



***PRICOL LIMITED***

*Passion to Excel*

Annual Report 2020

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## **BOARD OF DIRECTORS**

Mrs. Vanitha Mohan, Chairman	(DIN: 00002168)
Mr. Vikram Mohan, Managing Director	(DIN: 00089968)
Mr. V. Balaji Chinnappan, Chief Operating Officer	(DIN: 08014402)
Mr. Suresh Jagannathan	(DIN: 00011326)
Mr. R. Vidhya Shankar	(DIN: 00002498)
Mrs. Sriya Chari	(DIN: 07383240)
Mr. S.K. Sundararaman	(DIN: 00002691)
Mr. P. Shanmugasundaram	(DIN: 00119411)
Mr. K. Ilango	(DIN: 00124115)

## **BOARD COMMITTEES**

### **AUDIT COMMITTEE**

Mr. P. Shanmugasundaram  
Mr. R. Vidhya Shankar  
Mrs. Sriya Chari  
Mr. S.K. Sundararaman  
Mrs. Vanitha Mohan

### **NOMINATION & REMUNERATION COMMITTEE**

Mr. R. Vidhya Shankar  
Mrs. Sriya Chari  
Mr. P. Shanmugasundaram

### **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. R. Vidhya Shankar  
Mrs. Vanitha Mohan  
Mr. Vikram Mohan  
Mr. S.K. Sundararaman

### **INVESTMENT AND BORROWING COMMITTEE**

Mrs. Vanitha Mohan  
Mr. Vikram Mohan  
Mr. R. Vidhya Shankar  
Mr. P. Shanmugasundaram

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Mrs. Vanitha Mohan  
Mr. Vikram Mohan  
Mr. K. Ilango

**CHIEF FINANCIAL OFFICER**

Mr. K. Ramesh

**STATUTORY AUDITOR**

M/s. VKS Aiyer & Co.,  
Chartered Accountants,  
No. 380, VGR Puram, Off Alagesan Road,  
Saibaba Colony, Coimbatore - 641 011

**COST AUDITOR**

Mr. G. Sivagurunathan,  
Cost Accountant,  
812 / E, First Floor, K.S. Towers,  
VKK Menon Road, New Sidhapudur,  
Coimbatore - 641 044

**REGISTERED OFFICE**

109, Race Course,  
Coimbatore - 641 018, India.  
Ph: +91 422 4336000  
E-mail: [cs@pricol.co.in](mailto:cs@pricol.co.in) Website: [www.pricol.com](http://www.pricol.com)  
CIN: L34200TZ2011PLC022194

**FACTORIES**

**Plant I**

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

**Plant II**

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

**Plant III**

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

**COMPANY SECRETARY**

Mr. T.G. Thamizhanban

**SECRETARIAL AUDITOR**

M/s. P. Eswaramoorthy and Company,  
Company Secretaries,  
44, 5th Street, Ramalinga Jothi Nagar,  
Ramanathapuram, Coimbatore - 641 045

**BANKS / FINANCIAL INSTITUTIONS**

State Bank of India  
ICICI Bank Limited  
HDFC Bank Limited  
Bank of Bahrain and Kuwait B.S.C.  
The South Indian Bank Limited  
IndusInd Bank Limited  
Cholamandalam Investment and  
Finance Company Limited

**Plant V**

Global - Raison, Industrial Park,  
Gat No.180-187, Alandi - Markal Road,  
Phulgaon, Haveli Taluka,  
Pune - 412 216, Maharashtra, India.

**Plant VII**

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

**Plant IX**

Plot No. 120, Sector 8,  
IMT Manesar, Gurugram - 122 050, Haryana, India.

**Plant X**

650, Benjamin Road,  
Sri City - 517 646, Andhra Pradesh, India.

## DIRECTORS' REPORT & MANAGEMENT ANALYSIS

Your Directors have pleasure in presenting the Ninth Annual Report and audited accounts for the financial year ended 31st March, 2020.

### FINANCIAL RESULTS

The summarised financial results are: ₹ Lakhs

	2019-20	2018-19
Net Sales & Services		
- Domestic	1,05,782.13	1,22,130.04
- Export	8,418.29	7,593.97
<b>Total Sales &amp; Services</b>	<b>1,14,200.42</b>	<b>1,29,724.01</b>
Other Operating Revenue	6,128.12	6,825.62
Other Income	1,263.23	846.34
<b>Total Revenue excluding Sale of Land held as Stock-in-Trade</b>	<b>1,21,591.77</b>	<b>1,37,395.97</b>
Profit from Operations before Finance Cost, Depreciation and Amortisation Expense, Exceptional Items & Tax	9,777.88	9,074.62
Less : Finance Costs	3,108.45	1,808.74
: Depreciation and Amortisation Expense	9,269.24	8,019.74
Profit / (Loss) from Operations before Exceptional Items & Tax	(2,599.81)	(753.86)
Add : Profit on Sale of Land held as stock-in-trade	—	1,010.36
Less : Reversal of Provision for Impairment of Land & Building	—	(133.99)
Profit / (Loss) before Exceptional Items & Tax	(2,599.81)	390.49
Less : Exceptional Item (Net) #	19,072.36	23,197.75
<b>Profit / (Loss) Before Tax</b>	<b>(21,672.17)</b>	<b>(22,807.26)</b>
Less : Tax Expense		
Current Tax	—	95.80
Deferred Tax	(384.20)	(14.31)
MAT Credit	—	(95.80)
<b>Profit / (Loss) for the year (A)</b>	<b>(21,287.97)</b>	<b>(22,792.95)</b>
Other Comprehensive Income	295.08	47.79
Income tax relating to these items	(103.11)	(16.70)
<b>Other Comprehensive Income for the year after tax (B)</b>	<b>191.97</b>	<b>31.09</b>
<b>Total Comprehensive Income for the year (A) + (B)</b>	<b>(21,096.00)</b>	<b>(22,761.86)</b>

# Exceptional Items : Details have been provided under Notes to Standalone Financial Statements, Note No: 2.45.

### DIVIDEND & RESERVES

In view of loss in this financial year, your Directors do not recommend any dividend and not transferred any amount to reserves for the year 2019-20.

### AUTO INDUSTRY

During the year, the Auto Industry's domestic market de-growth by 18 % and exports grew by 3 %. The overall Auto Industry de-growth by 15% as against growth of 6% in the previous financial year.

Segment	Vehicle Production *			Pricol Sale to OEM
	2019-20	2018-19	Growth %	Growth %
2 Wheeler / 3 Wheeler	2,21,70,152	2,57,71,809	( 14 ) %	( 8 ) %
Commercial Vehicle	7,52,022	11,12,176	( 32 ) %	( 41 ) %
Tractors	6,94,600	7,82,350	( 11 ) %	( 5 ) %
4 Wheeler	34,34,015	40,26,047	( 15 ) %	( 41 ) %
<b>Total</b>	<b>2,70,50,789</b>	<b>3,16,92,382</b>	<b>( 15 ) %</b>	<b>( 13 ) %</b>

\* As per Society of Indian Automobile Manufacturers (SIAM)

### OPERATIONS

In domestic market, Company primarily caters to Two wheelers, Commercial Vehicles, Tractors and Off-road vehicles.

The Company's domestic sales was down by 13% and overall Company's sales by 12% compared to the previous year.

The profit from operations before Finance cost, Depreciation and Amortisation expense, Exceptional Items & tax has increased from ₹ 9,075 Lakhs to ₹ 9,778 Lakhs. The operational performance of the company has improved due to better control on costs. Profit before Exceptional Items & Tax decreased from ₹ 390 Lakhs to Loss of ₹ 2,600 Lakhs mainly due to increase in finance cost and Depreciation and Amortisation, after considering sale of land held as stock-in-trade in previous year.

### SUBSIDIARY COMPANIES

#### Pricol Asia Pte Limited, Singapore

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

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

In the financial year 2019-20, the Company achieved sales of USD 270.68 Lakhs (₹ 19,598.19 Lakhs) as against the previous year sales of USD 313.27 Lakhs (₹ 21,086.83 Lakhs). The company made a profit after tax of USD 550,585 (₹ 398.65 Lakhs) during the year 2019-20 as against USD 515,948 (₹ 347.30 Lakhs) in 2018-19.

### **Pricol Espana Sociedad Limitada, Spain**

It is an investment arm of Pricol to acquire companies in Europe and the Americas. During the financial year, the company has incurred a loss of EURO 420.79 Lakhs (INR 33,928.03 Lakhs) as against loss of EURO 14.92 Lakhs (INR 1,179.86 Lakhs) in 2018-19, which is mainly due to disinvestment of its investment in Pricol do Brasil and Pricol Wiping Systems, Mexico amounting to EURO 406.48 Lakhs. The Company's wholly owned subsidiary companies are 1) Pricol Wiping Systems Czech s.r.o 2) Pricol do Brasil Componentes Automotivos Ltda (upto 11th February 2020), and 3) Pricol Wiping Systems Mexico S.A. de C.V. (upto 11th February 2020).

At the Board Meeting held on 29th July, 2020, the Board approved the proposed sale of 100% shareholding held by Pricol Limited in its Wholly Owned Subsidiary Company 'Pricol Espana Sociedad Limitada, Spain' (Pricol Espana), along with its Wholly Owned subsidiary company, 'Pricol Wiping Systems Czech s.r.o' (Pricol Czech).

### **Pricol Wiping Systems Czech s.r.o.**

During the financial year 2019-20, Pricol Czech has achieved a sales of CZK 11,786.81 Lakhs (INR 35,790.55 Lakhs) as against sales of CZK 12,480.54 Lakhs (INR 38,625.67 Lakhs) in 2018-19 and registered losses before taxes of CZK 321.86 Lakhs (INR 977.33 Lakhs) in 2019-20 as against loss of CZK 948.68 Lakhs (INR 2,936.04 Lakhs) in 2018-19.

Pricol Czech being an unlisted material subsidiary of the Pricol Limited, as per Regulation 24 of the SEBI (LODR) Regulation 2015, an Independent Director of Pricol Limited is to be appointed in that Board of Pricol Czech. The Board of Directors of Pricol Limited at their meeting held on 12th February 2020 recommended the appointment of Mr.K.Illango, Independent Director as a Director of Pricol Wiping Systems Czech s.r.o. Steps

were taken for the said appointment, but due to COVID 19 outbreak, we are unable to complete the appointment.

### **Pricol Wiping Systems India Limited**

During the financial year 2019-20, the company has achieved sales of INR 2851.33 Lakhs as against sales of INR 3,142.69 Lakhs in 2018-19. The company incurred losses to the extent of INR 323.73 Lakhs in 2019-20 as against loss of INR 554.47 Lakhs in 2018-19.

### **PT Pricol Surya Indonesia**

The Company is supplying Instrument Clusters to the 2-Wheeler manufacturers in Indonesia & Thailand.

In the financial year 2019-20, the company has achieved a sales of Indonesian Rupiah 4,53,879 Lakhs (₹ 2,155.92 Lakhs) as against the previous year sales of Indonesian Rupiah 5,94,134 Lakhs (₹ 2,860.75 Lakhs) a decrease of 23.61% in Indonesian Rupiah & 24.64% in INR terms.

The decrease in sales is mainly on account of phasing out of vehicle models for which the company is supplying. The Company had a loss before tax of Indonesian Rupiah 52,367 Lakhs (₹ 248.74 Lakhs) as against the profit before tax of Indonesian Rupiah 55,603 Lakhs (₹ 267.73 Lakhs) of previous year.

### **PT Sripri Wiring Systems, Indonesia**

The Company, a Wholly Owned Subsidiary Company of PT Pricol Surya Indonesia, during the financial year 2019-20, has achieved sales of IDR 61,165 Lakhs (INR 290.53 Lakhs) as against sales of IDR 1,07,587 Lakhs (INR 518.03 Lakhs) in 2018-19. The Company incurred profit before tax of IDR 2,951.07 Lakhs (INR 14.02 Lakhs) in 2019-20 as against loss of IDR 32,456 Lakhs (INR 156.28 Lakhs) in 2018-19.

### **Pricol do Brasil Componentes Automotivos Ltda**

Pricol do Brasil Componentes Automotivos Ltda (PdB) manufactures and sells Pumps & Mechanical products to wide range of Domestic and International customers such as Volkswagen, Fiat, Fiat Power train, General Motors, Mack Trucks etc. The company was sold on 11th February 2020. The details about the sale was given under the heading 'Sale of step down Subsidiary Company(s)'.

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

During the period from 1st April 2019 to 11th February 2020, PdB has achieved a sales of BRL 501.86 Lakhs (INR 8,871.64 Lakhs) as against the previous year sales of BRL 533.56 Lakhs (INR 9,990.00 Lakhs). PdB incurred a loss of BRL 387.22 Lakhs (INR 6,845.20 Lakhs) during the year 2019-20 as against loss of BRL 391.10 Lakhs (INR 7,322.74 Lakhs) in 2018-19.

### Pricol Wiping Systems Mexico S.A. de C.V.

The Company was sold on 11th February 2020. The details about the sale was given under the heading 'Sale of step down Subsidiary Companies'.

During the period from 1st April 2019 to 11th February 2020, PWS Mexico had revenue of MXN 550.27 Lakhs (INR 2102.62 Lakhs) as against revenue of MXN 344.64 Lakhs (INR 1,234.75 Lakhs) in 2018-19 and incurred loss of MXN 282.91 Lakhs (INR 1,081.01 Lakhs) as against loss of MXN 87.78 Lakhs (INR 314.48 Lakhs) in 2018-19.

### SALE OF STEP DOWN SUBSIDIARY COMPANIES

As stated in our earlier Directors' Report-2019, with regard to the dilution of shareholding in the following Wholly Owned Subsidiary Companies,

- a) Sale of 80.5% shareholding held by Pricol Limited in its Wholly Owned Subsidiary, Pricol Espana Sociedad Limitada, (Pricol Espana) which have the following subsidiaries namely
  - (i) Pricol Do Brasil Componentes Automotivos Ltda(PdB)
  - (ii) Pricol Wiping Systems Mexico S.A.de C.V (PWS-M)
  - (iii) Pricol Wiping Systems Czech s.r.o (PWS-C)
- b) Sale of 74% shareholding held by Pricol Limited in its Wholly Owned Subsidiary, Pricol Wiping Systems India Limited (PWSIL)

to 'Chroma GP LLC, Delaware, USA' or its affiliates (Purchaser), and at the consideration of Euro 100,000 net of specified loans.

On 21st June 2019, a Share Purchase Agreement was entered with Chroma GP LLC, some amendments were carried out thereto including identifying the designated purchaser entity. However, the Conditions Precedent to Closing have not been complied with and time for

performance was extended from time to time. In the meanwhile, the PWS-C operations have shown stability.

After several round of discussions with Chroma GP LLC, they have shown inclination to takeover PdB and PWS-M alone to the exclusion of PWS-C & PWSIL, with approval of Board of Directors.

The entire shareholding held by Pricol Espana Sociedad Limitada, Spain, in the following Companies:

- (a) Pricol do Brasil Componentes Automotivos Ltda (PdB)
  - (b) Pricol Wiping Systems Mexico S.A.de C.V (PWS-M)
- shall be sold to '2NDM LLC' and / or 'NELP FOUR LP', nominated purchaser entity/s of 'Chroma GP LLC, Delaware, USA, for a Gross Consideration of USD 2,000 Net of liabilities. They have also taken over PdB and PWS-M along with its liabilities and assets on the date of sale. The liabilities in PdB was more than the assets transferred which is reflected in our consolidated profit and loss account (Refer Note No. 2.42 to the Consolidated Financial Statement).

Sale of entire shareholding held by Pricol Espana in (i) Pricol Do Brasil Componentes Automotivos Ltda and (ii) Pricol Wiping Systems Mexico S.A.de C.V, was completed. Further to the above, PWSIL and Pricol Espana along with PWS-C continues as Subsidiary of the company.

### SALE OF SUBSIDIARY COMPANIES

Pricol Wiping Systems Czech s.r.o was acquired in September 2017 to develop a fourth vertical of business for the company. Since taking over the business we have undertaken many operational excellence programs and this resulted in improved efficiencies and customer ratings. For over 15 months now, the business has been managing its cash flows. Nevertheless, the onset of COVID-19 has had a debilitating impact on the operations and outlook of the business of Pricol Wiping Systems Czech s.r.o. Over 80% of the sales for the operations in Czech are made to our key customers like Volkswagen, Audi, Seat, and Fiat who are located in countries like Germany, Italy and Spain. These three countries are badly affected by the COVID-19 pandemic and vehicle production has contracted very sharply.

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

The management teams in the Czech Republic and India have been in constant touch with the key customers to understand the business outlook and workout the cash flows but none of the European customers are willing to commit to any sort of committed production numbers. Under these circumstances, it is expected to have cash losses in the Czech Republic which will also result in breaching all the banking covenants and the bank in Czech Republic, Unicredit s.r.o, have advised us to further infuse capital into the company. Under the stiff economic downturn due to the COVID-19 pandemic in India, it would be impractical for the parent company, Pricol Limited, to allocate financial resources to the operations in Czech Republic. Hence, it was decided by the Board of Directors to explore 100% divestment of the operations in Czech Republic along with its holding company Pricol Espana located in Spain.

After negotiations with multiple potential buyers, we have identified a particular Private Equity investor, "Certina Automotive Solutions AG", a German Stock Corporation, (Purchaser) with extensive interests in the European automotive industry and have met the key customers and bankers along with this potential buyer and finalised the terms of the 100% divestment. Purchaser has agreed to take the Pricol Espana along with its subsidiary company Pricol Czech, with bank loans amounting to INR 6,402 Lakhs, and all liabilities and assets as on the date sale and pay a consideration of EURO 50,000. The loan granted by Pricol Limited to Pricol Espana will be converted into equity. The entire investment and the loan to be converted into equity has been provided for in the March 2020 year ending financials. Based on further discussions the board decided to hive off Pricol Espana to stop further cash drain from the parent company.

At the meeting of Board of Directors of Pricol Limited held on 29th July 2020, the Board has approved the terms of the Share Purchase Agreement for the complete divestment of Pricol Limited's interest in Pricol Espana along with its subsidiary company, Pricol Wiping Systems Czech s.r.o. The deal will be completed subject to statutory and regulatory approvals and is expected to be completed on or before 31st August 2020.

## OUTLOOK, OPPORTUNITIES, CHALLENGES, RISKS & CONCERNS

### India

The automotive industry ended up with degrowth of 15% in 2019-20 compared to 2018-19. The major reason for the degrowth was the outbreak of COVID-19 during Q4 for 2019-20. There was shortage of imported parts from China during Jan, Feb followed by lock down in Mar in India thus affecting the auto manufacturing during Q4 of 2019-20. However in Q4 all the manufacturers have transformed all their models from BS-IV to BS-VI emissions.

The outlook for 2020-21 is expected to be negative with a de-growth anticipated at 35% to 45% across various segments of the industry due to COVID-19 impact. The two wheelers are expected to recover faster compared to Commercial vehicle industry.

Pricol has won many new business across various segments in the BS VI platform and around 40% of the revenue of 2020-21 would be from new business.

### International

2019-20 witnessed a robust growth compared to 2018-19 both in the US and Europe markets. With Pricol winning new business in export at both US and Europe, the outlook for 2020-21 is expected to see a positive growth compared to 2019-20.

### COVID -19 IMPACT

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



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

### RISK MANAGEMENT

Risk Management Policy for identifying and managing risk, at the strategic, operational and tactical level, has been adopted by the Company. Our risk management practices are designed to be responsive to the ever changing Industry dynamics. At present the Company has not identified any element of risk which may threaten the existence of the Company.

The Risk Management policy has been placed on the website of the Company and the web link thereto is [https://www.pricol.com/Data/Policy/Risk-Management-Policy\\_20.pdf](https://www.pricol.com/Data/Policy/Risk-Management-Policy_20.pdf).

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and assets;
- Compliance with applicable statutes, policies, listing requirements and management policies and procedures.

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

### FINANCE

During the year the Company has not accepted / renewed any fixed deposit from public. The total deposits remained unpaid or unclaimed as at 31st March, 2020 is Nil. There is no default in repayment of deposits or payment of interest thereon during the

year. The Company undertook several steps to keep a control over borrowings and cost of borrowings. ICRA has revised credit rating for Long term fund based facilities to 'BB+' and for short term fund based & non fund based facilities to 'A4+'. Previous year 2018-19 credit rating for long term fund based facilities 'BBB (Negative)' and for short term fund based & non fund based facilities 'A3+'.

### RELATED PARTY TRANSACTIONS

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

### DIRECTORS

#### Independent Director

As per the provisions of Section 149 of the Companies Act, 2013, Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members appointed Independent Directors as mentioned below:

Name of Independent Director	Period of Appointment
Mrs.Sriya Chari	Upto 26th May 2021
Mr.S.K.Sundaraman	Upto 29th May 2023
Mr.P.Shanmugasundaram	Upto 14th June 2024
Mr.K.Ilango	Upto 14th June 2024
Mr. Suresh Jagannathan	Upto 31st July 2024
Mr. R.Vidhya Shankar	Upto 31st July 2024

During the year 2019-20, Mr.R.Vidhya Shankar and Mr.Suresh Jagannathan, Independent Directors were re-appointed as Independent Director, for the second term of 5 years, from 1st August 2019 to 31st July 2024, with the approval of shareholders through postal ballot. Mr.P.Shanmugasundaram and Mr.K.Ilango were appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 15th June 2019 to 14th June 2024, with the approval of shareholder at Annual General Meeting held on 29th August 2019.

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

Mrs.Sriya Chari, Independent Director has given her consent for re-appointment as Independent Director, for the second term of 5 years, from 27th May 2021 to 26th May 2026. The Board recommends her re-appointment as Independent Director, for the aforesaid period and suitable resolution is included in the AGM notice.

### Executive Director / Non Independent Director

Members appointed Executive Director / Non Independent Director as mentioned below :

Name of Director	Period of Appointment
Mrs.Vanitha Mohan	Upto 31st March 2021
Mr.Vikram Mohan	Upto 31st March 2022
Mr.V.Balaji Chinnappan	Upto 31st March 2022

During the year 2019-20, Mr.Vikram Mohan was appointed as Managing Director for a period of three years with effect from 1st April 2019 to 31st March 2022. Mr.V.Balaji Chinnappan was appointed as Chief Operating Officer (Whole Time Director) for a period with effect from 15th June 2019 to 31st March 2022.

Mrs. Vanitha Mohan, a Non-Independent Director retires by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

### EVALUATION BY THE BOARD

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

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

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

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

### KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company as stipulated under Companies Act, 2013 are Mr.Vikram Mohan, Managing Director, Mr.K.Ramesh, Chief Financial Officer & Mr.T.G.Thamizhanban, Company Secretary.

### STATUTORY AUDITORS

M/s. VKS Aiyer & Co., Chartered Accountants, Coimbatore (ICAI Firm Registration No: 000066S), the Statutory Auditors of the Company were appointed as Statutory Auditors of the Company, for a term of 5 years, from the conclusion of 7th Annual General Meeting until the conclusion of the 12th Annual General Meeting of the Company to be held in the calendar year 2023.

Statutory Auditors, M/s. VKS Aiyer & Co., Chartered Accountants, have confirmed their eligibility for continuing as Statutory Auditors of the Company.

### COST AUDITOR

The Board of Directors at their meeting held on 29th June 2020 appointed Mr.G.Sivagurunathan, Cost Accountant, as the Cost Auditor for conducting the Cost Audit for the financial year 2020-21. A resolution seeking members' ratification of the remuneration payable to Cost Auditor is included in the AGM notice. The Cost Audit Report will be filed within the stipulated period. The Company is maintaining the Cost Records as per Section 148(1) of the Companies Act, 2013.

### SECRETARIAL AUDITOR

The Company appointed M/s.P.Eswaramoorthy and Company, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report for the financial year 2019-20, as per regulation 24 A of SEBI LODR, is annexed herewith as "Annexure A".

### SECRETARIAL STANDARDS

The company had complied with the applicable Secretarial Standards.

### CSR INITIATIVES

Pricol's Corporate Social Responsibility (CSR) activities reflect its philosophy of enhancing value to the society and the environment around us. CSR activities are carried out through registered trust (ND Foundation) and a Section 8 Company (Yashaswi Academy for Skills), in addition to the CSR activities directly undertaken by the