

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 2009 and the Consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the Consolidated Cash Flow Statement for the year 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 the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statement of an associate and certain subsidiaries whose financial statements reflect total assets of Rs.495.737 million as at 31st March 2009 and total loss of Rs.71.525 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 associates 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 report 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 2009;
- 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
C.S. Sathyanarayanan
Partner
Membership No.28328

Coimbatore
29th May 2009

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, 2009

	Schedule	31-3-2009 Rs. Million	31-3-2008 Rs. Million
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	I	90.000	90.000
Reserves & Surplus	II	1,397.673	1,767.455
		<u>1,487.673</u>	<u>1,857.455</u>
Loan Funds			
Secured Loans	III	3,278.076	3,192.958
Unsecured Loans	IV	120.880	327.971
		<u>3,398.956</u>	<u>3,520.929</u>
Total		<u>4,886.629</u>	<u>5,378.384</u>
APPLICATION OF FUNDS			
Fixed Assets			
a. Gross Block	V	5,365.741	4,951.576
b. Less : Accumulated Depreciation		2,598.199	2,232.728
		<u>2,767.542</u>	<u>2,718.848</u>
c. Net Block		51.469	206.491
d. Capital Work-in-progress		<u>2,819.011</u>	<u>2,925.339</u>
Investments			
Deferred Tax Asset / (Liability)	VI	17.257	18.772
Current Assets, Loans and Advances	VII	54.759	(29.921)
a. Inventories		1,433.973	1,779.806
b. Sundry Debtors		1,578.865	1,628.926
c. Cash and Bank Balances		54.706	78.747
d. Loans and Advances		705.103	770.463
	(A)	<u>3,772.647</u>	<u>4,257.942</u>
Less : Current Liabilities & Provisions	VIII		
a. Liabilities		1,431.246	1,369.317
b. Provisions		345.799	424.431
	(B)	<u>1,777.045</u>	<u>1,793.748</u>
Net Current Assets	(A-B)	1,995.602	2,464.194
Debit Balance in Profit & Loss Account	IX	—	—
Total		<u>4,886.629</u>	<u>5,378.384</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
C.S. Sathyanarayanan
Partner
Membership No.28328
Coimbatore, 29th May 2009

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

Vanitha Mohan
Executive Director

P. Ravi
General Manager
Finance & Secretarial

D. Sarath Chandran
Director

T.G. Thamizhanban
Company Secretary

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2009

	Schedule	2008-09 Rs. Million	2007-08 Rs. Million
INCOME			
Net Sales & Services			
- Domestic		4,960.448	5,074.184
- Export		1,373.330	1,249.557
Total Sales	X	6,333.778	6,323.741
Increase / (Decrease) in Stock of Finished Goods	XI	(92.294)	240.764
Cost of In-house Manufactured Machines & Toolings Capitalised		119.592	129.430
Production Value		6,361.076	6,693.935
EXPENDITURE			
	XII		
Raw Materials & Components Consumed		4,153.543	4,020.172
Employees' Cost		914.179	944.403
Power & Utilities		188.733	178.661
Stores & Spares Consumed		52.309	77.505
Repairs & Maintenance		117.460	146.978
Other Expenditure		632.737	534.487
Total Expenditure		6,058.961	5,902.206
Profit before Interest, Depreciation & Other Income		302.115	791.729
Add : Other Income	XIII	39.918	77.918
Less : Interest & Finance Charges	XIV	422.118	314.827
: Depreciation		388.736	349.707
Profit / (Loss) Before Tax		(468.821)	205.113
Less : Provision for Current Tax		—	50.275
: Provision for Fringe Benefit Tax		6.701	7.616
: Provision for Deferred Tax (Asset)		(84.680)	(35.849)
Add : Tax Provision for earlier years no longer required written back		22.156	—
Profit / (Loss) After Tax		(368.686)	183.071
Add : Balance brought forward		168.085	248.191
Amount available for appropriation		(200.601)	431.262
APPROPRIATION			
Dividend - Nil (Previous year - Re.0.60 per share of Re.1/- face value)		—	54.000
Tax on Dividend @ 16.995%		—	9.177
General Reserve		—	200.000
Surplus / (Deficit) to be carried over		(200.601)	168.085
		(200.601)	431.262
Earnings per Share (Basic / Diluted) (In Rupees)			
(Face Value of Re.1/-)	XV	(4.10)	2.03

Schedules 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
C.S. Sathyanarayanan
Partner
Membership No.28328
Coimbatore, 29th May 2009

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

D. Sarath Chandran
Director

Vanitha Mohan
Executive Director

P. Ravi
General Manager
Finance & Secretarial

T.G. Thamizhanban
Company Secretary

CONSOLIDATED SCHEDULES FORMING PART OF THE ACCOUNTS

	31-3-2009 Rs. Million	31-3-2008 Rs. Million
Schedule I - SHARE CAPITAL		
Authorised		
100,000,000 Equity Shares of Re.1/- each	100.000	100.000
Issued, Subscribed and Paid-up		
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
Schedule II - RESERVES & SURPLUS		
Share Premium Account	181.000	181.000
General Reserve		
As per last Balance Sheet	1,400.580	1,200.580
Add : Transfer from Profit & Loss Account	—	200.000
	1,400.580	1,400.580
Less : Debit Balance in Profit & Loss Account adjusted as per contra	200.601	—
	1,199.979	1,400.580
Foreign Currency Translation Reserve	16.694	17.790
Surplus		
Balance in Profit & Loss Account	—	168.085
	1,397.673	1,767.455
Schedule III - SECURED LOANS		
a) Term Loans from Banks :		
- In Rupee	1,917.785	1,477.065
- In Foreign Currency	442.047	610.252
b) Working Capital Facilities from Banks :		
- In Rupee	707.268	366.409
- In Foreign Currency	210.976	739.232
	3,278.076	3,192.958
Schedule IV - UNSECURED LOANS		
Loan from Banks	120.880	327.971
	120.880	327.971

CONSOLIDATED SCHEDULES (Contd.,)

Schedule V - FIXED ASSETS

(Rs. Million)

	Gross Block			Balance as on 31-3-2009	Upto 31-3-2008	Depreciation		Net Block		
	Cost as on 1-4-2008	Additions during 2008-09	Sales/Transfer during 2008-09			For 2008-09	Withdrawn during 2008-09	Total upto 31-3-2009	Written down as on 31-3-2009	Value as on 31-3-2008
Tangible Assets										
Land	172.681	2.264	—	174.945	—	—	—	—	174.945	172.681
Buildings	1,116.994	136.635	—	1,253.629	193.380	41.953	—	235.333	1,018.296	923.614
Plant & Machinery	3,299.445	258.802	29.106	3,529.141	1,838.075	312.319	20.883	2,129.511	1,399.630	1,461.370
Furniture, Fittings & Equipments	68.526	2.798	—	71.324	27.078	5.294	—	32.372	38.952	41.448
Vehicles	112.895	3.869	10.003	106.761	27.388	9.834	2.382	34.840	71.921	85.507
Total Tangible Assets	4,770.541	404.368	39.109	5,135.800	2,085.921	369.400	23.265	2,432.056	2,703.744	2,684.620
Intangible Assets										
Computer Software	56.989	23.613	—	80.602	36.069	12.001	—	48.070	32.532	20.920
Technical Knowhow	124.046	25.293	—	149.339	110.738	7.335	—	118.073	31.266	13.308
Total Intangible Assets	181.035	48.906	—	229.941	146.807	19.336	—	166.143	63.798	34.228
Sub-Total	4,951.576	453.274	39.109	5,365.741	2,232.728	388.736	23.265	2,598.199	2,767.542	2,718.848
Capital Work-in-progress	206.491	38.582	193.604	51.469	—	—	—	—	51.469	206.491
Total Assets				5,417.210				2,598.199	2,819.011	2,925.339
								31-3-2009		31-3-2008
								Rs. Million		Rs. Million

Schedule VI - INVESTMENTS

LONG TERM INVESTMENTS (at Cost)

1. Non-Trade - Quoted :

a) 600 Equity Shares of Rs.2/- each fully paid-up in GMR Infrastructure Limited	0.143	0.143
b) 200 Equity Shares of Rs.10/- each fully paid-up in Mahindra & Mahindra Limited	0.137	0.137
c) 200 Equity Shares of Rs.10/- each fully paid-up in Cholamandalam DBS Finance Limited	0.061	0.061
d) 125 Equity Shares of Rs.10/- each fully paid-up in Tata Motors Limited	0.089	0.089
e) 75 Equity Shares of Rs.10/- each fully paid-up in ICICI Bank Limited	0.080	0.080
f) 71 Equity Shares of Re.1/- each fully paid-up in TVS Motors Limited	0.001	0.001
g) 70 Equity Shares of Rs.10/- each fully paid-up in Bharat Heavy Electricals Limited (Previous year - 55 Equity Shares)	0.157	0.132
h) 50 Equity Shares of Rs.10/- each fully paid-up in Munjal Auto Industries Limited	0.001	0.001
i) 50 Equity Shares of Rs.10/- each fully paid-up in Shivam Autotech Limited		

CONSOLIDATED SCHEDULES (Contd.,)

	31-3-2009 Rs. Million	31-3-2008 Rs. Million
Schedule VI - INVESTMENTS (Contd..)		
j) 100 Equity Shares of Rs.10/- each fully paid-up in Larsen & Toubro Limited (Previous year - 40 Equity Shares)	0.180	0.157
k) 70 Equity Shares of Rs.10/- each fully paid-up in State Bank of India (Previous year - 40 Equity Shares)	0.136	0.095
l) 29,276 Units of DSP - Black Rock India TIGER Fund - Dividend Option	1.000	1.000
m) 17,573 Units of HDFC Equity Fund - Dividend Option	1.000	1.000
n) 47,193 Units of ICICI Prudential Infrastructure Fund - Dividend Reinvestment (Previous year - 37,344 Units)	0.893	0.743
o) 36,538 Units of JM Basic Fund - Dividend Plan	1.120	1.120
p) 17,937 Units of Reliance Diversified Power Sector Fund - Dividend Plan	1.000	1.000
q) 7,362 Units of Reliance Vision Fund - Retail Plan - Dividend Plan	0.500	0.500
r) 3,082 Units of ICICI Prudential Liquid Plan	0.061	—
s) 102 Units of Reliance Money Manager Fund	0.103	—
	6.662	6.259
2. Non Trade - Unquoted :		
a. 199,700 Equity Shares of Rs.10/- each fully paid-up in Synoro Technologies Limited	1.997	1.997
b. 720,000 Equity Shares of Rs.10/- each fully paid-up in Pricol Technologies Limited	7.200	7.200
	9.197	9.197
3. Investment in Associates :		
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	4.000
	4.160	4.160
4. Application Money Paid :		
State Bank of India - Rights Issue	—	0.017
Total (1+2+3+4)	20.019	19.633
Less : Share of Post Acquisition Loss	2.762	0.861
Total Investments	17.257	18.772
Aggregate Cost of Quoted Investments (long term)	6.662	6.276
Aggregate Cost of Un-quoted Investments (long term)	13.357	13.357
Market Value of Quoted Investments (long term)	2.440	4.260

CONSOLIDATED SCHEDULES (Contd.,)

	31-3-2009 Rs. Million	31-3-2008 Rs. Million
Schedule VII - CURRENT ASSETS, LOANS AND ADVANCES		
a. Inventories (At lower of cost and net realisable value)		
Stock of Stores & Spares	38.817	32.001
Raw Materials & Components	866.372	1,066.179
Materials in Transit	0.577	15.181
Work-in-progress	193.123	239.624
Finished Goods	226.375	318.669
Land - Stock in Trade	108.709	108.152
	<u>1,433.973</u>	<u>1,779.806</u>
b. Sundry Debtors :		
Unsecured Considered Good		
a) Outstanding for a period exceeding six months	599.209	317.351
b) Others	979.656	1,311.575
	<u>1,578.865</u>	<u>1,628.926</u>
Unsecured Considered Doubtful		
	37.544	27.213
Less : Provision for Doubtful Debts	37.544	27.213
	<u>—</u>	<u>—</u>
	<u>1,578.865</u>	<u>1,628.926</u>
c. Cash & Bank Balances :		
Cash on hand	0.875	0.663
Balances with Scheduled Banks		
In Current Account	37.522	49.442
In Unclaimed Dividend Account	4.741	4.894
In Margin Money Account / Fixed Deposits	11.568	23.748
	<u>54.706</u>	<u>78.747</u>
d. Loans and Advances :		
Advances Recoverable in cash or in kind or for value to be received and considered Good		
Unsecured considered good	45.965	83.528
Unsecured considered doubtful	3.607	3.607
Less : Provision for Doubtful Advances	3.607	3.607
	<u>45.965</u>	<u>83.528</u>
Deposits	34.311	33.495
Balances with Government authorities	228.466	262.372
Prepaid expenses	18.451	7.967
Tax payments pending adjustment	377.910	383.101
	<u>705.103</u>	<u>770.463</u>
	<u>3,772.647</u>	<u>4,257.942</u>

CONSOLIDATED SCHEDULES (Contd.,)

	31-3-2009 Rs. Million	31-3-2008 Rs. Million
Schedule VIII - CURRENT LIABILITIES AND PROVISIONS		
a. Liabilities :		
Sundry Creditors	1,407.506	1,334.674
(Due to Micro, Small and Medium Enterprises is Rs.4.130 Mn, Previous year - Rs.0.080 Mn)		
Interest accrued but not due on loans	16.530	23.870
Due to Directors	2.123	5.279
Investor Education and Protection Fund - not due :		
Unclaimed Dividend	4.741	4.894
Unclaimed Deposits including Interest	0.346	0.600
	<u>5.087</u>	<u>5.494</u>
	1,431.246	1,369.317
b. Provisions :		
For Current Taxation	316.511	338.667
For Fringe Benefit Tax	29.288	22.587
For Dividend	—	54.000
For Tax on Dividend	—	9.177
	<u>345.799</u>	<u>424.431</u>
	<u>1,777.045</u>	<u>1,793.748</u>

Schedule IX - DEBIT BALANCE IN PROFIT & LOSS ACCOUNT

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

Schedule X - INCOME

	2008-09 Rs. Million	2007-08 Rs. Million
Sales & Service Charges		
Domestic Sales & Service Charges		
Sale of Finished Products (Incl. of Excise Duty and Sales Tax)	5,859.366	6,230.137
Service Charges	45.522	53.710
Sale of Wind Power	6.750	6.462
	<u>5,911.638</u>	<u>6,290.309</u>
Less : Excise Duty	664.514	940.735
: Sales Tax	266.886	258.010
: Discount & Commission on Domestic Sales	19.790	17.380
	<u>4,960.448</u>	<u>5,074.184</u>
Export Sales		
Sale of Finished Products (Incl. of Excise Duty)	1,518.179	1,299.251
Less : Excise Duty	139.313	44.521
: Commission on Export Sales	5.536	5.173
	<u>1,373.330</u>	<u>1,249.557</u>
	<u>6,333.778</u>	<u>6,323.741</u>

CONSOLIDATED SCHEDULES (Contd.,)

	2008-09 Rs. Million	2007-08 Rs. Million
Schedule XI - Increase / (Decrease) in Stock of Finished Goods		
Stock at Closing	226.375	318.669
Less : Stock at Opening	318.669	77.905
	<u>(92.294)</u>	<u>240.764</u>
Schedule XII - EXPENDITURE		
RAW MATERIALS & COMPONENTS CONSUMED		
Opening Stock		
a) Raw Materials & Components	1,081.360	701.482
b) Work-in-Progress	239.624	106.532
	<u>1,320.984</u>	<u>808.014</u>
Add : Purchases	4,011.753	4,602.170
	<u>5,332.737</u>	<u>5,410.184</u>
Less : Closing Stock		
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>
	<u>4,272.665</u>	<u>4,089.200</u>
Less : Sale of Raw Materials & Scrap	181.677	166.292
Add : Direct Expenses	62.555	97.264
	<u>4,153.543</u>	<u>4,020.172</u>
Includes materials consumed for In-house Manufacture of Machines & Toolings of Rs.70.680 Mn for 2008-09 (Rs.110.830 Mn for 2007-08)		
EMPLOYEES' COST		
a) Pay, Allowances, Performance Reward & Bonus	771.480	793.525
b) Company's Contribution to Provident, Superannuation and Gratuity Funds	49.210	53.624
c) Welfare Expenses	93.489	97.254
	<u>914.179</u>	<u>944.403</u>
REPAIRS AND MAINTENANCE		
Machinery	86.597	95.738
Building	17.760	32.488
Others	13.103	18.752
	<u>117.460</u>	<u>146.978</u>

CONSOLIDATED SCHEDULES (Contd.,)

	2008-09 Rs. Million	2007-08 Rs. Million
Schedule XII - EXPENDITURE (Contd.,)		
OTHER EXPENDITURE		
Printing & Stationery	14.290	13.446
Postage, Telegram and Telephone	16.190	17.145
Rent	8.912	8.389
Rates, Taxes & Licence	(3.628)	55.049
Insurance	8.451	10.477
Bank Charges	13.281	9.352
Travelling & Conveyance	79.833	104.063
Freight & Forwarding	195.317	191.958
Advertisement, Publicity & Sales Promotion	6.272	24.365
Royalty	44.216	53.093
Bad Debts written off	0.788	11.377
Provision for doubtful debts (Net)	5.261	(7.317)
Commission / Sitting Fees to Non-Whole Time Directors	0.327	2.613
Auditor's Remuneration	1.869	1.507
Professional Charges, Books and Periodicals	44.037	49.392
Net Foreign Exchange (Gain) / Loss	192.561	(20.924)
Miscellaneous Expenses	8.895	10.133
Donations	—	0.635
(Profit) / Loss on Sale of Assets (Net)	(4.135)	(0.266)
	<u>632.737</u>	<u>534.487</u>

Schedule XIII - OTHER INCOME

Interest Received	13.342	19.062
Income from Mutual Funds	0.271	16.185
Rent Received	3.139	4.089
Trading Income	4.560	2.717
Sundry Income	2.722	17.984
Export Incentives	17.785	12.267
Share in Profit / (Loss) of Associates	(1.901)	5.614
	<u>39.918</u>	<u>77.918</u>

Schedule XIV - INTEREST & FINANCE CHARGES

Interest on Fixed Loans	213.244	110.408
Interest on Other Loans	196.464	189.698
Finance Charges	12.410	14.721
	<u>422.118</u>	<u>314.827</u>

Schedule XV - EARNINGS PER SHARE (Basic / Diluted)

a. Profit / (Loss) After Tax	(368.686)	183.071
b. Equity Share of Re.1/- each (Nos. in Mn)	90.000	90.000
c. Earnings per Share (a/b) (in Rs.)	(4.10)	2.03

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2009.

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	40%

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

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

	As at 31st March 2009	As at 31st March 2008
	(In Indonesian Rupiah)	
One Indian Rupee	227.27	230.57

5. Previous Year's figures have been regrouped wherever necessary to conform to the current year's classification.

6. Figures have been rounded off to the nearest thousand.

7. As per the information received from the Suppliers regarding their classification the amount due to Micro, Small and Medium Enterprises is disclosed:

	Rs. Million	
	2008-09	2007-08
Due to Micro, Small and Medium Enterprises		
— Principal due at the year end	4.130	0.080
— Interest payable at the year end	—	—
— Interest paid during the year	—	0.220

8. List of Related parties with whom transactions have taken place during the year 2008-09 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, Ananya Innovations Limited, Vascon Pricol Infrastructures 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	
	2008-09	2007-08	2008-09	2007-08
Purchase / Labour Charges paid	—	—	135.102	256.496
Sales / Job Work Charges received	—	—	128.288	472.321
Receiving of Services	7.514	9.049	14.469	8.143
Rendering of Services	—	—	12.329	4.894
Loan / Advance / Deposit - Opening	—	—	10.356	10.356
Loan / Advance / Deposit - Closing	—	—	10.356	10.356
Receivable - Closing	—	—	514.667	573.824
Payable - Closing	2.208	5.279	13.584	3.507

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 2009" as given in the standalone financial statements of Pricol Limited.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	2008-09 Rs. Million	2007-08 Rs. Million
A. Cash Flow from Operating Activities:		
Net Profit / (Loss) Before Tax	(468.821)	205.113
Adjustments for :		
Depreciation	388.736	349.707
Bad debts written off	0.788	11.377
Provision for Doubtful debts (Net)	5.261	(7.317)
Effect of change in Foreign Currency Translation Reserve (Profit) / Loss on Sale of Assets	(1.096)	17.983
Exchange Fluctuation (Gain) / Loss on Re-statement	43.125	(0.266)
Interest received	(13.342)	(19.062)
Interest & Finance charges	422.118	314.827
Other Investment Income	1.630	(21.799)
	<u>843.085</u>	<u>634.434</u>
Operating profit before working capital changes	374.264	839.547
Adjustments for :		
Trade and other receivables	119.685	(256.465)
Inventories	345.833	(738.512)
Trade and other payables	75.157	544.585
	<u>540.675</u>	<u>(450.392)</u>
Cash generated from operations	914.939	389.155
Direct taxes (paid) / refunds	5.191	(65.484)
Net Cash from Operating Activities	920.130	323.671
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(298.252)	(706.940)
Sale of Fixed Assets	19.979	6.956
Interest received	13.342	19.062
Purchase of Investments	(0.386)	(10.274)
Sale of Investments	—	60.835
Other Investment Income	0.271	16.185
Net Cash used in Investing Activities	(265.046)	(614.176)
C. Cash Flow from Financing Activities:		
Long term Borrowings	209.333	737.969
Unsecured Loans & Deposits	(207.345)	(730.173)
Working Capital Borrowings	(188.325)	448.193
Dividend & Tax on Dividend paid	(63.330)	(104.499)
Interest & Finance charges paid	(429.458)	(303.185)
Net Cash from / (used) Financing Activities	(679.125)	48.305
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(24.041)	(242.200)
Cash and cash equivalents as at 1.4.2008 and 1.4.2007 (Opening balance)	78.747	320.947
Cash and cash equivalents as at 31.3.2009 and 31.3.2008 (Closing balance)	<u>54.706</u>	<u>78.747</u>

As per our report of date attached
For Suri & Co.,
Chartered Accountants
C.S. Sathyanarayanan
Partner
Membership No.28328
Coimbatore, 29th May 2009

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

Vanitha Mohan
Executive Director

P. Ravi
General Manager
Finance & Secretarial

D. Sarath Chandran
Director

T.G. Thamizhanban
Company Secretary

Disclosure of Information relating to the Subsidiary Companies as required by the Ministry of Corporate Affairs, Government of India vide their approval letter No.47/11/2009-CL-III dated 5th February, 2009.

Particulars	Integral Investments Limited	English Tools and Castings Limited	PT Pricol Surya Indonesia
		2008-09	
		Rs. Million	
a) Share Capital	22.500	79.337	66.727
b) Reserves & Surplus	1.091	0.001	(74.462)
c) Total Assets	23.599	245.052	230.382
d) Total Liabilities	23.599	245.052	230.382
e) Details of Investments *	20.019	—	—
f) Turnover	0.111	149.597	121.841
g) Profit / (Loss) Before Tax	0.092	(32.781)	(51.652)
h) Provision for Taxation	—	0.101	(13.280)
i) Profit / (Loss) After Tax	0.092	(32.882)	(38.373)
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 2009 : 1 INR = 227.27 IDR.