommend to the Board the remuneration including commission, perquisites and benefits payable to the Whole-Time Directors based on overall performance and financial results of the Company during the relevant financial year and in consonance with the existing industrial practice.

#### a. Composition, Name of Members & Chairman:

Name of the Member	Category
Mr. C.R. Swaminathan (Chairman)	Non-Executive - Independent
Mr. K. Murali Mohan	Non-Executive - Independent
Mr. R. Vidhya Shankar	Non-Executive - Independent

#### b. Meetings held during the year 2009-10 and Members present :

Date of Meeting	Members present
19th January 2010	Mr. C.R. Swaminathan, Mr. K. Murali Mohan and Mr. R. Vidhya Shankar

#### c. Remuneration to Directors:

The remuneration payable to Whole-Time Directors is determined by the Board on the recommendation of the remuneration committee with the approval of the shareholders at the Annual General Meeting.

## REPORT ON CORPORATE GOVERNANCE (Contd..)

The Company pays remuneration by way of salary, perquisites and benefits (fixed component) and commission (variable component) to its Whole-Time Directors.

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

The Company does not have any Stock option scheme.

### The remuneration paid / payable to the Whole-Time Directors for the year 2009-10:

					Rs. Million
Name of the Director	Designation	Service Contract	Salary, perquisites & benefits (Gross)	Commission	Total
Mr. Vijay Mohan	Chairman & Managing Director	1st April 2010 to 31st March 2013	2.824	—	2.824
Mrs. Vanitha Mohan	Executive Director	1st April 2007 to 31st March 2012	0.870	—	0.870
Mr. K. Udhaya Kumar	President & Chief Operating Officer	1st June 2008 to 31st May 2013	2.776	—	2.776

Due to inadequacy of profit for 2009-10, Mr. Vijay Mohan & Mr. K. Udhaya Kumar were paid Rs.0.200 million per month each and Mrs. Vanitha Mohan was paid Rs.0.055 million per month. Apart from the above, contribution to provident fund, gratuity fund and superannuation fund were paid. The said amount is within the limit specified in Sec II of Part II of Schedule XIII to the Companies Act, 1956.

### The remuneration payable to the Non-Executive Directors for the year 2009-10:

For the year 2009-10, due to inadequacy of profit, no commission is paid to the non-executive directors. They have not received sitting fees for the meetings held during the year 2009-10.

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and independent directors during the year.

**Shares of the company held by Non-Executive Directors:** Mr. D. Sarath Chandran holds 45,000 shares, Mr. Suresh Jagannathan holds 26,985 shares, Mr. C.R. Swaminathan holds 1,995 shares and Mr. Vikram Mohan holds 3,363,960 shares. No other Non-Executive Director holds shares in the Company.

## 5. Shareholders / Investors Relations 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 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 4 times during the year on 23rd May 2009, 25th July 2009, 22nd October 2009 and 23rd January 2010. Mr. D. Sarath Chandran, Non-executive Director chaired the meetings. Mr. T.G. Thamizhanban, Company Secretary is the compliance officer.

During the year, 17 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 of shares is kept pending.

## REPORT ON CORPORATE GOVERNANCE (Contd..)

### 6. General Body meetings:

Year	Date and Time	Special Resolution	Location
2007 - 35th AGM	3rd August 2007 4.30 p.m.	Commission payable to Non Whole Time Directors of the Company	Nani Palkhivala Auditorium, Mani Higher Secondary School, Pappanaickenpalayam, Coimbatore - 641 037.
2008 - 36th AGM	8th August 2008 4.30 p.m.	NIL	
2009 - 37th AGM	7th August 2009 4.30 p.m.	NIL	

- No extraordinary general meeting was held during the year 2009-2010.
- No court convened meeting of members was held during the year.
- No Postal ballot was conducted during the year.
- No proposal to conduct postal ballot to pass special resolution.

### 7. Disclosures:

- Sundry Debtors include a sum of Rs.425.058 million due from a Company, which is a related party, in respect of transaction by way of purchase by the said Company. In terms of payment schedule approved by the Board on 27th March 2009 and as reported in the previous Annual Report 2009, the said Company has been making payments as per approved plan. During the year 2009-10, all sales to the said Company were only for cash. The Board is closely monitoring the recovery of dues.
- The Company has not entered into any materially significant related party transactions that may have potential conflict with the interest of the Company at a large. Details of transactions with related parties are provided in Note No.32 to notes forming part of accounts in accordance with the provision of Accounting Standard 18.
- 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.
- The Company does not have any Whistle Blower Policy. However, no person has been denied access to the Audit Committee of the Company.
- 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.
- The Company has complied the following non-mandatory requirement:
  - Remuneration Committee of the Board of Directors of the Company has been set up and the particulars of the Committee are given in this report itself.
  - Adopted the best practices to ensure a regime of unqualified financial statements.
- The Company has not complied with any other non-mandatory requirement.

### 8. Means of communication:

The quarterly / annual financial results of the Company are published in The New Indian Express & Business Line (English) and Dinamani (Tamil). The financial results and the annual reports of the Company are uploaded in the Company's website : [www.pricol.com](http://www.pricol.com) and in the websites : [www.corpfiling.co.in](http://www.corpfiling.co.in), [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

There were no specific presentations made to Institutional Investors or to analysts during the year.

Management discussion & Analysis forms part of the Annual Report.

## REPORT ON CORPORATE GOVERNANCE (Contd..)

### 9. General Shareholder information:

- a. Annual General Meeting : Date : 23rd July 2010.  
: Time : 4.30 p.m.  
: Venue : Nani Palkhivala Auditorium,  
Mani Higher Secondary School,  
Pappanaickenpalayam, Coimbatore - 641 037.
- b. Financial Year : 1st April 2009 to 31st March 2010.
- c. Date of Book Closure : 17th July 2010 to 23rd July 2010.
- d. Dividend Payment Date : 24th July 2010.
- e. Listing on Stock Exchanges : National Stock Exchange of India Limited  
and Bombay Stock Exchange Limited.
- f. Stock Code : National Stock Exchange : PRICOL  
Bombay Stock Exchange : 526109
- g. International Security Identification Number (ISIN) : INE605A01026
- h. Listing and Custodial Fee :

Annual Listing Fees for the year 2010-11 were paid to National Stock Exchange of India Limited and Bombay Stock Exchange Limited. Custodial Fees to Depositories for the year 2010-11 were paid to National Securities Depository Limited and Central Depository Services (India) Limited.

### i. Stock Market Data :

Month	National Stock Exchange				Bombay Stock Exchange			
	Price (Rs.)		CNX 500 (Points)		Price (Rs.)		BSE - 500 (Points)	
	High	Low	High	Low	High	Low	High	Low
April-09	9.10	7.15	2727.75	2265.90	9.25	6.90	4219.20	3482.58
May-09	13.70	7.75	3612.30	2707.45	13.75	7.75	5562.60	4232.99
June-09	13.00	9.60	3766.90	3342.65	12.82	9.51	5886.88	5281.42
July-09	11.50	9.00	3799.65	3166.15	11.62	8.85	5987.42	4983.95
August-09	13.20	10.40	3871.25	3567.90	13.25	10.26	6107.39	5600.61
September-09	14.25	11.40	4119.90	3774.75	14.00	11.50	6556.46	5932.85
October-09	13.50	10.70	4239.95	3844.40	13.15	10.85	6779.19	6126.03
November-09	19.00	13.10	4216.90	3717.65	18.62	13.10	6714.11	5927.59
December-09	25.70	17.00	4346.40	4128.00	25.50	17.05	6872.18	6529.80
January-10	27.15	20.30	4524.30	4047.10	27.40	20.85	7070.37	6338.25
February-10	26.75	21.60	4242.75	4004.95	26.75	21.50	6639.59	6280.99
March-10	26.90	22.05	4348.05	4158.65	27.10	22.50	6987.88	6576.07

### j. 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 service relating to shares in both physical and demat form.

### k. 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

## REPORT ON CORPORATE GOVERNANCE (Contd..)

are processed and completed within the stipulated time if the documents are complete in all respects. Bad deliveries are promptly returned to Depository Participants (DP's) under advice to shareholders. The Company obtains from M/s. S. Krishnamurthy & Co., Company Secretaries, Chennai the following certificates, a) Pursuant to clause 47(c) of the listing agreement with the stock exchanges, on half-yearly basis, for due compliance of share transfer formalities by the Company through RTA. b) Pursuant to SEBI (Depositories and Participants) Regulations, 1996, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) with the total issued / paid up capital of the Company.

### I. Shareholding pattern as on 31st March 2010:

Shares held by	No. of holders	No. of shares	% to Total Paid-up capital
Promoters & Associates	24	32,243,465	35.83
Foreign Collaborator			
- DENSO Corporation, Japan	1	11,250,000	12.50
Non-Resident Indians	262	877,530	0.98
Foreign Institutional Investors	1	86,536	0.10
Banks / Indian Financial Institutions	4	147,225	0.16
Insurance Companies	2	314,716	0.35
Bodies Corporate	848	7,825,140	8.69
Mutual Funds	1	2,250	—
Public	28,644	37,253,138	41.39
<b>Total</b>	<b>29,787</b>	<b>90,000,000</b>	<b>100.00</b>

### m. Distribution of Shareholding as on 31st March 2010:

Shareholding (Range)	No. of holders	No. of shares	% to Total Paid-up capital
Upto 500	20,007	4,209,399	4.68
501 to 1000	3,847	3,289,102	3.65
1001 to 2000	2,454	3,839,652	4.27
2001 to 3000	1,129	2,895,599	3.22
3001 to 4000	457	1,637,642	1.82
4001 to 5000	525	2,443,434	2.71
5001 to 10000	730	5,432,118	6.04
10001 and above	638	66,253,054	73.61
<b>Total</b>	<b>29,787</b>	<b>90,000,000</b>	<b>100.00</b>

### n. Dematerialisation of shares and liquidity as on 31st March 2010:

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	No. of shares	% to Total Paid-up capital
i) National Securities Depository Ltd (NSDL)	21,186	42,539,097	47.26
ii) Central Depository Services Ltd (CDSL)	6,874	7,520,399	8.36
<b>Demat form (i + ii)</b>	<b>28,060</b>	<b>50,059,496</b>	<b>55.62</b>
iii) Physical form	1,727	39,940,504	44.38
<b>Total</b>	<b>29,787</b>	<b>90,000,000</b>	<b>100.00</b>

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

## REPORT ON CORPORATE GOVERNANCE (Contd..)

o. As on 31st March 2010, there are no Outstanding GDRs / ADRs / Warrants or any Convertible Instruments.

p. Address for correspondence

### Registrar & Transfer Agents

M/s. Integrated Enterprises (India) Limited,  
2nd Floor, "KENCES" Towers,  
No.1, Ramakrishna Street, North Usman Road,  
T. Nagar, Chennai - 600 017.  
Phone : +91 44 28140801-03  
Fax : +91 44 28142479  
Email : corpserv@iepindia.com

### Company

Secretarial Department,  
Pricol Limited,  
702/7, Avanashi Road,  
Coimbatore - 641 037, India.  
Phone : +91 422 4336238 / 6272  
Fax : +91 422 4336299  
E-mail : cs@pricol.co.in

q. Website address : www.pricol.com

r. Name of the Compliance officer : Mr. T.G. Thamizhanban, Company Secretary

Coimbatore  
28th May 2010

For and on behalf of the Board  
**Vijay Mohan**  
Chairman & Managing Director

## 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 www.pricol.com. The declaration of the Chairman and 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 2010.

Coimbatore  
28th May 2010

**Vijay Mohan**  
Chairman & Managing Director

## COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY

(Under Clause 49 of the Listing Agreement)

To the Members of **Pricol Limited**

We have examined the compliance of conditions of corporate governance by PRICOL LIMITED, for the year ended 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Coimbatore  
28th May 2010

For Suri & Co.,  
Chartered Accountants  
ICAI Regn. No.004283S  
**C.S. Sathyanarayanan**  
Partner  
Membership No.028328

## TEN YEARS PERFORMANCE AT A GLANCE

### OPERATING RESULTS

Rs. Million

Year ended 31st March	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Net Sales & Service Charges										
— Domestic	2,258.87	2,273.91	2,635.61	3,295.05	3,891.32	4,217.01	4,809.48	4,803.69	4,765.51	6,338.06
— Export	274.94	187.22	348.38	409.24	598.36	599.87	1,024.35	1,260.94	1,375.25	1,085.86
Total Net Sales	2,533.81	2,461.13	2,983.99	3,704.29	4,489.68	4,816.88	5,833.83	6,064.63	6,140.76	7,423.92
Gross Surplus from Operation	466.23	430.00	542.71	785.61	890.31	778.13	954.17	763.11	335.34	909.50
Other Income	32.02	6.74	8.24	11.91	19.45	29.30	30.36	69.41	42.28	33.30
Depreciation (a)	151.83	171.97	188.83	205.47	218.90	256.60	295.92	327.19	364.91	351.78
Interest & Finance Charges (b)	120.71	134.77	105.13	80.02	68.33	121.87	180.48	287.00	395.51	316.45
Profit / (Loss) Before Tax (PBT) (c)	225.71	130.00	256.99	512.03	622.53	428.96	508.13	218.33	(382.80)	274.57
Tax Provision including										
Deferred Tax	63.00	39.50	105.00	176.00	210.00	125.87	146.00	27.50	(82.56)	19.77
Profit / (Loss) After Tax (PAT) (d)	162.71	90.50	151.99	336.03	412.53	303.09	362.13	190.83	(300.24)	254.80
Dividend (including Tax) (e)	26.45	21.00	40.61	60.92	102.62	102.62	105.30	63.18	—	41.98
Retained Profit / (Loss)	136.26	69.50	111.38	275.11	309.91	200.47	256.83	127.65	(300.24)	212.82
As at 31st March	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010

### SOURCES OF FUNDS

Share Capital	60.00	60.00	60.00	60.00	90.00	90.00	90.00	90.00	90.00	90.00
Reserves & Surplus	938.13	924.94	899.20	918.96	1,163.81	1,394.06	1,650.89	1,778.54	1,478.30	1,691.12
Networth (f)	998.13	984.94	959.20	978.96	1,253.81	1,484.06	1,740.89	1,868.54	1,568.30	1,781.12
Deferred Tax Liability / (Asset)	—	87.19	110.19	103.19	93.19	87.19	67.19	37.19	(29.81)	(56.81)
Loan Funds (g)	1,156.93	1,128.70	1,194.32	1,152.34	1,558.71	2,334.16	2,979.65	3,250.60	3,090.05	2,559.98
Total Capital Employed (h)	2,155.06	2,200.83	2,263.71	2,234.49	2,905.71	3,905.41	4,787.73	5,156.33	4,628.54	4,284.29

### APPLICATION OF FUNDS

Gross Fixed Assets	1,747.17	1,977.80	2,250.45	2,538.82	3,130.38	3,505.33	4,186.60	4,741.85	4,972.66	5,127.37
Depreciation	688.79	860.11	1,044.06	1,241.42	1,326.63	1,502.76	1,794.99	2,119.56	2,461.98	2,804.32
Net Fixed Assets	1,058.38	1,117.69	1,206.39	1,297.40	1,803.75	2,002.57	2,391.61	2,622.29	2,510.68	2,323.05
Investments	125.50	126.69	80.15	76.50	49.83	277.74	243.74	182.91	182.91	252.41
Net Current Assets	971.18	956.45	977.17	860.59	1,052.13	1,625.10	2,152.38	2,351.13	1,934.95	1,708.83
Net Assets Employed	2,155.06	2,200.83	2,263.71	2,234.49	2,905.71	3,905.41	4,787.73	5,156.33	4,628.54	4,284.29

### PERFORMANCE INDICATORS

Equity shares (Nos. in Mn) (i)	6.00	6.00	6.00	6.00	@ 90.00	90.00	90.00	90.00	90.00	90.00
Earnings per share (EPS) (Rs.) (d/i)	27.12	15.08	25.33	56.01	# 4.58	3.37	4.02	2.12	(3.34)	2.83
Dividend per share (Rs.)	4.00	3.50	6.00	9.00	1.00	1.00	1.00	0.60	—	0.40
Networth per share (NWPS) (Rs.) (f/i)	166.35	164.16	159.87	163.16	# 13.93	16.49	19.34	20.76	17.43	19.79
Return on Average Networth (RONW) (%) *	17.50	9.13	15.64	34.68	36.95	22.14	22.46	10.57	(17.47)	15.21
Return on Average Capital Employed (ROCE) (%) **	18.04	12.16	16.22	26.32	26.88	16.17	15.84	10.16	0.26	13.26
Total Debt to Networth (g/f)	1.16	1.15	1.25	1.18	1.24	1.57	1.71	1.74	1.97	1.44
Interest Coverage Ratio (a+b+c)/b	4.13	3.24	5.24	9.97	13.32	6.63	5.46	2.90	0.95	2.98

@ Increase in the Equity shares is on account of Bonus issue in the ratio 1:2 and splitting of the equity shares from the face value of Rs.10/- per share to Re.1/- per share on 15th July 2004.

# Earnings per Share and Networth Per Share have been calculated on the enhanced Equity Capital on account of the Bonus Issue and enhanced number of Equity Shares due to Stock Split.

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

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

## REPORT OF THE AUDITORS' TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of Pricol Limited, Coimbatore, as at 31st March 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow Statement for the period ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the over all financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies' (Auditor's Report) Order, 2003, and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate, we enclose in the Annexure a statement on the matters specified in paragraph 4 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- 2) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- 3) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
- 4) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- 5) On the basis of the written representation received from the Directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March 2010 from being appointed as a Director in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.

- 6) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the attached schedules and notes forming part of accounts give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
  - b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date, and
  - c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Suri & Co.,  
Chartered Accountants  
ICAI Regn No.004283S  
C.S. Sathyanarayanan, Partner  
Membership No.028328

Coimbatore  
28th May 2010

### Annexure to Auditors' Report

- 1) a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of business. The frequency of verification is reasonable and discrepancies noticed on such physical verification were not material and have been properly dealt with in books of account.
- c) There is no disposal of substantial part of fixed assets during the year.
- 2) a) The inventories have been physically verified by the management during the year at reasonable intervals, except materials lying with third parties where confirmations have been obtained.
- b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company has maintained proper records of inventories and discrepancies noticed on physical verification of inventories as compared to book

## REPORT OF THE AUDITORS' TO THE SHAREHOLDERS (Contd..)

- records were not material and have been appropriately dealt with.
- 3) a) During the year the company has granted unsecured loan of Rs.17.937 million to a wholly owned subsidiary company.
- b) The terms and conditions in respect of the loan granted during the year and those already granted by the company, secured or unsecured, are in our opinion, prima facie not prejudicial to the interest of the company.
- c) During the year the company has not taken loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- 4) There are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. There is no major weakness in the internal control system.
- 5) a) The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding rupees five lakh each have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
- 6) During the year the company has not accepted deposits from public. The company has complied with the directives issued by Reserve Bank of India and the provisions of Section 58A, 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 or any other relevant provisions of the act.
- 7) The Company has an adequate Internal Audit system commensurate with its size and nature of its business.
- 8) We have broadly reviewed the books of accounts maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records have been maintained.
- 9) a) According to the information and explanations given to us and the records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other Statutory dues. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at 31st March, 2010 for a period of more than six months from the date they became payable.
- b) There are disputed statutory dues. The details are as under: -

Sl. No.	Name of the Statute	Period to which the amount relates	Nature of the Dues	Amount disputed Rs. Million	Amount paid Rs. Million	Forum where dispute is pending
1.	Central Excise Act / Service Tax	1990-2009	i) Excise Duty	23.131	Nil	Supreme Court High Court CESTAT Tribunal Coimbatore Commissionerate CESTAT Tribunal Commissioner (Appeals)
			ii) Excise Duty	15.542	Nil	
			iii) Excise Duty	0.895	Nil	
			iv) Excise Duty	2.562	Nil	
			v) Service Tax	8.731	Nil	
			vi) Service Tax	27.740	Nil	
2.	Sales Tax Act	1995-1997	i) Sales Tax	13.325	Nil	Interim stay granted by High Court
			ii) Penalty	19.988	Nil	

## REPORT OF THE AUDITORS' TO THE SHAREHOLDERS (Contd..)

- 10) There are no accumulated losses as at 31st March 2010. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- 11) The Company has not defaulted in repayment of its dues to financial institution, banks and debenture holders.
- 12) During the year, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) The provisions of Special Statutes applicable to Chit Fund, Nidhi or Mutual Benefit Fund / Societies are not applicable to the Company.
- 14) The Company is not dealing or trading in shares, securities, debentures or other investments.
- 15) According to the information and explanations given to us, the Company has given guarantee for loans taken by a wholly owned subsidiary company from banks and the terms & conditions are not prejudicial to the interest of the company.
- 16) The Company has applied term loan for the purposes for which they were obtained.
- 17) According to the information and explanations given to us and on an overall examination of the Source and Application of the Funds of the company, we report that no funds raised on short-term basis have been used for long-term investments by the company.
- 18) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 19) During the year, the Company has not issued Debentures.
- 20) During the year, the Company has not raised money by Public issue.
- 21) According to the information and explanation given to us, and the books and records examined by us, there are no frauds on or by the Company that has been noticed or reported during the year.

Coimbatore  
28th May 2010

For Suri & Co.,  
Chartered Accountants  
ICAI Regn No.004283S  
**C.S. Sathyanarayanan**, Partner  
Membership No.028328

## SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Convention:

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

### 2. Fixed Assets & 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) (i) Depreciation has been provided under the Straight Line Method as per Schedule XIV to the Companies Act, 1956 except for Dies, Tools and Moulds, which are depreciated at 33.33%. Depreciation for Plant & Machinery has been provided on three 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.
- 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 of impairment loss recognised in previous periods.

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

### 3. 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.

## SIGNIFICANT ACCOUNTING POLICIES (Contd..)

- c) Provisions for diminution in value of long term investments is made, if the diminution is other than temporary.
- 4. Valuation of Inventories:**
- Inventories are valued at lower of cost and estimated net realisable value. Cost is arrived at on weighted average basis.
  - Excise Duty is added in the Closing Inventory of Finished Goods.
  - The basis of determining cost for various categories of inventories are as follows:
    - Raw Materials, Packing : Weighted Average Materials and Stores basis.  
& spares
    - Finished Goods and Work-In-Progress : Cost of Direct Material, Labour & other Manufacturing overheads.
- 5. Revenue Recognition:**
- The company generally follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
  - Sale of goods is recognised when the risk and rewards of ownership are passed on to the customers, which is generally on dispatch of goods.
  - Dividend Income is recognised when the right to receive the dividend is unconditional at the Balance Sheet date.
  - Claims made by the company and those made on the company are recognised in the profit and loss account as and when the claims are accepted.
  - Price Increase / Decrease consequent to fluctuations in market prices, are accounted as and when the same are approved by the customers.
- 6. Foreign Currency Transactions:**
- Foreign currency transactions are recorded at exchange rates prevailing on the date of such transaction.
  - 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 Profit & Loss account.
  - 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 Profit and Loss account.
- 7. 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.
- 8. Employee Benefits:**
- Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.
  - Post employment and other long term benefits which are defined benefit plans are recognised as an expense in the Profit and Loss Account 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 Revised Accounting Standard 15 on "Employee Benefits". Actuarial gains & losses are charged to the Profit and Loss Account.
  - Payments to defined contribution schemes are charged as expense as and when incurred.
  - Termination benefits are recognised as an expense as and when incurred.
- 9. Borrowing Costs:**
- 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.
  - A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use or sale.
- 10. Taxes on Income:**
- 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.
  - 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.
  - 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.
- 11. Accounting Standards:**  
Accounting Standards as prescribed under section 211(3C) of the Companies Act, 1956 have been followed wherever applicable.
- 12. Operating Leases :**  
The premium paid for leasehold rights are amortised over the lease period. The annual lease payments are charged off to the Profit and Loss Account.

## STATEMENT IN PURSUANCE OF SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the Subsidiary Company	Integral Investments Limited	English Tools and Castings Limited	PT Pricol Surya, Indonesia
2. Financial year of the Subsidiary ended on	31st March 2010	31st March 2010	31st March 2010
3. Holding Company's interest in the Subsidiary	2,250,000 Equity Shares of Rs.10/- each (100%)	14,883,700 Equity Shares of Rs.10/- each (100%)	1,500 Equity Shares of USD 1,000 each (100%)
4. Net aggregate amount of the Profit / (Loss) of the Subsidiary not dealt within the Holding Company's Accounts			
a) For the current financial year of the Subsidiary Company	(Rs.0.285 Mn)	(Rs.35.216 Mn)	Rs.16.241 Mn Indonesian Rupiah 3.492.805.567
b) For the previous financial years of the Subsidiary Company	(Rs.4.466 Mn)	(Rs.22.749 Mn)	(Rs.82.923 Mn) (Indonesian Rupiah 16.923.069.046)
5. Net aggregate amount of the Profit / (Loss) of the Subsidiary dealt within the Holding Company's Accounts			
a) For the current financial year of the Subsidiary Company	Nil	Nil	Nil
b) For the previous financial years of the Subsidiary Company	Rs.1.294 Mn	Nil	Nil

For and on behalf of the Board

**Vijay Mohan**  
Chairman & Managing Director

**D. Sarath Chandran**  
Director

**Vanitha Mohan**  
Executive Director

**T.G. Thamizhanban**  
Company Secretary

## BALANCE SHEET AS AT 31st MARCH 2010

	Schedule	31-3-2010 Rs. Million	31-3-2009 Rs. Million
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	I	90.000	90.000
Reserves & Surplus	II	1,691.121	1,478.297
		<u>1,781.121</u>	<u>1,568.297</u>
<b>Loan Funds</b>			
Secured Loans	III	2,559.976	2,969.165
Unsecured Loans	IV	—	120.880
		<u>2,559.976</u>	<u>3,090.045</u>
<b>Total</b>		<u>4,341.097</u>	<u>4,658.342</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a. Gross Block	V	5,097.976	4,940.870
b. Less : Accumulated Depreciation		2,804.315	2,461.980
		<u>2,293.661</u>	<u>2,478.890</u>
c. Net Block		29.393	31.788
d. Capital Work-in-progress		<u>2,323.054</u>	<u>2,510.678</u>
<b>Investments</b>	VI	252.407	182.907
<b>Deferred Tax Asset / (Liability)</b>		56.810	29.810
<b>Current Assets, Loans and Advances</b>			
a. Inventories	VII	1,250.221	1,375.652
b. Sundry Debtors		1,852.412	1,539.036
c. Cash and Bank Balances		118.137	39.260
d. Loans and Advances		685.947	710.141
	(A)	<u>3,906.717</u>	<u>3,664.089</u>
<b>Less : Current Liabilities &amp; Provisions</b>	VIII	1,765.031	1,385.032
a. Liabilities		432.860	344.110
b. Provisions		<u>2,197.891</u>	<u>1,729.142</u>
	(B)		
<b>Net Current Assets</b>	(A - B)	1,708.826	1,934.947
<b>Debit Balance in Profit &amp; Loss Account</b>	IX	—	—
<b>Total</b>		<u>4,341.097</u>	<u>4,658.342</u>

Schedule I to IX, Significant Accounting Policies and the Notes on Accounts form part of this Balance Sheet.

As per our report of date attached  
For Suri & Co.,  
Chartered Accountants  
ICAI Regn. No.0042835  
C.S. Sathyanarayanan, Partner  
Membership No.028328  
Coimbatore, 28th May 2010

For and on behalf of the Board  
**Vijay Mohan**  
Chairman & Managing Director

**Vanitha Mohan**  
Executive Director

**D. Sarath Chandran**  
Director

**T.G. Thamizhanban**  
Company Secretary

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	Schedule	2009-10 Rs. Million	2008-09 Rs. Million
<b>INCOME</b>			
Gross Sales & Services - Domestic		7,156.778	5,676.040
- Export		1,154.121	1,514.567
		<u>8,310.899</u>	<u>7,190.607</u>
Less : Excise Duty and Sales Tax		886.975	1,049.841
<b>Net Sales &amp; Service Charges</b>	X	<u>7,423.924</u>	6,140.766
Increase / (Decrease) in Stock of Finished Goods	XI	(50.559)	(92.100)
Cost of In-house manufactured Machines & Toolings Capitalised		63.149	119.592
<b>Production Value</b>		<u>7,436.514</u>	<u>6,168.258</u>
<b>EXPENDITURE</b>			
	XII		
Raw Materials & Components Consumed		4,836.017	4,074.384
Employees' Cost		909.910	864.395
Power & Utilities		154.017	163.639
Stores & Spares Consumed		35.882	44.374
Repairs & Maintenance		74.875	110.482
Other Expenditure		516.301	575.647
<b>Total Expenditure</b>		<u>6,527.002</u>	<u>5,832.921</u>
<b>Profit Before Interest, Depreciation &amp; Other Income</b>		909.512	335.337
Add : Other Income	XIII	33.297	42.276
Less : Interest & Finance Charges	XIV	316.452	395.505
: Depreciation		351.783	364.911
<b>Profit / (Loss) Before Tax</b>		<u>274.574</u>	(382.803)
Less : Provision for Current Tax		46.771	—
: Provision for Fringe Benefit Tax		—	6.600
: Provision for Deferred Tax (Asset)		(27.000)	(67.000)
Add : Tax provision for earlier years no longer required written back		—	22.156
<b>Profit / (Loss) After Tax</b>		<u>254.803</u>	(300.247)
Add : Balance brought forward		(115.612)	184.635
<b>Amount available for appropriation</b>		<u>139.191</u>	(115.612)
<b>APPROPRIATION</b>			
Dividend - 40% (Previous year - Nil)		36.000	—
Tax on Dividend @ 16.61%		5.979	—
General Reserve		26.000	—
Surplus / (Deficit) to be carried over		71.212	(115.612)
		<u>139.191</u>	<u>(115.612)</u>
<b>Earnings per Share (Basic / Diluted) (in Rupees)</b>			
(Face value of Re.1/-)	XV	2.83	(3.34)

Schedule X to XVI, Significant Accounting Policies and the Notes on Accounts form part of this Profit & Loss Account

As per our report of date attached  
For Suri & Co.,  
Chartered Accountants  
ICAI Regn. No.0042835  
C.S. Sathyanarayanan, Partner  
Membership No.028328  
Coimbatore, 28th May 2010

For and on behalf of the Board  
**Vijay Mohan**  
Chairman & Managing Director  
  
**Vanitha Mohan**  
Executive Director

**D. Sarath Chandran**  
Director  
  
**T.G. Thamizhanban**  
Company Secretary

## SCHEDULES FORMING PART OF THE ACCOUNTS

	31-3-2010 Rs. Million	31-3-2009 Rs. Million
<b>Schedule I - SHARE CAPITAL</b>		
<b>Authorised</b>		
100,000,000 Equity Shares of Re.1/- each	100.000	100.000
<b>Issued, Subscribed and Paid-up</b>		
90,000,000 Equity Shares of Re.1/- each (Of the above 37,500,000 Equity Shares of Re.1/- each have been issued as fully paid-up Bonus Shares by capitalisation of Reserves).	90.000	90.000
<b>Schedule II - RESERVES &amp; SURPLUS</b>		
<b>Securities Premium Account</b>	181.000	181.000
<b>General Reserve</b>		
As per last Balance Sheet	1,412.909	1,412.909
Add : Transfer from Profit & Loss Account	26.000	—
	1,438.909	1,412.909
Less : Debit Balance in Profit & Loss Account adjusted as per contra	—	115.612
	1,438.909	1,297.297
<b>Surplus</b>		
Balance in Profit & Loss Account	71.212	—
	1,691.121	1,478.297
<b>Schedule III - SECURED LOANS</b>		
<b>a. Term Loans from Banks :</b>		
- In Rupee	2,003.166	1,855.051
- In Foreign Currency	41.150	284.164
<b>b. Term Loan from Others</b>		
	15.405	23.663
<b>c. Working Capital Facilities from Banks :</b>		
- In Rupee	112.097	646.241
- In Foreign Currency	388.158	160.046
	2,559.976	2,969.165
<b>Schedule IV - UNSECURED LOANS</b>		
Loan from Banks	—	120.880
	—	120.880

## SCHEDULES (Contd.,)

### Schedule V - FIXED ASSETS

Rs. Million

	Gross Block			Balance as on 31-3-2010	Depreciation / Amortisation				Net Block	
	Cost as on 1-4-2009	Additions during 2009-10	Sales/Transfer during 2009-10		Upto 31-3-2009	For 2009-10	Withdrawn during 2009-10	Total upto 31-3-2010	Written down as on 31-3-2010	Value as on 31-3-2009
<b>Tangible Assets</b>										
Freehold Land	92.583	17.427	2.405	107.605	—	—	—	—	107.605	92.583
Leasehold Land	17.805	8.243	—	26.048	—	0.706	—	0.706	25.342	17.805
Buildings	1,129.386	0.012	4.079	1,125.319	204.018	37.299	0.153	241.164	884.155	925.368
Plant & Machinery	3,314.618	106.756	0.395	3,420.979	2,034.782	278.565	0.375	2,312.972	1,108.007	1,279.836
Furniture, Fittings & Equipments	53.105	0.131	—	53.236	23.658	2.807	—	26.465	26.771	29.447
Vehicles	103.432	3.580	26.352	80.660	33.380	7.900	8.920	32.360	48.300	70.052
<b>Total Tangible Assets</b>	<b>4,710.929</b>	<b>136.149</b>	<b>33.231</b>	<b>4,813.847</b>	<b>2,295.838</b>	<b>327.277</b>	<b>9.448</b>	<b>2,613.667</b>	<b>2,200.180</b>	<b>2,415.091</b>
<b>Intangible Assets</b>										
Computer Software	80.602	4.542	—	85.144	48.070	11.639	—	59.709	25.435	32.532
Technical Knowhow	149.339	49.646	—	198.985	118.072	12.867	—	130.939	68.046	31.267
<b>Total Intangible Assets</b>	<b>229.941</b>	<b>54.188</b>	<b>—</b>	<b>284.129</b>	<b>166.142</b>	<b>24.506</b>	<b>—</b>	<b>190.648</b>	<b>93.481</b>	<b>63.799</b>
<b>Sub-Total</b>	<b>4,940.870</b>	<b>190.337</b>	<b>33.231</b>	<b>5,097.976</b>	<b>2,461.980</b>	<b>351.783</b>	<b>9.448</b>	<b>2,804.315</b>	<b>2,293.661</b>	<b>2,478.890</b>
Capital Work-in-progress	31.788	29.393	31.788	29.393	—	—	—	—	29.393	31.788
<b>Total Assets</b>				<b>5,127.369</b>				<b>2,804.315</b>	<b>2,323.054</b>	<b>2,510.678</b>

Note : Additions to Fixed Assets includes Research & Development Capital expenditure of Rs.69.630 Mn.  
(Previous year 2008-09 - Rs.33.526 Mn)

31-3-2010  
Rs. Million

31-3-2009  
Rs. Million

### Schedule VI - INVESTMENTS

#### Long Term Investments (at Cost)

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

2,250,000 Equity Shares of Rs.10/- each fully paid-up in Integral Investments Limited

22.500

22.500

##### 2. Shares in Subsidiary Company - Trade - Unquoted :

a) 14,883,700 Equity Shares of Rs.10/- each fully paid-up in English Tools and Castings Limited  
(Previous year - 7,933,700 Equity Shares)

162.000

92.500

b) 1,500 Equity Shares of USD 1,000 each fully paid-up in PT Pricol Surya, Indonesia.

67.907

67.907

Aggregate Cost of Un-Quoted Investments (long term)

252.407

182.907

## SCHEDULES (Contd.,)

	31-3-2010 Rs. Million	31-3-2009 Rs. Million
<b>Schedule VII - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>a. Inventories :</b> (At lower of cost and net realisable value)		
Stock of Stores & Spares	28.130	36.048
Raw Materials & Components	771.525	844.333
Work-in-progress	167.797	162.018
Finished Goods	173.985	224.544
Land - Stock in Trade	108.784	108.709
	1,250.221	1,375.652
<b>b. Sundry Debtors :</b>		
Unsecured Considered Good		
a) Outstanding for a period exceeding six months	516.244	571.228
b) Others	1,336.168	967.808
	1,852.412	1,539.036
Unsecured Considered Doubtful	38.360	37.544
Less : Provision for Doubtful Debts	38.360	37.544
	—	—
	1,852.412	1,539.036
<b>c. Cash &amp; Bank Balances :</b>		
Cash on hand	0.654	0.445
Balances with Scheduled Banks		
In Current Account	43.102	28.537
In Unclaimed Dividend Account	4.411	4.741
In Margin Money Account / Fixed Deposits	69.970	5.537
	118.137	39.260
<b>d. Loans and Advances :</b>		
Advances Recoverable in cash or in kind or for value to be received		
Unsecured considered good (Loan due from subsidiary company - Rs.17.937 Mn, Previous year - Rs.22 Mn.)	71.927	62.490
Unsecured considered doubtful	1.305	3.607
Less : Provision for Doubtful Advances	1.305	3.607
	71.927	62.490
Deposits	29.890	31.285
Balances with Government Authorities	159.663	222.214
Prepaid expenses	12.423	17.302
Tax payments pending adjustment	412.044	376.850
	685.947	710.141
	3,906.717	3,664.089

## SCHEDULES (Contd.,)

	31-3-2010 Rs. Million	31-3-2009 Rs. Million
<b>Schedule VIII - CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a. Liabilities :</b>		
Sundry Creditors	1,746.316	1,362.814
(Due to Micro, Small and Medium Enterprises - Rs.16.571 Mn, Previous year - Rs.1.052 Mn.) (Due to Subsidiary companies - Rs.3.369 Mn, Previous year - Rs.3.505 Mn)		
Interest accrued but not due on loans	13.437	15.008
Due to Directors	0.698	2.123
<b>Investor Education and Protection Fund - not due :</b>		
Unclaimed Dividend	4.411	4.741
Unclaimed Deposits including interest	0.169	0.346
	<u>4.580</u>	<u>5.087</u>
	<u>1,765.031</u>	<u>1,385.032</u>
<b>b. Provisions :</b>		
For Current Taxation	361.911	315.140
For Fringe Benefit Tax	28.970	28.970
For Dividend	36.000	—
For Tax on Dividend	5.979	—
	<u>432.860</u>	<u>344.110</u>
	<u>2,197.891</u>	<u>1,729.142</u>

## Schedule IX - DEBIT BALANCE IN PROFIT & LOSS ACCOUNT

As per the Profit & Loss Account	—	115.612
Less : Adjusted against General Reserve as per contra	—	115.612
	<u>—</u>	<u>—</u>

## Schedule X - INCOME

	2009-10 Rs. Million	2008-09 Rs. Million
<b>Sales &amp; Service Charges</b>		
<b>Domestic Sales &amp; Service Charges</b>		
Sale of Finished Products (Inclusive of Excise Duty and Sales Tax)	7,147.112	5,651.021
Service Charges	33.101	38.059
Sale of Wind Power	8.051	6.750
	<u>7,188.264</u>	<u>5,695.830</u>
Less : Excise Duty	485.156	648.119
Sales Tax	333.558	262.409
Discount & Commission on Domestic Sales	31.486	19.790
	<u>6,338.064</u>	<u>4,765.512</u>
<b>Export Sales</b>		
Sale of Finished Products (Inclusive of Excise Duty)	1,158.872	1,520.103
Less : Excise Duty	68.261	139.313
Commission on Export Sales	4.751	5.536
	<u>1,085.860</u>	<u>1,375.254</u>
	<u>7,423.924</u>	<u>6,140.766</u>

## SCHEDULES (Contd.,)

	2009-10 Rs. Million	2008-09 Rs. Million
<b>Schedule XI - INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS</b>		
Stock at Closing	173.985	224.544
Less : Stock at Opening	224.544	316.644
	<u>(50.559)</u>	<u>(92.100)</u>
<b>Schedule XII - EXPENDITURE</b>		
<b>RAW MATERIALS &amp; COMPONENTS CONSUMED</b>		
<b>Opening Stock</b>		
a) Raw Materials & Components	844.333	1,063.857
b) Work-in-progress	162.018	219.940
	<u>1,006.351</u>	<u>1,283.797</u>
Add : Purchases	4,886.038	3,927.938
	<u>5,892.389</u>	<u>5,211.735</u>
<b>Less : Closing Stock</b>		
a) Raw Materials & Components	771.525	844.333
b) Work-in-progress	167.797	162.018
	<u>939.322</u>	<u>1,006.351</u>
	<u>4,953.067</u>	<u>4,205.384</u>
Less : Sale of Raw Materials & Scrap	215.126	182.939
Add : Direct Expenses	98.076	51.939
	<u>4,836.017</u>	<u>4,074.384</u>
Total Raw Materials & Components Consumed		
Includes materials consumed for In-house Manufacture of Machines & Toolings of Rs.39.948 Mn. (Previous year - Rs.70.680 Mn.)		
<b>EMPLOYEES' COST</b>		
a) Pay, Allowances, Performance Reward & Bonus	787.594	728.324
b) Company's Contribution to Provident, Superannuation and Gratuity Funds	33.765	45.105
c) Welfare Expenses	88.551	90.966
	<u>909.910</u>	<u>864.395</u>
<b>REPAIRS AND MAINTENANCE</b>		
Machinery	61.283	83.293
Building	5.584	15.751
Others	8.008	11.438
	<u>74.875</u>	<u>110.482</u>

## SCHEDULES (Contd.,)

	2009-10 Rs. Million	2008-09 Rs. Million
<b>Schedule XII - EXPENDITURE (Contd..)</b>		
<b>OTHER EXPENDITURE</b>		
Printing & Stationery	8.982	13.557
Postage, Telegram and Telephone	12.225	14.047
Rent	8.377	8.648
Rates, Taxes & Licence	16.995	(5.176)
Insurance	11.691	7.892
Bank Charges	12.991	12.559
Travelling & Conveyance	63.205	77.143
Freight & Forwarding and Selling Expenses	169.961	194.074
Advertisement, Publicity & Sales Promotion	9.570	5.561
Royalty	44.755	44.216
Bad Debts written off	17.278	0.739
Provision for doubtful debts (Net)	0.633	5.261
Auditors' Remuneration	2.674	1.691
Professional Charges, Books and Periodicals	34.010	42.558
Net Foreign Exchange (Gain) / Loss	99.081	148.053
Miscellaneous Expenses	3.873	4.824
	<u>516.301</u>	<u>575.647</u>
<b>Schedule XIII - OTHER INCOME</b>		
Interest Received	5.015	11.816
Income from Mutual Funds	0.248	0.271
Rent Received	3.154	3.139
Trading Income	2.683	4.560
Sundry Income	0.111	0.456
Export Incentives	15.078	17.785
Grant Received	0.710	—
Profit / (Loss) on Sale of Assets (Net)	6.298	4.249
	<u>33.297</u>	<u>42.276</u>
<b>Schedule XIV - INTEREST &amp; FINANCE CHARGES</b>		
Interest on Fixed Loans	213.177	200.131
Interest on Other Loans	87.229	184.120
Finance Charges	16.046	11.254
	<u>316.452</u>	<u>395.505</u>
<b>Schedule XV - EARNINGS PER SHARE (Basic / Diluted)</b>		
a. Profit / (Loss) After Tax	254.803	(300.247)
b. Equity Share of Re.1/- each (Nos. in Mn)	90.000	90.000
c. Earnings per Share (a / b) (in Rs.)	2.83	(3.34)
<b>Schedule XVI - RESEARCH &amp; DEVELOPMENT EXPENDITURE</b>		
Capital	69.630	33.526
Recurring	156.245	194.205
	<u>225.875</u>	<u>227.731</u>

Note : Research & Development expenses of Revenue nature have been classified under the relevant heads of accounts in Schedule XII of the Profit & Loss Account and the main statement of Profit & Loss Account and the expenditure of Capital nature is grouped under fixed assets.

## NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

### 1. Secured Loans:

- a) External Commercial Borrowings from Standard Chartered Bank is secured by an exclusive charge on the specific movable properties of the company.
  - b) Rupee Term Loan from Indian Overseas Bank is secured by an exclusive charge on the specific movable and immovable properties of the company.
  - c) Corporate Loan from Indian Bank is secured by an exclusive charge on the specific movable and immovable properties of the company.
  - d) Rupee Term Loan from Canara Bank is secured by an exclusive charge on the specific movable and immovable properties of the company.
  - e) Corporate Loan from Andhra Bank and Corporate Loan - II from State Bank of India is secured by pari-passu first charge on the specific immovable properties of the company.
  - f) Corporate Loan from Andhra Bank is further secured by an exclusive charge on the specific immovable property of the company.
  - g) Cash Credit Facilities from banks and the Corporate Loan - I from State Bank of India are secured by way of hypothecation of stock of raw materials, finished goods, consumable stores & spares, work-in-progress and book debts of the company.
  - h) Cash Credit Facilities from Andhra Bank, State Bank of India, ICICI Bank Limited, Indian Overseas Bank and Corporate Loan - I from State Bank of India are further secured by pari-passu second charge on the specific immovable properties of the company.
  - i) Cash Credit Facilities from Canara Bank is further secured by pari-passu second charge on the specific immovable property of the company.
  - j) Cash Credit Facilities from IDBI Bank Limited and The Bank of Nova Scotia are further secured by a pari-passu second charge on the specific immovable property of the company.
  - k) Cash Credit Facilities from Indian Bank is further secured by pari-passu second charge on the specific immovable property of the company.
  - l) Secured loans from others are secured by hypothecation of specific vehicles purchased out of the loan.
2. Estimated value of contracts remaining to be executed on capital accounts is Rs.9.784 million.

3. Loans & Advances includes security deposit for leasehold land amounting to Rs.10.302 million.
4. Stores and spares consumed is net of realisation of sale of stores materials of Rs.0.059 million (Previous year - Rs.0.098 million).
5. Provision for Taxation includes Wealth Tax.
6. Income tax assessments are completed upto Assessment Year 2007-08.

<b>7. Deferred Tax :</b>	<b>As at</b>	<b>As at</b>
	<b>31-03-2010</b>	<b>31-3-2009</b>
	Rs. Million	
<b>Deferred Tax Asset / (Liability)</b>		
<b>on account of :</b>		
Depreciation	14.712	(2.204)
<b>Add : Deferred Tax Asset</b>		
<b>on account of :</b>		
Tax, Duties, Cess etc.	42.098	32.014
Total	<b>56.810</b>	<b>29.810</b>

<b>8. Net foreign exchange Gain / (Loss) is on account of:</b>	<b>2009-10</b>	<b>2008-09</b>
	Rs. Million	
i) Exports	(24.029)	2.166
ii) Payables	(16.277)	(50.337)
iii) Loans	(41.847)	(124.510)
iv) Interest rate Swaps / Options / Derivatives	(16.928)	24.628
Gain / (Loss)	<b>(99.081)</b>	<b>(148.053)</b>

<b>9. Trading Income represents Gain on Goods Traded of :</b>	<b>2009-10</b>	<b>2008-09</b>
	Rs. Million	
Sale of Traded Goods	193.370	168.285
Less : Purchases of Traded Goods/Other Expenses	190.687	163.725
Total	<b>2.683</b>	<b>4.560</b>

10. Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.
11. Figures have been rounded off to the nearest thousand.
12. Net sales and service charges includes sale of Wind Power of Rs.8.051 million (Previous year - Rs.6.750 million) representing units supplied to the grid against which equivalent consumption was made inhouse.

## NOTES FORMING PART OF ACCOUNTS (Contd.,)

	2009-10 Rs. Million	%	2008-09 Rs. Million	%
<b>13. Value of imported and indigenous Raw Materials and Components Consumed</b>				
<b>Raw Materials and Components Consumed :</b>				
Imported	1,371.800	28.33	1,157.509	28.82
Indigenous	3,469.996	71.67	2,858.953	71.18
	<u>4,841.796</u>	<u>100.00</u>	<u>4,016.462</u>	<u>100.00</u>
(Increase) / Decrease in Work-in-progress	(5.779)		57.922	
Total	<u>4,836.017</u>		<u>4,074.384</u>	
<b>14. Earnings in Foreign Currency (FOB) :</b>				
Export Sales & Services	1,090.611		1,380.790	
Less : Insurance & Freight on Sales	41.175		94.464	
Total	<u>1,049.436</u>		<u>1,286.326</u>	
<b>15. Foreign Exchange Outgo :</b>				
<u>CIF Value of Imports :</u>				
Raw Materials & Components	1,648.905		1,445.104	
Spares	3.763		8.203	
Capital Goods	22.697		37.274	
Total	<u>1,675.365</u>		<u>1,490.581</u>	
<u>Other Payments :</u>				
Lumpsum Know-how fee	2.417		3.345	
Royalty on Sales	38.586		42.158	
Interest on Foreign Currency Loans	51.550		118.121	
Other matters	62.497		59.501	
Dividend *	—		6.750	
Total	<u>155.050</u>		<u>229.875</u>	
<b>16. Dividend remitted in Foreign Currency*</b>				
a) Dividend (Rs. Million)	—		6.750	
b) No. of Non-Resident Shareholders (in Nos.)	1		1	
c) No. of Shares of Re.1 each held by them (in Nos.)	11,250,000		11,250,000	
<b>17. Remuneration to Auditors :</b>				
For Audit (exclusive of Service Tax)	1.250		1.250	
For Taxation Matters	1.122		0.153	
For Certification	0.211		0.235	
Reimbursement of Expenses	0.091		0.053	
Total	<u>2.674</u>		<u>1.691</u>	

## NOTES FORMING PART OF ACCOUNTS (Contd.,)

18. Provisions as on the closing date are as follows :	Opening	Additional	Reversal	Rs. Million
	Balance 1-4-2009			Closing Balance 31-3-2010
1. Excise Duty Demands	32.289	—	—	32.289
2. Others	0.334	—	—	0.334
<b>Total</b>	<b>32.623</b>	<b>—</b>	<b>—</b>	<b>32.623</b>

Note : The Company is contesting before the appropriate authorities in respect of the demands referred in Sl. No.1 above. Reimbursement of claims, if certain, has been appropriately considered.

19. Contingent Liabilities as on the closing date are as follows :	As at	Rs. Million
	31-03-2010	As at 31-03-2009
Sales Tax Matters	33.313	37.906
Excise Matters	46.312	47.401
Bill Discounting Facilities from Banks	—	124.600
Corporate Guarantee to Foreign Subsidiary	139.934	208.895
Other Claims against the company not acknowledged as debts	14.100	42.026
<b>Total</b>	<b>233.659</b>	<b>460.828</b>

20. Debtors include an amount of Rs.425.058 Mn. (Previous year - Rs.503.742 Mn.) outstanding for more than six months from a company in which the Chairman & Managing Director has substantial interest. The Board has taken adequate steps to ensure planned recovery of moneys due.

21. Fixed deposits with banks includes Deposits of Rs.68 Million under lien with banks for Facilities extended to wholly owned subsidiaries.

### 22. 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	2009-10	2008-09
Discount Rate	8.08% p.a.	7.65% p.a.
Expected Return on Plan assets	8.00% p.a.	8.00% p.a.
Average future working life	19 yrs	20 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:	Rs. Million	Rs. Million
Present Value of obligation beginning of the period	111.077	116.085
Interest cost	8.452	8.419
Current service cost	9.960	10.233
Past service cost	—	—
Benefits paid	(12.949)	(12.055)
Actuarial Loss / (Gain) on obligation	(2.696)	(11.605)
Present Value of obligation end of the period	113.844	111.077

## NOTES FORMING PART OF ACCOUNTS (Contd.,)

	2009-10 Rs. Million	2008-09 Rs. Million	
<b>III. Changes in the Fair Value of plan assets:</b>			
Fair Value of plan assets beginning of the period	111.149	116.932	
Expected return on plan assets	9.134	9.123	
Contributions	—	1.999	
Benefits paid	(12.949)	(12.055)	
Actuarial Gain / (Loss) on plan assets	9.875	(4.850)	
Fair Value of plan assets as at the end of the period	117.209	111.149	
<b>IV. Amounts recognised in the Balance Sheet:</b>			
Present Value of the obligation	113.844	111.077	
Fair Value of plan assets	(117.209)	(111.149)	
Liability / (Asset)	(3.365)	(0.072)	
Unrecognised past service cost	—	—	
Negative Amount recognised under para 55 of AS15 R	(3.365)	(0.072)	
Present Value of available future refunds & reductions in future contributions	3.365	—	
Assets recognised in the Balance Sheet as per para 59 of AS15 R	3.365	—	
<b>V. Expenses recognised in the statement of Profit &amp; Loss Account:</b>			
Current service cost	9.960	10.233	
Interest Cost	8.452	8.419	
Expected return on plan assets	(9.134)	(9.123)	
Net actuarial (Gain) / Loss recognised in the year	(12.571)	(6.754)	
Past service cost	—	—	
Expenses recognised in the statement of Profit & Loss Account	(3.293)	2.775	
The expense has been included under the head "Contribution of Gratuity" under "Employees' Cost" in the Profit and Loss Account.			
		Rs. Million	
<b>VI. Amount for the current period:</b>			
	<b>2009-10</b>	<b>2008-09</b>	<b>2007-08</b>
Present value of obligation	113.844	111.077	116.085
Plan Assets	117.209	111.149	116.932
Surplus / (Deficit)	3.365	0.072	0.848
Experience adjustments on plan liabilities	2.688	(12.380)	0.128
Experience adjustments on plan assets	9.875	(9.412)	(1.167)
<b>VII. Major Categories of plan assets (As percentage of total plan assets):</b>			
	<b>2009-10 Rs. Million</b>	<b>2008-09 Rs. Million</b>	
Funds managed by Insurance Companies	100%	100%	
<b>VIII. Enterprise's best estimate of contribution during next year</b>			<b>3.000</b>
			<b>3.000</b>

b) Contribution of Rs.32.658 million (Previous year - Rs.38.995 million) made to defined contribution plans were charged to Profit & Loss Account.

## NOTES FORMING PART OF ACCOUNTS (Contd.,)

	2009-10 Rs. Million	2008-09 Rs. Million
<b>23. a) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956 and calculation of Commission payable to Chairman &amp; Managing Director, Executive Director and President &amp; Chief Operating Officer :</b>		
Profit / (Loss) Before Tax as per Profit & Loss Account	274.574	(382.803)
Add : Commission to Non-Whole Time Directors	—	—
: Remuneration to Whole Time Directors excluding contribution to Provident & Other Funds	5.460	5.060
Less : Profit / (Loss) on Sale of Assets (Net)	6.298	4.249
Less : Excess of Expenditure over Income for the year 2008-09 under Section 349.	381.992	—
Net Profit / (Loss) as per Section 198 of the Companies Act, 1956	<u>(108.256)</u>	<u>(381.992)</u>
Maximum amount payable 10% of the above	—	—
b) Commission to Whole Time Directors	—	—
c) Commission to Non-Whole Time Directors	—	—

Due to inadequacy of profit for the years 2008-09 & 2009-10, Chairman & Managing Director and President & Chief Operating Officer were paid Rs.0.200 million per month each and Executive Director was paid Rs.0.055 million per month. The said amount is within the limit specified in Sec II of Part II of Schedule XIII to the Companies Act, 1956.

<b>24. Employees' Cost include :</b>	2009-10 Rs. Million	2008-09 Rs. Million
<b>Remuneration to Whole Time Directors'</b>		
Salary	3.172	2.892
HRA	1.389	1.249
Commission	—	—
Contribution to Provident Fund & Other Funds	1.010	0.929
Perquisites & Benefits	0.899	0.919
Total	<u>6.470</u>	<u>5.989</u>

25. a) The company has addressed letters to suppliers seeking confirmation as to registration under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information available with the company, an amount of Rs.16.571 Mn. (Previous year - Rs.1.052 Mn.) is due to Micro, Small and Medium Enterprises, as detailed below:

Vendor Name	2009-10 Rs. Million	2008-09 Rs. Million	Vendor Name	2009-10 Rs. Million	2008-09 Rs. Million
Getech Electronics Pvt. Ltd.,	0.006	0.005	Pune Metagraph	—	0.019
Prakash Engineering Works	0.131	0.040	Alfa Rubber & Springs Pvt. Ltd.,	0.144	0.105
Monarch Self Adhesive Tapes	0.053	0.011	Q Plus Technologies Pvt. Ltd.,	—	0.030
Sankhla Industries	0.144	0.149	Press Comp International Pvt. Ltd.,	0.270	0.096
Prasad Associate	—	0.003	Sri Lakshmi Vishnu Plastics	0.162	0.029
Vijay Industrial Polymers	0.004	0.003	C.M.S. Chemical Industries	0.117	0.072
Suja Diamond Products	0.044	0.001	Victory Engineering Works	0.078	0.003
Bombay Speciality Products	0.184	0.133	Gujarat Industrial Corporation	1.886	—
Samy Engineering Tools	0.021	0.015	Sargam Metals Pvt Ltd.	1.498	—
Covai Air Products	0.001	0.008	Kala Auto Tex	1.380	—
Malik Enterprises	—	0.047	Servevel Industries	1.183	—
Consolidated Metal Finishing Pvt. Ltd.,	0.084	0.102	Aruna Enterprises	1.135	—
Sakthi Spring Forms Pvt. Ltd.,	0.028	0.023	Ashvini Magnets	0.966	—
NK Precision Components	1.069	0.158	Emmarkay Engineering Industries	0.718	—

## NOTES FORMING PART OF ACCOUNTS (Contd.,)

### 25. a) (Contd..)

Vendor Name	2009-10 Rs. Million	2008-09 Rs. Million	Vendor Name	2009-10 Rs. Million	2008-09 Rs. Million
Sri Seethalakshmi Steel Castings	0.612	—	Electro Automation	0.110	—
Maragatham Pressings	0.558	—	Special Tool Manufacturers	0.107	—
Sri Venkateswara Plastics	0.539	—	Janatics India Pvt. Ltd.	0.098	—
G. Ganeshan Engineering Works	0.462	—	Shiva Ganga Industries	0.071	—
Sree Balaji Industry	0.420	—	Aruna Enterprises	0.060	—
Saba Industries	0.318	—	Mahalakshmi Industrial Forging	0.058	—
Dhanu Enterprises	0.280	—	Narayan Corporation	0.038	—
Sumitron Exports Pvt. Ltd.	0.253	—	Triple-S-Springs Pvt. Ltd.	0.031	—
Allied Electronics	0.232	—	Nice Chemicals	0.025	—
Nandhini Rubber Products	0.219	—	Magnum Controls	0.024	—
Beekay Industries	0.199	—	Multipak Electronics	0.003	—
Kubo Chemicals	0.181	—	Chennai Metco Pvt. Ltd.,	0.001	—
K.B. Industries	0.135	—			
Sriji Industries	0.117	—	<b>Total</b>	<b>16.571</b>	<b>1.052</b>
Cupro Industries Corporation	0.114	—			

All the amounts outstanding are within the due date as prescribed under the said Act.

b) Sundry Creditors includes Imports Buyers Credit of Rs.514.924 Mn. (Previous year - Rs.734.381 Mn.)

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

27. Opening and Closing Stock of Finished Goods : Main Products		Opening Stock as at		Closing Stock as at	
		1-4-2009	1-4-2008	31-3-2010	31-3-2009
Dashboard Instruments	Nos.	355,521	397,388	386,549	355,521
Speedometer Cables	Mtrs.	68,214	69,120	79,224	68,214
Sensors (all types)	Nos.	81,500	89,410	79,320	81,500
Oil Pumps	Nos.	26,407	54,222	29,423	26,407
Chain Tensioners	Nos.	26,422	24,600	24,322	26,422
Idle Speed Control Valve Assembly	Nos.	1,220	1,115	1,340	1,220
28. Installed Capacity and Actual Production : Main Products		Installed capacity as on		Production	
		31-3-2010	31-3-2009	2009-10	2008-09
Dashboard Instruments	Nos.	25,444,000	25,444,000	19,678,289	13,479,637
Speedometer Cables	Mtrs.	3,370,000	3,370,000	2,226,626	2,160,124
Sensors (all types)	Nos.	14,100,000	12,540,000	9,129,232	7,730,728
Oil Pumps	Nos.	17,800,000	12,000,000	7,623,720	5,473,944
Chain Tensioners	Nos.	3,230,000	3,230,000	1,835,961	1,466,872
Idle Speed Control Valve Assembly	Nos.	1,077,000	959,000	750,095	581,692
29. Turnover		2009-10		2008-09	
		Quantity (Nos.)	Value Rs. Million	Quantity (Nos.)	Value Rs. Million
1. Dashboard Instruments & Accessories :					
i. Dashboard Instruments		19,647,261	4,294.728	13,521,504	3,479.965
ii. Speedometer Cables (in mtrs)		2,215,616	121.733	2,161,030	100.691
iii. Sensors (all types)		9,131,412	1,191.308	7,738,638	995.044
iv. Accessories & Sub-assembly Components			142.476		110.846
2. Oil Pumps		7,620,704	530.057	5,501,759	456.272
3. Chain Tensioners		1,838,061	130.912	1,465,050	109.687
4. Idle Speed Control Valve Assembly		749,975	159.815	581,587	128.317
5. Other Auto Components			360.209		335.867
6. Other Products & Services			492.686		424.077
<b>Total</b>			<b>7,423.924</b>		<b>6,140.766</b>

## NOTES FORMING PART OF ACCOUNTS (Contd.,)

30. 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 : Rs. Million

Particulars	31st March, 2010		31st March, 2009	
	Within India	Outside India	Within India	Outside India
Segment Revenue	6,338.064	1,085.860	4,765.512	1,375.254
Segment Assets	8,979.337	25.356	8,569.664	35.295
Purchase of Fixed Assets	189.776	0.561	428.969	1.391

### 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.

31. Operating Leases :	2009-10	2008-09
	Rs. Million	Rs. Million
The company has entered into operating leases for Land.		
Amortisation of premium paid for leasehold rights	0.706	—
Annual lease payments charged off to Profit and Loss Account	0.112	0.112
<b>Future Minimum Lease Payments :</b>		
— Not later than one year	0.112	0.112
— Later than one year and not later than five years	0.448	0.448
— Later than five years	9.072	9.184

32. List of related parties with whom transactions have taken place during the year 2009-10 and relationship:

**Holding Company** : Nil; **Subsidiary Companies** : Integral Investments Limited, English Tools and Castings Limited and PT Pricol Surya, Indonesia ; **Key Management Personnel**: Mr. Vijay Mohan, Mrs. Vanitha Mohan and Mr. K. Udhaya Kumar; **Others (Enterprise over which Key Management Personnel are able to exercise significant influence)** : Pricol Holdings Limited, Pricol Packaging Limited, Pricol Travel Limited, Pricol Technologies Limited, Pricol Medical Systems Limited, Pricol Properties Limited, Pricol Corporate Services Limited, Xenos Technologies Limited, Synoro Technologies Limited, Penta Enterprises (India) Limited, Vascon Pricol Infrastructures Limited, Ananya Innovations Limited, Prime Agri Solutions (India) Limited, Shanmuga Steel Industries 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. Rs. Million

Nature of Transaction	Subsidiary Companies		Key Mgmt Personnel		Others	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
Purchase / Labour Charges	16.429	23.839	—	—	208.371	134.477
Sales / Job Work Charges	72.809	56.427	—	—	126.115	128.288
Purchase of Fixed Assets	0.192	—	—	—	2.221	—
Sale of Fixed Assets	—	1.017	—	—	0.008	—
Receiving of Services	—	—	6.470	5.989	22.508	14.396
Rendering of Services	—	—	—	—	13.943	12.329
Loan / Advance / Deposit - Opening	22.000	—	—	—	10.356	10.356
Add : Amount advanced during the year	65.437	48.234	—	—	—	—
Less : Amount received / converted into capital during the year	69.500	26.234	—	—	—	—
Add : Interest receivable for the year	—	—	—	—	—	—
Loan / Advance / Deposit - Closing	17.937	22.000	—	—	10.356	10.356
Advances payable - Opening	3.369	3.369	—	—	—	—
Less : Amount repaid during the year	—	—	—	—	—	—
Advances payable - Closing	3.369	3.369	—	—	—	—
Investments - Opening	182.907	182.907	—	—	—	—
Add : Investments made during the year	69.500	—	—	—	—	—
Less : Divestment during the year	—	—	—	—	—	—
Investments - Closing	252.407	182.907	—	—	—	—
Guarantee	139.934	208.895	—	—	—	—
Receivable - Opening	22.344	16.241	—	—	514.667	573.824
Add : Amount receivable during the year	132.342	119.486	—	—	120.553	189.465
Less : Amount received during the year	87.048	113.383	—	—	185.869	248.622
Receivable - Closing	67.638	22.344	—	—	449.351	514.667
Payable - Opening	0.136	2.681	2.123	5.279	13.442	3.507
Add : Amount payable during the year	—	—	6.470	11.179	290.070	137.693
Less : Amount paid during the year	0.136	2.545	7.895	14.335	245.714	127.758
Payable - Closing	—	0.136	0.698	2.123	57.798	13.442

## NOTES FORMING PART OF ACCOUNTS (Contd.,)

### 33. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. Registration Details:

Registration No.	: 0641	State Code	: 181
Balance Sheet Date	: 31st day of March, 2010		

#### II. Capital Raised during the year (Amount in Rs. Thousands):

Public Issue	: Nil	Rights Issue	: Nil
Bonus Issue	: Nil	Private Placement	: Nil

#### III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands):

Total Liabilities	: 6,538,988	Total Assets	: 6,538,988
-------------------	-------------	--------------	-------------

#### Sources of Funds

Paid-up Capital	: 90,000
Reserves & Surplus	: 1,691,121
Secured Loans	: 2,559,976
Unsecured Loans	: Nil
Current Liabilities	: 2,197,891

#### Application of Funds

Net Fixed Assets	: 2,323,054
Deferred Tax Asset	: 56,810
Current Assets	: 3,906,717
Accumulated Losses	: Nil
Investments	: 252,407
Misc. Expenditure	: Nil

#### IV. Performance of Company (Amount in Rs. Thousands):

Turnover / Production Value	: 7,436,514	Profit / (Loss) After Tax	: 254,803
Other Income	: 33,297	Earnings per Share (in Rs.):	2.83
Total Expenditure	: 7,195,237	Dividend rate	: 40%
Profit / (Loss) Before Tax	: 274,574		

#### V. Generic Names of Three Principal Products / Services of Company (as per monetary terms):

Item Code No. (ITC Code) Major Product Description

9 0 2 9 : Dashboard Instruments, Sensors and Accessories

8 4 0 9 : Oil Pumps

8 7 0 8

& : Other Auto Components

8 7 1 4

As per our report of date attached  
For Suri & Co.,  
Chartered Accountants  
ICAI Regn. No.004283S  
C.S. Sathyanarayanan, Partner  
Membership No.028328  
Coimbatore, 28th May 2010

For and on behalf of the Board

**Vijay Mohan**  
Chairman & Managing Director

**D. Sarath Chandran**  
Director

**Vanitha Mohan**  
Executive Director

**T.G. Thamizhanban**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	2009-10 Rs. Million	2008-09 Rs. Million
<b>A. Cash flow from operating activities:</b>		
Net Profit / (Loss) Before Tax	274.574	(382.803)
Adjustments for :		
Depreciation	351.783	364.911
Bad debts written off	17.278	0.739
Provision for doubtful debts (Net)	0.633	5.261
(Profit) / Loss on sale of assets (Net)	(6.298)	(4.249)
Exchange Fluctuation (Gain) / Loss on Re-statement	(9.364)	43.125
Interest received	(5.015)	(11.816)
Interest & Finance charges	316.452	395.505
Income from Mutual Funds	(0.248)	(0.271)
	665.221	793.205
Operating profit before working capital changes	939.795	410.402
Trade and other receivables	(317.599)	61.763
Inventories	125.431	361.557
Trade and other payables	417.858	76.670
	225.690	499.990
Cash generated from operations	1,165.485	910.392
Direct taxes (paid) / refunds	(35.194)	2.917
Net cash from operating activities	1,130.291	913.309
<b>B. Cash flow from investing activities:</b>		
Purchase of Fixed Assets	(187.942)	(268.544)
Sale of Fixed Assets	30.081	19.497
Interest received	5.015	11.816
Purchase of Investments	(69.500)	—
Income from Sale of Mutual Funds	0.248	0.271
Net cash used in investing activities	(222.098)	(236.960)
<b>C. Cash flow from financing activities:</b>		
Long term borrowings	(81.514)	166.330
Unsecured Loans & Deposits	(121.057)	(207.345)
Working Capital borrowings	(308.392)	(183.899)
Dividend & Tax on dividend paid	(0.330)	(63.330)
Interest & Finance charges paid	(318.023)	(403.020)
Net cash used in financing activities	(829.316)	(691.264)
<b>D. Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	78.877	(14.915)
Cash and cash equivalents as at 1.4.2009 and 1.4.2008 (Opening balance)	39.260	54.175
Cash and cash equivalents as at 31.3.2010 and 31.3.2009 (Closing balance)	118.137	39.260

As per our report of date attached  
For Suri & Co.,  
Chartered Accountants  
ICAI Regn. No.0042835  
C.S. Sathyanarayanan, Partner  
Membership No.028328  
Coimbatore, 28th May 2010

For and on behalf of the Board  
**Vijay Mohan**  
Chairman & Managing Director  
  
**Vanitha Mohan**  
Executive Director

**D. Sarath Chandran**  
Director  
  
**T.G. Thamizhanban**  
Company Secretary

## AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

We have examined the attached Consolidated Balance Sheet of **Pricol Limited** ("the Company") and its subsidiaries as at 31st March 2010, and the Consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statement for the period ended on that date. These Consolidated financial statements are the responsibility of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material aspects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not conduct the audit of the financial statements of an associate and certain subsidiaries whose financial statements reflect total assets of Rs.542.799 million as at 31st March 2010 and total loss of Rs.18.984 million for the year ended on that date. Those financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of those associate and subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, Accounting Standard (AS) 23, Accounting for Investments in Associates in the Consolidated Financial statements, as prescribed under section 211(3C) of the Companies Act, 1956 and on the basis of the separate audited financial statements of the Company and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its aforesaid subsidiaries, in our opinion the consolidated financial statements read together with the attached schedules and Note on consolidation and other Notes thereon, give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March 2010;
- b) In the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date and
- c) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

For Suri & Co.,  
Chartered Accountants  
ICAI Regn No.0042835  
C.S. Sathyanarayanan, Partner  
Membership No.028328

Coimbatore  
28th May 2010

## SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

### 1. Principles of consolidation:

The consolidated financial statements relate to Pricol Limited ("the Company") and its subsidiary companies. 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" as prescribed under Section 211(3C) of the Companies Act, 1956.
- ii) 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.

- iii) 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.
2. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard 13 on Accounting for Investments.
  3. **Other Significant Accounting Policies:**  
These are set out under "Notes on Accounts" as given in the standalone Financial Statements of Pricol Limited.

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

	Schedule	31-3-2010 Rs. Million	31-3-2009 Rs. Million
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	I	90.000	90.000
Reserves & Surplus	II	1,574.907	1,397.673
		<u>1,664.907</u>	<u>1,487.673</u>
<b>Loan Funds</b>			
Secured Loans	III	2,785.838	3,278.076
Unsecured Loans	IV	—	120.880
		<u>2,785.838</u>	<u>3,398.956</u>
<b>Total</b>		<u>4,450.745</u>	<u>4,886.629</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
a. Gross Block	V	5,529.462	5,365.741
b. Less : Accumulated Depreciation		2,960.573	2,598.199
		<u>2,568.889</u>	<u>2,767.542</u>
c. Net Block		35.124	51.469
d. Capital Work-in-progress		<u>2,604.013</u>	<u>2,819.011</u>
<b>Investments</b>	VI	19.379	17.257
<b>Deferred Tax Asset / (Liability)</b>		74.360	54.759
<b>Current Assets, Loans and Advances</b>			
a. Inventories	VII	1,333.641	1,433.973
b. Sundry Debtors		1,845.798	1,578.865
c. Cash and Bank Balances		126.948	54.706
d. Loans and Advances		695.057	705.103
	(A)	<u>4,001.444</u>	<u>3,772.647</u>
<b>Less : Current Liabilities &amp; Provisions</b>	VIII		
a. Liabilities		1,813.902	1,431.246
b. Provisions		434.549	345.799
	(B)	<u>2,248.451</u>	<u>1,777.045</u>
<b>Net Current Assets</b>	(A - B)	1,752.993	1,995.602
<b>Debit Balance in Profit &amp; Loss Account</b>	IX	—	—
<b>Total</b>		<u>4,450.745</u>	<u>4,886.629</u>

Schedule I to IX, Significant Accounting Policies and the Notes on Accounts form part of this Balance Sheet.

As per our report of date attached  
For Suri & Co.,  
Chartered Accountants  
ICAI Regn. No.004283S  
C.S. Sathyanarayanan, Partner  
Membership No.028328  
Coimbatore, 28th May 2010

For and on behalf of the Board  
**Vijay Mohan**  
Chairman & Managing Director

**Vanitha Mohan**  
Executive Director

**D. Sarath Chandran**  
Director

**T.G. Thamizhanban**  
Company Secretary

## CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2010

	Schedule	2009-10 Rs. Million	2008-09 Rs. Million
<b>INCOME</b>			
Gross Sales & Services - Domestic		7,375.920	5,891.848
- Export		1,137.262	1,512.643
		8,513.182	7,404.491
Less : Excise Duty and Sales Tax		940.148	1,070.713
<b>Net Sales &amp; Service Charges</b>	X	7,573.034	6,333.778
Increase / (Decrease) in Stock of Finished Goods	XI	(48.291)	(92.294)
Cost of In-house Manufactured Machines & Toolings Capitalised		63.149	119.592
		7,587.892	6,361.076
<b>Production Value</b>			
<b>EXPENDITURE</b>			
Raw Materials & Components Consumed	XII	4,894.589	4,153.543
Employees' Cost		962.428	914.179
Power & Utilities		177.478	188.733
Stores & Spares Consumed		43.483	52.309
Repairs & Maintenance		79.906	117.460
Other Expenditure		481.054	636.872
<b>Total Expenditure</b>		6,638.938	6,063.096
<b>Profit before Interest, Depreciation &amp; Other Income</b>		948.954	297.980
Add : Other Income	XIII	33.729	44.053
Less : Interest & Finance Charges	XIV	338.604	422.118
: Depreciation		377.301	388.736
<b>Profit / (Loss) Before Tax</b>		266.778	(468.821)
Less : Provision for Current Tax		46.771	—
: Provision for Fringe Benefit Tax		—	6.701
: Provision for Deferred Tax (Asset)		(19.601)	(84.680)
Add : Tax Provision for earlier years no longer required written back		—	22.156
<b>Profit / (Loss) After Tax</b>		239.608	(368.686)
Add : Balance brought forward		(200.601)	168.085
<b>Amount available for appropriation</b>		39.007	(200.601)
<b>APPROPRIATION</b>			
Dividend - 40% (Previous year - Nil)		36.000	—
Tax on Dividend @ 16.61%		5.979	—
General Reserve		26.000	—
Surplus / (Deficit) to be carried over		(28.972)	(200.601)
		39.007	(200.601)
<b>Earnings per Share (Basic / Diluted) (In Rupees)</b> (Face Value of Re.1/-)	XV	2.66	(4.10)

Schedule X to XV, Significant Accounting Policies and the Notes on Accounts form part of this Profit & Loss Account.

As per our report of date attached  
For Suri & Co.,  
Chartered Accountants  
ICAI Regn. No.0042835  
C.S. Sathyanarayanan, Partner  
Membership No.028328  
Coimbatore, 28th May 2010

For and on behalf of the Board  
**Vijay Mohan**  
Chairman & Managing Director  
  
**Vanitha Mohan**  
Executive Director

**D. Sarath Chandran**  
Director  
  
**T.G. Thamizhanban**  
Company Secretary

## CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

	31-3-2010 Rs. Million	31-3-2009 Rs. Million
<b>Schedule I - SHARE CAPITAL</b>		
<b>Authorised</b>		
100,000,000 Equity Shares of Re.1/- each	100.000	100.000
<b>Issued, Subscribed and Paid-up</b>		
90,000,000 Equity Shares of Re.1/- each (Of the above 37,500,000 Equity Shares of Re.1/- each have been issued as fully paid-up Bonus Shares by Capitalisation of Reserves).	90.000	90.000
<b>Schedule II - RESERVES &amp; SURPLUS</b>		
Securities Premium Account	181.000	181.000
<b>General Reserve</b>		
As per last Balance Sheet	1,400.580	1,400.580
Add : Transfer from Profit & Loss Account	26.000	—
	1,426.580	1,400.580
Less : Debit Balance in Profit & Loss Account adjusted as per contra	28.972	200.601
	1,397.608	1,199.979
Foreign Currency Translation Reserve	(3.701)	16.694
<b>Surplus</b>		
Balance in Profit & Loss Account	—	—
	1,574.907	1,397.673
<b>Schedule III - SECURED LOANS</b>		
<b>a) Term Loans from Banks :</b>		
- In Rupee	2,023.714	1,894.122
- In Foreign Currency	162.300	442.047
<b>b) Term Loan from Others</b>	15.405	23.663
<b>c) Working Capital Facilities from Banks :</b>		
- In Rupee	152.227	707.268
- In Foreign Currency	432.192	210.976
	2,785.838	3,278.076
<b>Schedule IV - UNSECURED LOANS</b>		
Loan from Banks	—	120.880
	—	120.880

## CONSOLIDATED SCHEDULES (Contd.,)

### Schedule V - FIXED ASSETS

Rs. Million

	Gross Block			Depreciation / Amortisation				Net Block		
	Cost as on 1-4-2009	Additions during 2009-10	Sales/Trans- fer during 2009-10	Balance as on 31-3-2010	Upto 31-3-2009	For 2009-10	Withdrawn during 2009-10	Total upto 31-3-2010	Written down as on 31-3-2010	Value as on 31-3-2009
<b>Tangible Assets</b>										
Freehold Land	157.140	17.427	2.405	172.162	—	—	—	—	172.162	157.140
Leasehold Land	17.805	8.243	—	26.048	—	0.706	—	0.706	25.342	17.805
Buildings	1,253.629	0.012	4.079	1,249.562	235.333	42.778	0.153	277.958	971.604	1,018.296
Plant & Machinery	3,529.141	121.358	8.523	3,641.976	2,129.511	295.538	5.854	2,419.195	1,222.781	1,399.630
Furniture, Fittings & Equipments	71.324	0.272	—	71.596	32.372	5.547	—	37.919	33.677	38.952
Vehicles	106.761	3.580	26.352	83.989	34.840	8.226	8.920	34.146	49.843	71.921
<b>Total Tangible Assets</b>	<b>5,135.800</b>	<b>150.892</b>	<b>41.359</b>	<b>5,245.333</b>	<b>2,432.056</b>	<b>352.795</b>	<b>14.927</b>	<b>2,769.924</b>	<b>2,475.409</b>	<b>2,703.744</b>
<b>Intangible Assets</b>										
Computer Software	80.602	4.542	—	85.144	48.070	11.639	—	59.709	25.435	32.532
Technical Knowhow	149.339	49.646	—	198.985	118.073	12.867	—	130.940	68.045	31.266
<b>Total Intangible Assets</b>	<b>229.941</b>	<b>54.188</b>	<b>—</b>	<b>284.129</b>	<b>166.143</b>	<b>24.506</b>	<b>—</b>	<b>190.649</b>	<b>93.480</b>	<b>63.798</b>
<b>Sub-Total</b>	<b>5,365.741</b>	<b>205.080</b>	<b>41.359</b>	<b>5,529.462</b>	<b>2,598.199</b>	<b>377.301</b>	<b>14.927</b>	<b>2,960.573</b>	<b>2,568.889</b>	<b>2,767.542</b>
<b>Capital</b>										
Work-in-progress	51.469	35.124	51.469	35.124	—	—	—	—	35.124	51.469
<b>Total Assets</b>				<b>5,564.586</b>				<b>2,960.573</b>	<b>2,604.013</b>	<b>2,819.011</b>
								<b>31-3-2010</b>		<b>31-3-2009</b>
								<b>Rs. Million</b>		<b>Rs. Million</b>

### Schedule VI - INVESTMENTS

#### Long Term Investments (at Cost)

##### 1. Non-Trade - Quoted :

1) 1,200 Equity Shares of Re.1/- each fully paid-up in GMR Infrastructure Limited (Previous year - 600 Equity Shares of Rs.2/- each)	0.143	0.143
2) 200 Equity Shares of Rs.10/- each fully paid-up in Mahindra & Mahindra Limited	—	0.137
3) 200 Equity Shares of Rs.10/- each fully paid-up in Cholamandalam DBS Finance Limited	0.061	0.061
4) 125 Equity Shares of Rs.10/- each fully paid-up in Tata Motors Limited	0.089	0.089
5) 75 Equity Shares of Rs.10/- each fully paid-up in ICICI Bank Limited	—	0.080
6) 71 Equity Shares of Re.1/- each fully paid-up in TVS Motors Limited	0.001	0.001
7) 70 Equity Shares of Rs.10/- each fully paid-up in Bharat Heavy Electricals Limited	—	0.157
8) 50 Equity Shares of Rs.10/- each fully paid-up in Munjal Auto Industries Limited	0.001	0.001
9) 50 Equity Shares of Rs.10/- each fully paid-up in Shivam Autotech Limited		

## CONSOLIDATED SCHEDULES (Contd.,)

	31-3-2010 Rs. Million	31-3-2009 Rs. Million
<b>Schedule VI - INVESTMENTS (Contd..)</b>		
10) 100 Equity Shares of Rs.2/- each fully paid-up in Larsen & Toubro Limited	0.180	0.180
11) 70 Equity Shares of Rs.10/- each fully paid-up in State Bank of India	—	0.136
12) 200 Equity Shares of Rs.10/- each fully paid-up in IDBI Bank Limited	0.026	—
13) 100 Equity Shares of Rs.10/- each fully paid-up in Bannari Amman Sugars Limited	0.130	—
14) 375 Equity Shares of Rs.5/- each fully paid-up in Bharti Airtel Limited	0.145	—
15) 300 Equity Shares of Rs.10/- each fully paid-up in Bharti Shipyard Limited	0.103	—
16) 350 Equity Shares of Rs.10/- each fully paid-up in Shipping Corporation of India Limited	0.049	—
17) 25,500 Equity Shares of Rs.10/- each fully paid-up in Regaliaa Realty Limited	0.255	—
18) 29,276 Units of DSP - Black Rock India TIGER Fund - Dividend Option	1.000	1.000
19) 17,573 Units of HDFC Equity Fund - Dividend Option	1.000	1.000
20) 47,193 Units of ICICI Prudential Infrastructure Fund - Dividend Re-investment	—	0.893
21) 36,538 Units of JM Basic Fund - Dividend Plan	—	1.120
22) 9,237 Units of Reliance Diversified Power Sector Fund - Dividend Plan (Previous year - 17,937 units)	0.500	1.000
23) 7,362 Units of Reliance Vision Fund - Retail Plan - Dividend Plan	0.500	0.500
24) 3,082 Units of ICICI Prudential Liquid Plan	—	0.061
25) 102 Units of Reliance Money Manager Fund	—	0.103
26) 63,351 Units of HDFC Monthly Income Plan - Monthly Dividend Plan	0.791	—
27) 59,869 Units of ICICI Flexible Income Plan - Weekly Dividend	6.000	—
28) 65,907 Units of Reliance Monthly Income Plan - Monthly Dividend Plan	0.744	—
29) 13,334 Units of Reliance Regular Savings Fund - Dividend Plan	0.301	—
	12.019	6.662
<b>2. Non Trade - Unquoted :</b>		
a. 199,700 Equity Shares of Rs.10/- each fully paid-up in Synoro Technologies Limited	—	1.997
b. 720,000 Equity Shares of Rs.10/- each fully paid-up in Pricol Technologies Limited	7.200	7.200
	7.200	9.197

## CONSOLIDATED SCHEDULES (Contd.,)

	31-3-2010 Rs. Million	31-3-2009 Rs. Million
<b>Schedule VI - INVESTMENTS (Contd..)</b>		
<b>3. Investment in Associates :</b>		
a. 3,190 Equity Shares of Rs.100/- each fully paid-up in Shanmuga Steel Industries Limited	0.160	0.160
b. 400,000 Equity Shares of Rs.10/- each fully paid-up in Ananya Innovations Limited	—	4.000
	<u>0.160</u>	<u>4.160</u>
Total (1+2+3)	19.379	20.019
Less : Share of Post Acquisition Loss	—	2.762
<b>Total Investments</b>	<u>19.379</u>	<u>17.257</u>
Aggregate Cost of Quoted Investments (long term)	12.019	6.662
Aggregate Cost of Un-quoted Investments (long term)	7.360	13.357
Market Value of Quoted Investments (long term)	10.861	2.440
<b>Schedule VII - CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>a. Inventories (At lower of cost and net realisable value)</b>		
Stock of Stores & Spares	30.635	38.817
Raw Materials & Components	820.541	866.949
Work-in-progress	195.597	193.123
Finished Goods	178.084	226.375
Land - Stock in Trade	108.784	108.709
	<u>1,333.641</u>	<u>1,433.973</u>
<b>b. Sundry Debtors :</b>		
Unsecured Considered Good		
a) Outstanding for a period exceeding six months	506.512	599.209
b) Others	1,339.286	979.656
	<u>1,845.798</u>	<u>1,578.865</u>
Unsecured Considered Doubtful		
Less : Provision for Doubtful Debts	38.360	37.544
	<u>38.360</u>	<u>37.544</u>
	<u>1,845.798</u>	<u>1,578.865</u>
<b>c. Cash &amp; Bank Balances :</b>		
Cash on hand	1.163	0.875
Balances with Scheduled Banks		
In Current Account	51.404	37.522
In Unclaimed Dividend Account	4.411	4.741
In Margin Money Account / Fixed Deposits	69.970	11.568
	<u>126.948</u>	<u>54.706</u>
<b>d. Loans and Advances :</b>		
Advances Recoverable in cash or in kind or for value to be received and considered Good		
Unsecured considered good	64.420	45.965
Unsecured considered doubtful	1.305	3.607
Less : Provision for Doubtful Advances	1.305	3.607
	<u>64.420</u>	<u>45.965</u>
Deposits		
Balances with Government authorities	32.154	34.311
Prepaid expenses	171.964	228.466
Tax payments pending adjustment	13.208	18.451
	413.311	377.910
	<u>695.057</u>	<u>705.103</u>
	<u>4,001.444</u>	<u>3,772.647</u>

## CONSOLIDATED SCHEDULES (Contd.,)

	31-3-2010 Rs. Million	31-3-2009 Rs. Million
<b>Schedule VIII - CURRENT LIABILITIES AND PROVISIONS</b>		
<b>a. Liabilities :</b>		
Sundry Creditors (Due to Micro, Small and Medium Enterprises is Rs.19.246 Mn, Previous year - Rs.4.130 Mn.)	1,794.473	1,407.506
Interest accrued but not due on loans	14.151	16.530
Due to Directors	0.698	2.123
<b>Investor Education and Protection Fund - not due :</b>		
Unclaimed Dividend	4.411	4.741
Unclaimed Deposits including Interest	0.169	0.346
	<u>4.580</u>	<u>5.087</u>
	<b>1,813.902</b>	<b>1,431.246</b>
<b>b. Provisions :</b>		
For Current Taxation	363.282	316.511
For Fringe Benefit Tax	29.288	29.288
For Dividend	36.000	—
For Tax on Dividend	5.979	—
	<u>434.549</u>	<u>345.799</u>
	<b>2,248.451</b>	<b>1,777.045</b>

## Schedule IX - DEBIT BALANCE IN PROFIT & LOSS ACCOUNT

As per the Profit & Loss Account	28.972	200.601
Less : Adjusted against General Reserve as per contra	28.972	200.601
	<u>—</u>	<u>—</u>

## Schedule X - INCOME

	2009-10 Rs. Million	2008-09 Rs. Million
<b>Sales &amp; Service Charges</b>		
<b>Domestic Sales &amp; Service Charges</b>		
Sale of Finished Products (Inclusive of Excise Duty and Sales Tax)	7,354.117	5,859.366
Service Charges	45.238	45.522
Sale of Wind Power	8.051	6.750
	<u>7,407.406</u>	<u>5,911.638</u>
Less : Excise Duty	494.384	664.514
: Sales Tax	377.503	266.886
: Discount & Commission on Domestic Sales	31.486	19.790
	<u>6,504.033</u>	<u>4,960.448</u>
<b>Export Sales</b>		
Sale of Finished Products (Inclusive of Excise Duty)	1,142.013	1,518.179
Less : Excise Duty	68.261	139.313
: Commission on Export Sales	4.751	5.536
	<u>1,069.001</u>	<u>1,373.330</u>
	<b>7,573.034</b>	<b>6,333.778</b>

## CONSOLIDATED SCHEDULES (Contd.,)

	2009-10 Rs. Million	2008-09 Rs. Million
<b>Schedule XI - INCREASE / (DECREASE) IN STOCK OF FINISHED GOODS</b>		
Stock at Closing	178.084	226.375
Less : Stock at Opening	226.375	318.669
	<u>(48.291)</u>	<u>(92.294)</u>
<b>Schedule XII - EXPENDITURE</b>		
<b>RAW MATERIALS &amp; COMPONENTS CONSUMED</b>		
<b>Opening Stock</b>		
a) Raw Materials & Components	866.949	1,081.360
b) Work-in-Progress	193.123	239.624
	<u>1,060.072</u>	<u>1,320.984</u>
Add : Purchases	4,950.117	4,011.753
	<u>6,010.189</u>	<u>5,332.737</u>
<b>Less : Closing Stock</b>		
a) Raw Materials & Components	820.541	866.949
b) Work-in-Progress	195.597	193.123
	<u>1,016.138</u>	<u>1,060.072</u>
	4,994.051	4,272.665
Less : Sale of Raw Materials & Scrap	204.984	181.677
Add : Direct Expenses	105.522	62.555
	<u>4,894.589</u>	<u>4,153.543</u>
Total Raw Materials & Components Consumed		
Includes materials consumed for In-house Manufacture of Machines & Toolings of Rs.39.948 Mn. (Previous year - Rs.70.680 Mn.)		
<b>EMPLOYEES' COST</b>		
a) Pay, Allowances, Performance Reward & Bonus	833.719	771.480
b) Company's Contribution to Provident, Superannuation and Gratuity Funds	38.167	49.210
c) Welfare Expenses	90.542	93.489
	<u>962.428</u>	<u>914.179</u>
<b>REPAIRS AND MAINTENANCE</b>		
Machinery	63.466	86.597
Building	7.052	17.760
Others	9.388	13.103
	<u>79.906</u>	<u>117.460</u>

## CONSOLIDATED SCHEDULES (Contd.,)

	2009-10 Rs. Million	2008-09 Rs. Million
<b>Schedule XII - EXPENDITURE (Contd.,)</b>		
<b>OTHER EXPENDITURE</b>		
Printing & Stationery	9.638	14.290
Postage, Telegram and Telephone	14.071	16.190
Rent	8.445	8.912
Rates, Taxes & Licence	18.273	(3.628)
Insurance	12.392	8.451
Bank Charges	13.322	13.281
Travelling & Conveyance	65.369	79.833
Freight & Forwarding and Selling Expenses	174.122	195.317
Advertisement, Publicity & Sales Promotion	9.747	6.272
Royalty	44.755	44.216
Bad Debts written off	17.337	0.788
Provision for doubtful debts (Net)	0.633	5.261
Commission / Sitting Fees to Non-Whole Time Directors	0.164	0.327
Auditors' Remuneration	2.798	1.869
Professional Charges, Books and Periodicals	35.186	44.037
Net Foreign Exchange (Gain) / Loss	48.847	192.561
Miscellaneous Expenses	5.955	8.895
	<u>481.054</u>	<u>636.872</u>
<b>Schedule XIII - OTHER INCOME</b>		
Interest Received	5.126	13.342
Income from Mutual Funds	0.248	0.271
Rent Received	3.154	3.139
Trading Income	2.683	4.560
Sundry Income	0.042	2.722
Export Incentives	15.078	17.785
Grant Received	0.710	—
Profit / (Loss) on Sale of Assets (Net)	6.688	4.135
Share in Profit / (Loss) of Associates	—	(1.901)
	<u>33.729</u>	<u>44.053</u>
<b>Schedule XIV - INTEREST &amp; FINANCE CHARGES</b>		
Interest on Fixed Loans	226.325	213.244
Interest on Other Loans	94.477	196.464
Finance Charges	17.802	12.410
	<u>338.604</u>	<u>422.118</u>
<b>Schedule XV - EARNINGS PER SHARE (Basic / Diluted)</b>		
a. Profit / (Loss) After Tax	239.608	(368.686)
b. Equity Share of Re.1/- each (Nos. in Mn)	90.000	90.000
c. Earnings per Share (a / b) (in Rs.)	2.66	(4.10)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	2009-10 Rs. Million	2008-09 Rs. Million
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit / (Loss) Before Tax	266.778	(468.821)
Adjustments for :		
Depreciation	377.301	388.736
Bad debts written off	17.337	0.788
Provision for Doubtful debts (Net)	0.633	5.261
Effect of change in Foreign Currency Translation Reserve (Profit) / Loss on Sale of Assets (Net)	(20.395)	(1.096)
Exchange Fluctuation (Gain) / Loss on Re-statement	(59.027)	43.125
Interest received	(5.126)	(13.342)
Interest & Finance charges	338.604	422.118
Other Investment Income	(0.248)	1.630
	642.391	843.085
Operating profit before working capital changes	909.169	374.264
Adjustments for :		
Trade and other receivables	(285.156)	119.685
Inventories	100.332	345.833
Trade and other payables	421.323	75.157
	236.499	540.675
Cash generated from operations	1,145.668	914.939
Direct taxes (paid) / refunds	(35.401)	5.191
Net Cash from Operating Activities	1,110.267	920.130
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(188.735)	(298.252)
Sale of Fixed Assets	33.120	19.979
Interest received	5.126	13.342
Purchase of Investments (Net)	(2.122)	(0.386)
Other Investment Income	0.248	0.271
Net Cash used in Investing Activities	(152.363)	(265.046)
<b>C. Cash Flow from Financing Activities:</b>		
Long term Borrowings	(99.788)	209.333
Unsecured Loans & Deposits	(121.057)	(207.345)
Working Capital Borrowings	(323.504)	(188.325)
Dividend & Tax on Dividend paid	(0.330)	(63.330)
Interest & Finance charges paid	(340.983)	(429.458)
Net Cash used in Financing Activities	(885.662)	(679.125)
<b>D. Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	72.242	(24.041)
Cash and cash equivalents as at 1.4.2009 and 1.4.2008 (Opening balance)	54.706	78.747
Cash and cash equivalents as at 31.3.2010 and 31.3.2009 (Closing balance)	126.948	54.706

As per our report of date attached  
For Suri & Co.,  
Chartered Accountants  
ICAI Regn. No.0042835  
C.S. Sathyanarayanan, Partner  
Membership No.028328  
Coimbatore, 28th May 2010

For and on behalf of the Board

**Vijay Mohan**  
Chairman & Managing Director

**Vanitha Mohan**  
Executive Director

**D. Sarath Chandran**  
Director

**T.G. Thamizhanban**  
Company Secretary

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2010.

### 1. The Subsidiary Companies considered in the Consolidated Financial Statements are:

S. No.	Name of the Subsidiary	Country of Incorporation	% of Ownership
1	English Tools and Castings Limited	India	100%
2	Integral Investments Limited	India	100%
3	PT Pricol Surya	Indonesia	100%

### 2. The Associate Companies considered in the Consolidated Financial Statements are:

S. No.	Name of the Associate	Country of Incorporation	% of Ownership
1	Shanmuga Steel Industries Limited	India	49%
2	Ananya Innovations Limited	India	Nil (Previous year - 40%)

3. The value of Investments made by the wholly owned subsidiary Company – Integral Investments Limited in the associate, Shanmuga Steel Industries Limited has been accounted in compliance with Accounting Standard (AS-23).

### 4. List of Related parties with whom transactions have taken place during the year 2009-10 and relationship:

**Key Management Personnel:** Mr. Vijay Mohan, Mrs. Vanitha Mohan, Mr. K. Udhaya Kumar and Mr. K.Janardhanan;  
**Others (Enterprise over which Key Management Personnel are able to exercise significant influence) :** Pricol Holdings Limited, Pricol Packaging Limited, Pricol Travel Limited, Pricol Technologies Limited, Pricol Medical Systems Limited, Pricol Properties Limited, Pricol Corporate Services Limited, Xenos Technologies Limited, Synoro Technologies Limited, Penta Enterprises (India) Limited, Vascon Pricol Infrastructures Limited, Ananya Innovations Limited, Prime Agri Solutions (India) Limited, Shanmuga Steel Industries 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.

Nature of Transaction	Rs. Million			
	Key Mgmt Personnel		Others	
	2009-10	2008-09	2009-10	2008-09
Purchase / Labour Charges	—	—	208.371	135.102
Sales / Job Work Charges	—	—	126.333	128.288
Purchase of Fixed Assets	—	—	2.221	—
Sale of Fixed Assets	—	—	0.008	—
Receiving of Services	7.970	7.489	22.508	14.469
Rendering of Services	—	—	13.943	12.329
Loan / Advance / Deposit - Opening	—	—	10.356	10.356
Add : Amount advanced during the year	—	—	—	—
Less : Amount received / converted into capital during the year	—	—	—	—
Add : Interest receivable for the year	—	—	—	—
Loan / Advance / Deposit - Closing	—	—	10.356	10.356
Advances payable - Opening	—	—	—	—
Less : Amount repaid during the year	—	—	—	—
Advances payable - Closing	—	—	—	—
Investments - Opening	—	—	—	—
Add : Investments made during the year	—	—	—	—
Less : Divestment during the year	—	—	—	—
Investments - Closing	—	—	—	—
Guarantee	—	—	—	—
Receivable - Opening	—	—	514.667	573.824
Add : Amount receivable during the year	—	—	120.553	189.465
Less : Amount received during the year	—	—	185.869	248.622
Receivable - Closing	—	—	449.351	514.667
Payable - Opening	2.208	5.279	13.584	3.507
Add : Amount payable during the year	7.970	12.680	290.070	137.835
Less : Amount paid during the year	8.323	15.751	245.714	127.758
Payable - Closing	1.855	2.208	57.940	13.584

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

5. The exchange rate considered for consolidation of foreign subsidiary, PT Pricol Surya is as follows :

	As at 31st March 2010	As at 31st March 2009
	(In Indonesian Rupiah)	
One Indian Rupee	204.08	227.27

6. Previous Year's figures have been regrouped wherever necessary to conform to the current year's classification.  
7. Figures have been rounded off to the nearest thousand.  
8. As per the information received from the Suppliers regarding their classification the amount due to Micro, Small and Medium Enterprises is disclosed:

	Rs. Million	
	2009-10	2008-09
Due to Micro, Small and Medium Enterprises		
— Principal due at the year end	19.246	4.130
— Interest payable at the year end	—	—
— Interest paid during the year	—	—

9. Other Notes forming part of Accounts:

These are set out in and under "Notes forming part of accounts for the year ended 31st March 2010" as given in the standalone financial statements of Pricol Limited.

### Disclosure of Information relating to the Subsidiary Companies as required by the Ministry of Corporate Affairs, Government of India vide their approval letter No.47/09/2010-CL-III dated 25th March 2010.

Particulars	Integral Investments Limited	English Tools and Castings Limited	PT Pricol Surya Indonesia
	2009-10 Rs. Million		
a) Share Capital	22.500	148.837	74.309
b) Reserves & Surplus	0.622	0.001	(65.808)
c) Total Assets	23.130	256.551	265.942
d) Total Liabilities	23.130	256.551	265.942
e) Details of Investments *	19.379	—	—
f) Turnover	0.809	126.900	95.178
g) Profit / (Loss) Before Tax	(0.285)	(35.216)	25.800
h) Provision for Taxation	—	—	9.559
i) Profit / (Loss) After Tax	(0.285)	(35.216)	16.241
j) Proposed Dividend	—	—	—
k) Reporting Currency **	Indian Rupee (INR)	Indian Rupee (INR)	Indonesian Rupiah (IDR)

\* Excluding investment in subsidiaries.

\*\* The financial statements of subsidiaries whose reporting currency are other than INR are converted into Indian Rupees on the basis of appropriate exchange rate.

The exchange rate as at 31st March 2010 : 1 INR = 204.08 IDR.