

# PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

CIN : L24131WB1948PLC095302

REGD. OFFICE : BIRLA BUILDING, 9/1, R.N.MUKHERJEE ROAD, KOLKATA-700 001

Email : pilaniinvestment1@gmail.com, TELEPHONE: 3057 3700 / 3041 0900. Website : www.pilaniinvestment.com

28<sup>th</sup> August, 2017

**The Manager,**

**Listing Department,**

National Stock Exchange of India Ltd.,  
"Exchange Plaza", Bandra-Kurla Complex,  
Bandra (East) Mumbai - 400051

**BSE Limited,**

**Corporate Relationship Department,**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400001

**Sub: Annual Report and Accounts 2016-2017**

**Ref: Scrip Code: NSE: PILANIINVS :: BSE 539883:: ISIN: INE417C01014**

Dear Sir,

Please find enclosed herewith the Annual Report and Accounts 2016-2017 of the Company pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which has been approved and adopted by the Shareholders at the 70<sup>th</sup> Annual General Meeting held on Thursday, 24<sup>th</sup> August, 2017.

This is for your information and records.

Thanking you,

Yours faithfully,

For Pilani Investment and Industries  
Corporation Ltd.,

  
Company Secretary

Enclosure: As above.



**PILANI INVESTMENT AND  
INDUSTRIES  
CORPORATION LIMITED**

**70<sup>th</sup>**  
**ANNUAL REPORT  
AND ACCOUNTS**  
**2016 - 2017**

***DIRECTORS***

(as on 30.05.2017)

SHRI B. K. BIRLA  
SHRI KUMAR MANGALAM BIRLA  
SHRI D. K. MANTRI  
SHRI A. V. JALAN  
SHRI A. K. KOTHARI  
SMT. SURBHI SINGHI

***CHIEF EXECUTIVE OFFICER***

SHRI R. P. PANSARI

***CHIEF FINANCIAL OFFICER***

SHRI N. K. BAHETI

***COMPANY SECRETARY***

SHRI R. S. KASHYAP

***AUDITORS***

M/S. S. R. BATLIBOI & CO. LLP  
CHARTERED ACCOUNTANTS  
22, CAMAC STREET, BLOCK "C"  
3RD FLOOR, KOLKATA - 700 016

***REGISTRAR & SHARE TRANSFER AGENTS***

M/S NICHE TECHNOLOGIES PVT. LTD.  
D-511, BAGREE MARKET  
71, B. R. B. BASU ROAD  
KOLKATA - 700 001  
Phone : 033-22357270 / 22357271  
E-mail : nichetechpl@nichetechpl.com

***REGISTERED OFFICE***

BIRLA BUILDING  
9/1, R. N. MUKHERJEE ROAD  
KOLKATA - 700 001  
Phone : 033-30573700 / 30410900  
CIN : L24131WB1948PLC095302  
Website : www.pilaniinvestment.com  
Email : pilaniinvestment1@gmail.com

Notice for 70th Annual  
General Meeting is being  
sent separately through  
Speed Post / Registered  
Post / e-mail as required  
under the Companies Act,  
2013 and Rules made  
thereunder.

# Contents

Directors Report and Annexures.....	03
Corporate Governance Report.....	35
Independent Auditors' Report.....	48
Balance Sheet.....	56
Statement of Profit & Loss.....	57
Cash Flow Statement.....	58
Notes to Financial Statements .....	60
Subsidiary Accounts.....	83
Independent Auditors' Report on CFS.....	139
Consolidated Financial Statement.....	147

## DIRECTORS' REPORT

TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting the 70<sup>th</sup> Annual Report of the Company along with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017. The Financial Results for the year are shown below:-

### FINANCIAL RESULTS

	(Amount in ₹ Millions)	
	<u>2016-2017</u>	<u>2015-2016</u>
Profit from operations, Dividend, Interest and Rent Income	<b>492.03</b>	403.59
Less: Depreciation	<b>6.31</b>	2.08
Profit before tax	<b>485.72</b>	401.51
Less: Provision for taxation	<b>46.00</b>	23.50
Add : MAT credit entitlement	<b>19.73</b>	11.09
Profit after taxation	<b>459.45</b>	389.10
Add: Balance brought forward	<b>1713.07</b>	1739.76
Profit available for appropriation	<b>2172.52</b>	2128.86
Appropriations :		
Special Reserve	<b>91.89</b>	77.82
Proposed Dividend	-	197.72
Corporate Dividend Tax	-	40.25
General Reserve	-	100.00
Balance carried forward	<b>2080.63</b>	1713.07
	<b>2172.52</b>	2128.86

### CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there has been no change in the nature of business of the Company.

### MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE

There were no material changes and commitments affecting the financial position of the company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

### SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/ TRIBUNALS.

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

## **DIRECTORS' REPORT — (Contd.)**

### **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company has in place an internal financial control system which ensures proper recording of financial information and various regulatory and statutory compliances. The Company has in place a proper and efficient Risk Assessment and Minimization Programme.

### **DIVIDEND**

The Board of Directors has recommended a dividend of ₹25/- (Rupees Twenty Five only) per equity share of ₹10/- each equivalent to 250% (Two Hundred Fifty percent) on the paid up equity share capital of the Company for the year ended 31<sup>st</sup> March, 2017 which is same as paid in the previous year. The dividend will be paid when declared by the shareholders in accordance with law. The dividend will be free of tax in the hands of the shareholders. The Company will have to pay dividend distribution tax at the rate of 15 % plus applicable surcharge and education cess, aggregating about 20.358 % on the dividend amount so distributed.

### **TRANSFER TO RESERVES**

The Company does not propose to transfer any amount to the General Reserves for the Financial Year ended 31<sup>st</sup> March, 2017 but an amount of ₹2080.63 millions is proposed to be retained in the profit and loss account.

### **DIRECTORS**

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors had appointed Shri A. K. Kothari (DIN: 00051900 ) as an Additional Director and Shri R. P. Pansari (DIN: 00869222) as the Managing Director of the Company with effect from 25<sup>th</sup> July, 2016 and 14<sup>th</sup> February, 2017 respectively. Shri R. P. Pansari had resigned as Managing Director effective from 7<sup>th</sup> May, 2017 which has been accepted by the Board. Shri A. K. Kothari holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment. Details of the proposal for the appointment of Shri A. K. Kothari as an Independent Director with effect from 25<sup>th</sup> July, 2016 is mentioned in the Notice of the 70<sup>th</sup> Annual General Meeting of the Company alongwith the Explanatory Statement as required under Section 102 of the Companies Act, 2013. The aforesaid appointment is appropriate and in the best interest of the Company.

Shri A. V. Jalan (DIN: 01455782) will be retiring by rotation at the ensuing 70<sup>th</sup> Annual General Meeting and being eligible, offers himself for being re-elected.

Shri R. A. Makharia, Executive Director had retired from the services of the Company with effect from 23<sup>rd</sup> September, 2016. The Board of Directors has placed on record its warm appreciation of the contribution made by Shri R.A. Makharia during his tenure as Executive Director of the Company.

### **PERFORMANCE EVALUATION**

All the Independent Directors of the Company had a separate meeting on 29<sup>th</sup> December, 2016 to review the performance and evaluation of Non-Independent Directors and the Board as a whole. The Nomination and Remuneration Committee of the Company also evaluated the performance of individual Directors on various parameters such as level of participation of the Directors, preparing themselves well in advance to take active participation at the meeting(s), level of knowledge, expertise etc. The Board after taking into consideration the evaluation as done by the Nomination and Remuneration Committee and by the Independent Directors, carried out an annual evaluation of its own performance and the Directors individually (including Independent Directors) as well as the working of its Committees. The overall outcome from the evaluation was that the Board, its Committees and the

## **DIRECTORS' REPORT — (Contd.)**

individual Directors have performed effectively.

### **DECLARATION BY INDEPENDENT DIRECTORS**

The Independent Directors of the Company have confirmed and declared that they are not disqualified to act as an Independent Director pursuant to the provisions of section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as an Independent Director.

### **CODE OF CONDUCT**

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to the Board Members and Senior Management Personnel of the Company. A declaration made by the Chief Executive Officer to this effect forms a part of this report as an Annexure.

### **BOARD MEETINGS**

Detailed information on the numbers and dates of Board Meetings and Committee Meetings including attendance of Directors is given in the attached Corporate Governance Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with the provisions of Section 134 of the Companies Act, 2013 the Directors to the best of their knowledge and belief confirm that –

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies as mentioned in Note 2.1 of Notes to Financial Statements and applied them consistently and made judgements and estimates that are 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 as at 31<sup>st</sup> March, 2017 and of the profit of the Company for the financial year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls were adequate and operating effectively; and
- (vi) there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CEO/CFO CERTIFICATION**

As required by Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Part B of Schedule II of the Listing Regulations, the CEO and CFO certification regarding Financial Statements and internal controls relating to financial report has been submitted to the Board and a copy thereof is annexed and forms part of this Annual Report.

### **LISTING OF EQUITY SHARES**

The Equity shares of your Company are listed with the National Stock Exchange of India Limited and

## **DIRECTORS' REPORT — (Contd.)**

BSE Limited.

### **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as at 31<sup>st</sup> March, 2017 is attached as Annexure- A in the prescribed form MGT- 9, which forms part of this report.

### **KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, and on the recommendations of the Nomination and Remuneration Committee, the Board has appointed Shri R. P. Pansari as the Chief Executive Officer of the Company effective from 7<sup>th</sup> May, 2017. Accordingly, the Key Managerial Personnel now are Shri R. P. Pansari, Chief Executive Officer, Shri N. K. Baheti, Chief Financial Officer and Shri R. S. Kashyap, Company Secretary.

During the year, Shri R. A. Makharia, Managing Director designated as Executive Director retired from the services of the company w. e. f. 23<sup>rd</sup> September, 2016 and Shri R. P. Pansari appointed as Managing Director on 14<sup>th</sup> February, 2017 had resigned effective from 7<sup>th</sup> May, 2017. Further, Shri R. P. Pansari has been appointed as Chief Executive Officer of the Company effective from 7<sup>th</sup> May, 2017. Remuneration and other details of the Key Managerial Personnel for the year ended 31<sup>st</sup> March, 2017 are mentioned in the Extract of the Annual Return which is attached as Annexure - A and forms part of this report.

### **TRANSACTIONS WITH RELATED PARTIES**

None of the transactions with Related Parties falls under the scope of Section 188 (1) of the Companies Act, 2013. However the NIL disclosure in prescribed form AOC-2 is attached and the same forms part of this report.

### **CORPORATE GOVERNANCE**

The Company has in place a system of Corporate Governance. A separate Report on Corporate Governance is enclosed as a part of this Annual Report of the Company. A certificate from the Statutory Auditors of the Company regarding compliance of Corporate Governance is annexed to the Report on Corporate Governance.

### **AUDIT COMMITTEE**

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming part of this Annual Report. The Company Secretary is acting as the Secretary of the Committee. The Managing Director/ Chief Executive Officer and the Chief Financial Officer are permanent invitees to the meeting to give clarifications on accounts related issues. The Board had accepted all the recommendations as and when forwarded by the Audit Committee. The Company has in place a vigil mechanism viz. Whistle Blower Policy the details of which are available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com).

Other details relating to number of meetings and dates on which held including the attendance of each member has been given separately in the attached Corporate Governance Report.

### **NOMINATION AND REMUNERATION COMMITTEE**

The composition and terms of reference of the Nomination and Remuneration Committee has been furnished in the Corporate Governance Report forming part of this Annual Report. The Company Secretary is acting as the Secretary of the Committee. The said Committee had devised a policy named as Nomination and Remuneration Policy which has been approved by the Board and a copy



## **DIRECTORS' REPORT — (Contd.)**

of the same is available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com) and is also attached as Annexure – B and forms part of this Report.

Other details relating to number of meetings and dates on which held including the attendance of each member had been given separately in the attached Corporate Governance Report.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The composition and terms of reference of the Corporate Social Responsibility Committee (CSR Committee) has been given in the Corporate Governance Report forming part of this Annual Report. The said Committee had devised a policy named as Corporate Social Responsibility Policy which has been approved by the Board and a copy of the same is available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com) and is also attached as Annexure - C and forms a part of this report. Other details relating to number of meetings and dates on which held including the attendance of each member had been given separately in the attached Corporate Governance Report. During the year, your Company has contributed ₹2.5 million to various Trusts/Institutions working in the areas which is strictly in consonance with the CSR policy of the Company.

The details of CSR expenditure in prescribed form is annexed as Annexure- D and forms part of this report.

### **SUBSIDIARIES/ASSOCIATE COMPANIES**

The Company has two Subsidiaries and two Associates as on 31<sup>st</sup> March, 2017. Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's Subsidiaries/Associates in Form AOC-1 is attached with this report.

### **SECRETARIAL AUDIT**

In compliance with the provisions of Section 204 of the Companies Act, 2013, a Secretarial Audit was conducted during the year by the Secretarial Auditor M/s. K. C. Dhanuka & Company, Practicing Company Secretary. The Secretarial Auditor's Report is attached as Annexure- E and forms part of this report. The observations made in the Secretarial Auditor's Report are self explanatory.

### **STATUTORY AUDITORS**

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 301003E/ E300005), the Statutory Auditors of the Company, will hold office up to the forthcoming 70<sup>th</sup> Annual General Meeting as they will complete their term as Statutory Auditors provided under the Companies Act, 2013 and the relevant Rules thereunder.

The Board has placed on record its appreciation for the services rendered by M/s. S. R. Batliboi & Co. LLP, as Statutory Auditors of the Company.

The Board of Directors on the recommendation of the Audit Committee has approved and recommend to the Members, the appointment of M/s. Vidyarthi & Sons, Chartered Accountants (ICAI Firm Registration No: 000112C) as Statutory Auditors of the Company for a term of 5 years, commencing from the conclusion of the forthcoming Annual General Meeting of the Company, subject to ratification of their appointment by the Members every year. M/s. Vidyarthi & Sons have confirmed their eligibility under Section 141 of the Act, and the Rules framed thereunder, for their appointment as Statutory Auditors of the Company.

## **DIRECTORS' REPORT — (Contd.)**

### **AUDITORS REPORT**

The observations made in the Auditors Report are self explanatory and, therefore, do not call for any further explanation under Section 134 (3)(f)(i) of the Companies Act 2013.

### **EMPLOYEES**

Information required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure – F and forms part of this report.

### **DEPOSITS**

The Company has not accepted/accessed any public deposit during the year. Hence, no information is required to be appended to this report in terms of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016.

### **LOANS, GUARANTEES AND INVESTMENTS**

The Company had not given loans, directly or indirectly, to any person or other body corporate or gave any guarantee or provided any security in connection with a loan to any other body corporate or person.

### **CONSOLIDATED FINANCIAL STATEMENT**

The Consolidated Financial Statements, prepared in accordance with the requirements of Accounting Standard – 21 prescribed by the Institute of Chartered Accountants of India, along with the Auditors' Report form part of this Annual Report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The Company has no manufacturing activity and therefore, the disclosure of particulars as required to be appended under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, in so far as it relates to the Conservation of the Energy and Technology Absorption is not applicable. Particulars with regard to Foreign Exchange Earnings and Outgo – The Company has no such transactions.

### **TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year under review, unpaid/unclaimed dividend for the Financial Year 2008-2009 has been transferred to the Investor Education and Protection Fund.

### **APPRECIATION**

Your Directors place on record their deep appreciation for the committed services rendered by the employees of your Company.

For and on behalf of the Board of Directors

Kolkata  
May 30, 2017

**A. K. Kothari**  
Director  
(DIN: 00051900)

**D.K. Mantri**  
Director  
(DIN: 00075664)

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

**Part "A" : Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹ Millions)

Sl.				
1.	Name of the subsidiary	Atlas Iron & Alloys Limited (In Liquidation)	PIC Properties Limited	PIC Realcon Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2017	31.03.2017	31.03.2017
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N. A.	N. A.	N. A.
4.	Share capital	0.72	0.50	0.50
5.	Reserves & surplus	-	6.46	20.17
6.	Total assets	-	34.06	45.72
7.	Total Liabilities	-	34.06	45.72
8.	Investments	-	3.57	44.60
9.	Turnover	-	2.20	4.51
10.	Profit before taxation	-	1.64	4.47
11.	Provision for taxation	-	0.21	-
12.	Profit after taxation	-	1.43	4.47
13.	Proposed Dividend	-	-	-
14.	% of shareholding	96.83%	100%	100%

**Notes :** The following information shall be furnished at the end of the statement :

1. Names of subsidiaries which are yet to commence operations : NIL
2. Names of the subsidiaries which have been liquidated or sold during the year : NIL

**Part : "B" : Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(All figures in ₹ Millions)

<b>Name of Associates / Joint Ventures</b>	<b>Kesoram Industries Limited</b>	<b>Century Textiles and Industries Limited</b>
<b>1. Latest Audited Balance Sheet Date</b>	31.03.2017	31.03.2017
<b>2. Shares of Associate/Joint Ventures held by the company on year end</b>	23.31%	30.64%
No of Shares	2,73,38,750	3,42,20,520
Amount of Investment in Associates /Joint Venture	1,682.44	1,585.75
Extend of Holding %	23.31%	30.64%
<b>3. Description of how there is significant influence.</b>	No significant influence except investment.	No significant influence except investment
<b>4. Reason why the associate/joint venture is not consolidated</b>	NIL	NIL
<b>5. Networth attributable to Shareholding as per latest Audited Balance Sheet</b>	-	6,187.72
<b>6. Profit/Loss for the year</b>		
i. Considered in Consolidation	(76.80)	226.97
ii. Not Considered in Consolidation	N. A.	N. A.

1. Names of associates or joint ventures which are yet to commence operations - NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year - NIL

**Note :** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For and on behalf of the Board of Directors

Kolkata  
May 30, 2017

**A. K. Kothari**  
Director  
(DIN: 00051900)

**D.K. Mantri**  
Director  
(DIN: 00075664)

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

1.	Details of contracts or arrangements or transactions not at arm's length basis	NIL
	(a) Name(s) of the related party and nature of relationship	-
	(b) Nature of contracts/arrangements/transactions	-
	(c) Duration of the contracts/arrangements/transactions	-
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
	(e) Justification for entering into such contracts or arrangements or transactions	-
	(f) Date(s) of approval by the Board	-
	(g) Amount paid as advances, if any:	-
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
2.	Details of material contracts or arrangement or transactions at arm's length basis	NIL
	(a) Name(s) of the related party and nature of relationship	-
	(b) Nature of contracts/arrangements/transactions	-
	(c) Duration of the contracts/arrangements/transactions	-
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
	(e) Date(s) of approval by the Board, if any :	-
	(f) Amount paid as advances, if any :	-

For and on behalf of the Board of Directors

Kolkata  
May 30, 2017

**A. K. Kothari**  
Director  
(DIN: 00051900)

**D.K. Mantri**  
Director  
(DIN: 00075664)

## Form No. MGT - 9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2017

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

## I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L24131WB1948PLC095302
- ii) Registration Date : 9<sup>th</sup> August, 1948
- iii) Name of the Company : Pilani Investment and Industries Corporation Limited
- iv) Category / Sub-Category of the Company : Company having share capital
- v) Address of the Registered office : Birla Building, 14<sup>th</sup> Floor  
and contact details : 9/1, R. N. Mukherjee Road, Kolkata- 700001  
Phone: 033 30573700/ 30410900  
E-mail- pilaniinvestment1@gmail.com  
Website: www.pilaniinvestment.com
- vi) Whether listed company : Yes  
a) National Stock Exchange of India Limited  
b) BSE Limited
- vii) Name, Address and Contact : M/s Niche Technologies Pvt. Ltd.  
details of Registrar and Transfer : D- 511, Bagree Market, 71, B. R. B. Basu Road  
Agent, if any : Kolkata- 700001  
Phone: 033 22357270/7271  
E-mail : nichetechpl@nichetechpl.com

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Activities of Holding Companies	64200	94.96

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

Sl. No.	Name And Address of The Company	CIN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Century Textiles and Industries Limited Dr. Annie Besant Road, Worli, Mumbai - 400 030	L17120MH1897PLC000163	Associate	30.64	2(6)
2	Kesoram Industries Limited Birla Building, 9/1, R. N. Mukherjee Road, Kolkata - 700 001	L17119WB1919PLC003429	Associate	23.31	2(6)
3	PIC Properties Limited 10, Camac Street, Kolkata - 700 017	U70109WB1985PLC038472	Subsidiary	100	2(87)(ii)
4	PIC Realcon Limited Birla Building, 9/1, R. N. Mukherjee Road, Kolkata - 700 001	U70102WB2013PLC190163	Subsidiary	100	2(87)(ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	4179109	0	4179109	52.84	4179109	0	4179109	52.84	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other Trusts	372307	0	372307	4.71	372307	0	372307	4.71	0
<b>Sub-Total</b>									
<b>(A) (1):-</b>	<b>4551416</b>	<b>0</b>	<b>4551416</b>	<b>57.55</b>	<b>4551416</b>	<b>0</b>	<b>4551416</b>	<b>57.55</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
<b>Sub-Total</b>									
<b>(A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) =</b>									
<b>(A)(1) + (A)(2)</b>	<b>4551416</b>	<b>0</b>	<b>4551416</b>	<b>57.55</b>	<b>4551416</b>	<b>0</b>	<b>4551416</b>	<b>57.55</b>	<b>0</b>



PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	19350	450	19800	0.25	19350	450	19800	0.25	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital	0	0	0	0	0	0	0	0	0
i) Others(Specify)	0	0	0	0	23	0	23	0	0
<b>Sub-total (B)(1)</b>	<b>19350</b>	<b>450</b>	<b>19800</b>	<b>0.25</b>	<b>19373</b>	<b>450</b>	<b>19823</b>	<b>0.25</b>	<b>0</b>
<b>2.Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	439158	1983087	2422245	30.63	416013	1983087	2399100	30.335	-0.292
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	500192	86272	586464	7.42	512334	83286	595620	7.53	0.12
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	100000	0	100000	1.26	112505	0	112505	1.42	0.16

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C) Others (Specify)									
1. NRI / OCB	17024	769	17793	0.23	20576	769	221345	0.27	0.05
2. Clearing Mem.	189835	0	189835	2.40	193441	0	193441	2.45	0.05
3. Trust	21197	0	21197	0.27	15500	0	15500	0.20	-0.07
4. Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2)</b>	<b>1267406</b>	<b>2070128</b>	<b>3337534</b>	<b>42.20</b>	<b>1270369</b>	<b>2067142</b>	<b>3337511</b>	<b>42.20</b>	<b>-0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1286756</b>	<b>2070578</b>	<b>3357334</b>	<b>42.45</b>	<b>1289742</b>	<b>2067592</b>	<b>3357334</b>	<b>42.45</b>	<b>0</b>
C. Shares held by Custodian for GDRs &ADRS	0	0	0	0	0	0	0	0	0
<b>Grand Total (A + B + C)</b>	<b>5838172</b>	<b>2070578</b>	<b>7908750</b>	<b>100.00</b>	<b>5841158</b>	<b>2067592</b>	<b>7908750</b>	<b>100.00</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Aditya Marketing & Manufacturing Ltd.	2735494	34.59	Nil	2735494	34.59	Nil	Nil
2	B. K. Birla Foundation	17521	0.22	Nil	17521	0.22	Nil	Nil
3	Birla Educational Institution	16500	0.21	Nil	16500	0.21	Nil	Nil
4	Central India General Agents Limited	300	0.00	Nil	300	0.00	Nil	Nil
5	Manav Investment & Trading Co. Ltd.	8700	0.11	Nil	8700	0.11	Nil	Nil
6	Manjushree Plantations Ltd.	8500	0.11	Nil	8500	0.11	Nil	Nil
7	Padmavati Investment Limited	1398486	17.69	Nil	1398486	17.69	Nil	Nil
8	Jayantika Investment & Finance Ltd.	6700	0.09	Nil	6700	0.09	Nil	Nil
9	Prakash Educational Society	355807	4.49	Nil	355807	4.49	Nil	Nil
10	Zenith Distributors & Agents Limited	3408	0.04	Nil	3408	0.04	Nil	Nil
		4551416	57.55	Nil	4551416	57.55	Nil	Nil

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	4551416	57.55	4551416	57.55

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.	No change in shareholding during the year			
	<b>At the End of the year</b>	<b>4551416</b>	<b>57.55</b>	<b>4551416</b>	<b>57.55</b>

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
1.	The Punjab Produce & Trading Co. Ltd.				
	a) At the beginning of the year	1385223	17.51		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			1385223	17.51
2.	Gwalior Webbing Co. Ltd.				
	a) At the beginning of the year	454168	5.74		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			454168	5.74
3.	Comfort Intech Limited				
	a) At the beginning of the year	184000	2.32		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			184000	2.32
4.	Comfort Intech Limited				
	a) At the beginning of the year	62500	0.79		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			62500	0.79

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
5.	Shri Venkateshwara Educational Institute				
	a) At the beginning of the year	140347	1.77		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			140347	1.77
6.	Baroda Agents & Trading Co. Ltd.				
	a) At the beginning of the year	68707	0.87		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			68707	0.87
7.	Punjab Produce Holdings Ltd.				
	a) At the beginning of the year	52750	0.66		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			52750	0.66
8.	Rajkumar Nevetia				
	a) At the beginning of the year	70000	0.88		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			70000	0.88
9.	Man Made Fibres Private Limited				
	a) At the beginning of the year	66500	0.84		
	b) Changes during the year				
	14.10.2016 –Transfer	(2500)	0.03	64000	0.80
	21.10.2016 –Transfer	(2500)	0.03	61500	0.78
	04.11.2016 –Transfer	(3000)	0.04	58500	0.74
	02.12.2016 –Transfer	(2000)	0.03	56500	0.71
	c) At the end of the year			56500	0.71
10.	Keen Investment and Finance Limited				
	a) At the beginning of the year	45500	0.58		
	b) Changes during the year				
	04.10.2016 - Transfer	(6000)	0.08	39500	0.50
	c) At the end of the year			39500	0.50

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri B. K. Birla	0	0	0	0
2.	Shri Kumar Mangalam Birla	0	0	0	0
3.	Shri D. K. Mantri	100	0	100	0
4.	Shri A. K. Kothari				
	(w.e.f. 25.07.2016)	N.A.	0	70	0
5.	Shri K. K. Daga				
	(Upto 15.08.2016)	0	0	0	0
6.	Shri A. V. Jalan	0	0	0	0
7.	Smt. Surbhi Singhi	0	0	0	0
8.	Shri R. A. Makharia				
	(Upto 22.09.2016)	0	0	0	0
9.	Shri R. P. Pansari				
	(w.e.f. 14.02.2017)	N.A.	0	0	0
10.	Shri N. K. Baheti	0	0	0	0
11.	Shri R. S. Kashyap	0	0	0	50

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year i. e. on 01.04.2016				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ ii + iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Change in indebtedness during the Financial Year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
<b>(Net Change)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Indebtedness at the end of the Financial Year i. e. on 31.03.2017				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (All figures in ₹ Millions)**

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

Sl. No.	Particulars of Remuneration	Name of the Managing Director Shri R. A. Makharia (up to 22.09.2016)	Total Amount
1.	Gross Salary		
	(a) Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	4.19	
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	0.37	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	
2.	Stock Option	0	
3.	Sweat Equity	0	
4.	Commission – As a % of profit – Others, specify	0	
5.	Others, please specify - Board Meeting Fees	0.04	
	- P.F.	0.24	
	- Retiral Benifits	15.04	
	<b>TOTAL (A)</b>		<b>19.88</b>

Ceiling as per the Act.

Remuneration is within limits of provisions of Law

Sl. No.	Particulars of Remuneration	Name of the Managing Director Shri R.P.Pansari (w.e.f. 14.02.2017)	Total Amount
1.	Gross Salary		
	(a) Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	0.67	
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	0.27	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	
2.	Stock Option	0	
3.	Sweat Equity	0	
4.	Commission – As a % of profit – Others, specify	0	
5.	Others, please specify - P.F.	0.09	
	<b>TOTAL (A)</b>		<b>1.03</b>

Ceiling as per the Act.

Remuneration is within limits of provisions of Law

**B. Remuneration to other directors: (All figures in ₹ Millions)**

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
	NIL				NIL

**Independent Directors : Please refer to Corporate Governance Report for details**

Fee for attending Board/Committee meetings	0.42
Commission	NIL
Others, please specify	NIL
<b>TOTAL (1)</b>	<b>0.42</b>

**Other Non-Executive Directors : Please refer to Corporate Governance Report for details**

Fee for attending Board/Committee meetings	0.20
Commission	NIL
Others, please specify	NIL
<b>TOTAL (2)</b>	<b>0.20</b>

**Total (B) = (1 + 2)** **0.62**

Total Managerial Remuneration **0.62**

Overall ceiling as per the Act Remuneration is within limits of provisions of Law

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Shri N.K. Baheti CFO	Shri R.S. Kashyap CS	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.72	0.64	2.36
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	-	-	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	
2.	Stock Option NA	-	-	
3.	Sweat Equity NA	-	-	
4.	Commission – As a % of Profit – Others, specify	-	-	
5.	Others, please specify – P.F.	0.14	0.06	0.20
	<b>TOTAL (A)</b>	<b>1.86</b>	<b>0.70</b>	<b>2.56</b>



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

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding Fees Imposed	Authority RD/NCLT COURT	Appeals Made if any (give details)
------	------------------------------	-------------------	--	-------------------------	------------------------------------

**A. Company**

Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

**B. Directors**

Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

**C. Other Officers in Default**

Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

**NOMINATION AND REMUNERATION POLICY**

**1. Preamble**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company had already constituted Nomination and Remuneration Committee comprising of two non-executive Independent Directors and one non-executive Director as required under Listing Agreement.

This Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and amended Clause 49 of the Listing Agreement.

**2. Objectives**

The Key Objectives of the Committee would be :

- ❖ To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ❖ To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- ❖ To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

**3. Applicability**

The Policy shall be applicable to :

- a. *Key Managerial Personnel, which means.*
  - i. Directors (Executive and Non Executive)
  - ii. Company Secretary.
  - iii. Chief Financial Officer.
- b. *Such other person as may be prescribed (Senior Management).*

**4. Role of the Committee**

- (i) Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- (ii) Recommend to the Board a policy relating to the remuneration of the Directors and Key Managerial Personnel or other prescribed employees.
- (iii) To carry out evaluation of every Director's performance.
- (iv) Devising a policy on Board diversity.
- (v) Recommend to the Board, appointment and removal of Director and Key Managerial Personnel.
- (vi) Any other matter as the Board may decide from time to time.

**5. Duties of Committee**

The duty of the Committee covers the matters relating to nomination and remuneration of the Directors, Key Managerial Personnel and other prescribed employees of the Company.

**(A) Nomination matters includes :**

- (i) Ensuring that there is an appropriate induction & training programme in place for new

- Directors and Key Managerial Personnel and reviewing its effectiveness;
- (ii) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment as per the provisions of Companies Act 2013;
- (iii) Determining the appropriate size, diversity and composition of the Board as per the provisions of Companies Act, 2013;
- (iv) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- (v) Evaluating the performance of the Board members and Key Managerial Personnel in the context of the Company's performance from business and compliance perspective;
- (vi) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- (vii) Recommend any necessary changes to the Board;
- (viii) Considering any other matters as may be requested by the Board;

**(B) Remuneration matters includes :**

- (i) To consider and determine the Remuneration, based on the principles of (i) pay for responsibilities, (ii) pay for performance and potential and (iii) pay for growth and ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the members.
- (ii) To take into account, financial position of the Company, trend in the Industry, appointee's qualification, experience, past performance, past remuneration, etc.
- (iii) To bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- (iv) To consider other factors as the Committee shall deem appropriate for elements of the remuneration of the members of the Board and ensure compliance of provisions of Companies Act, 2013 and other applicable laws.
- (v) To consider any other matters as may be requested by the Board;

The Remuneration policy will be disclosed in the Annual Report of the Company.

**6. Minutes of Committee Meeting**

Proceedings of all meetings must be entered in the Minutes Book maintained for the purpose and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**7. Amendment**

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to Nomination and Remuneration Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the Nomination and Remuneration Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Nomination and Remuneration Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**1. Preamble**

Corporate responsibility towards the stakeholders is fast emerging as one of the major considerations for businesses in the country. Organisations are gradually shifting their attention towards a wider view of social concerns while conducting their businesses. Corporate Social Responsibility (CSR) aims at connecting business to the society. CSR is traditionally driven by a moral obligation and philanthropic spirit. Over time it has become an integral part of business. The broader objective of CSR is to contribute with a responsibility, towards a better society and a cleaner environment.

**2. Objectives**

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

**3. Activities and Implementation**

**a. Areas for Activities**

The Company shall identify projects / activities which will fall in any one or more of the following areas /sector for its CSR spending:

1. Eradicating hunger, poverty and malnutrition;
2. Promoting health care.
3. Making available Safe drinking water & Sanitation;
4. Promoting Education
5. Enhancing Vocational Skills & Livelihood enhancement Projects;
6. Women Empowerment;
7. Promoting of Home and Hostels for Women and Orphans;
8. Reducing inequality faced by socially and economically backward groups;
9. Animal Welfare /Animal care;
10. Promoting Art & Culture;
11. Rural Development Projects; and
12. Any other areas as may be identified by the CSR Committee from time to time.

The CSR projects or programs or activities undertaken by the company as per Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of Section 135 of the Act.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record .The Chairman will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.

**b. Implementing Agency**

The company may decide to undertake its CSR activities directly or through a Registered Trust or a registered society or a company established by the company under section 8 of the Act. Provided that –

If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;

The Company shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programmes.

**4. Resources**

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- ❖ 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- ❖ any income arising there from.
- ❖ surplus arising out of CSR activities carried out by the company and such surplus will not be part of business profit of the company.

**5. Monitoring**

The Corporate Social Responsibility Committee will provide regular progress report to the Board of Directors. This report would indicate:

- ❖ Achievement since last progress report / during the last quarter/ during the last six months in terms of coverage compared to the target and reasons for variance.
- ❖ Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls.
- ❖ Actual year-to-date spends compared to the budget and reasons for variance.
- ❖ In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of reporting of progress on each such activities and the amount incurred thereon.

The Board shall seek a short progress report from the CSR Committee on an half yearly basis.

**6. General**

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

## ANNEXURE - D

**FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT**

All figure in ₹Millions

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

The details of the programmes/projects to be undertaken has been given in Corporate Social Responsibility Policy of the Company which is attached in the Annual Report and is also available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com).

2. The Composition of the CSR Committee.

The CSR Committee of the Company comprises of Shri B. K. Birla, Shri D. K. Mantri, Shri A. K. Kothari and Shri A. V. Jalan

3. Average net profit of the company for the last three financial years : 85.39
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : 1.71
5. Details of CSR spent during the financial year;
- (a) Total amount to be spent for the financial year : 1.71
- (b) Amount unspent, if any : Nil
- (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads : (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1	Pomoting Health Care	Pomoting Health Care	-	-	-	-	<b>1.25</b>
2	Enhancing Vocational skills and livelihood enhancement projects	Enhancing Vocational skills and livelihood enhancement projects	-	-	-	-	<b>0.50</b>

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3	Upliftment of Socially and economically backward groups	Upliftment of Socially and economically backward groups	-	-	-	-	<b>0.25</b>
4	Art & Culture	Art & Culture	-	-	-	-	<b>0.50</b>
	<b>TOTAL</b>						<b>2.50</b>

\* CSR expenditure made through various trusts.

5. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report : N. A.

6. The implementation and monitoring of CSR Policy, is in compliance with the CSR Objectives and Policy of the Company.

For and on behalf of the Board of Directors

Kolkata  
May 30, 2017

**A. K. Kothari**  
Director  
(DIN: 00051900)

**D.K. Mantri**  
Director  
(DIN: 00075664)

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017*

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

**To**  
**The Members,**  
**Pilani Investment and Industries Corporation Limited**  
**Birla Building, 9/1, R. N. Mukherjee Road**  
**Kolkata - 700 001**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pilani Investment and Industries Corporation Limited** (hereinafter called "**The Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

We have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of :

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) The following Regulation and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (v) RBI – Prudential norms / forms for NBFC - ND-SI and the rules made thereunder

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.



We further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports of the Company Secretary/Chief Executive Officer taken on record by the Board of Directors of the Company. In our opinion, adequate systems and process exist in the Company to monitor and ensure compliance with provisions of applicable general laws like Employees' Provident Funds and Miscellaneous Provisions Act, 1952, The West Bengal State Tax on Professions, Trades, Callings and Employments Act, 1979 and other laws.

We further report that

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors for the Board and Committee Meetings. Agenda, and notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

- i. The Shares of the Company are listed in BSE Ltd. with effect from 18th May 2016;
- ii. Mr. Ramavatar Makharia, Managing Director, designated as Executive Director, retired from the company with effect from 23rd September, 2016 and Mr. Rajendra Prasad Pansari, appointed as Managing Director with effect from 14th February 2017 for 5 years, subject to the approval from the shareholders.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the company and its Officers for systems and mechanism set-up by the company for compliance under applicable laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. 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 its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities/statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

**For K. C. Dhanuka & Co.**

*Company Secretaries*

*K.C. Dhanuka*

*Proprietor*

*FCS-2204, C.P.-1247*

Place : Kolkata  
Date :19.05.2017

**Particulars of Employees**

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

<u>Requirements of Rule 5(1)</u>	<u>Details</u>
(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;	It is not possible to determine the ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year as because Shri R. A. Makharia the only Executive Director retired from the services of the company w.e.f 23 <sup>rd</sup> September 2016 and Shri R. P. Pansari had been appointed as the Managing Director w.e.f 14 <sup>th</sup> February, 2017
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Shri R. A. Makharia, Executive Director – N.A. Shri R. P. Pansari, Managing Director- N.A. Shri N. K. Baheti, Chief Financial Officer-35.51% Shri R. S. Kashyap, Company Secretary-21.87%
(iii) The percentage increase in the median remuneration of employees in the financial year	: 20.13%
(iv) The number of permanent employees on the rolls of company	: 5 employees as on 31.03.2017

- |   |    |  |
|---|----|--|
| (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | 1. | Average salary increase of Non-managerial employees is 11.59%  |
|   | 2. | Average salary increase of Managerial Persons is 28.69%  |
| (vi) Affirmation that the remuneration is as per the remuneration policy of the company.  | :  | Remuneration paid during the Year ended 31 <sup>st</sup> March, 2017 is as per the Remuneration Policy of the Company. |

For and on behalf of the Board of Directors

Kolkata  
May 30, 2017

**A. K. Kothari**  
Director  
(DIN: 00051900)

**D.K. Mantri**  
Director  
(DIN: 00075664)

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) & 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Name	Age	No. of Shares Held	Designation/ Nature of Duties	Gross Remuneration (₹ )	Qualification	Experience (years)	Date of commencement of employment	Previous Employment & position held
1	R. A. Makharia (retired from the services of the company w.e.f. 23. 09. 2016)	79	NIL	Executive Director/ Head of Company Operation	19,879,126 (including retiral benefits)	M.A., B.Com., LLB	59 Years	30.07.1975	President & Chief Executive, Secretary of Jiyajeerao Cotton Mills Ltd.
2	R. P. Pansari (appointed as Managing Director w.e.f. 14.02.2017 upto 06.05.2017 & as Chief Executive Officer w.e.f. 07.05.2017)	70	NIL	Managing Director/ Head of Company Operation	1,037,676	FCA	50 Years	14.02.2017	Senior President Essel Mining & Industries Ltd.

**NOTES :**

1. Nature of Employment and duties : Contractual and in accordance with terms and conditions as per Companies rules.
2. Remuneration received includes salary, allowances, leave encashed, Company's contribution to retirement funds etc. and monetary value of other perquisites computed on the basis of the Income Tax Act and Rules.
3. No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(2)(iii) of the captioned rules is not applicable to any employee.

## REPORT ON CORPORATE GOVERNANCE

Your company has been practicing the principles of good Corporate Governance, which comprise all activities that result in the control of the company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of Corporate Governance compliance by the company pursuant to the provisions contained in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as under:

### A. Company's philosophy on Corporate Governance

Corporate Governance pertains to systems, by which companies are directed and controlled, keeping in mind long-term interest of Stakeholders. In sum, Corporate Governance is to achieve business excellence and dedicate itself to transparency in all its dealings and places and business efforts. The Company firmly believes in the spirit of Corporate Governance and the same has influenced its decisions and policies long before the guidelines became mandatory.

### B. Board of Directors

#### (i) Composition of the Board :

The Board of directors comprises of six members consisting of six Non-Executive Directors who account for hundred percent of the Board strength as against minimum requirement of fifty percent as per the listing agreement. The Non-Executive Directors are eminent professionals drawn from amongst persons with experience in business and industry, finance and law. The composition is as under :-

Directors	Executive / Non-Executive / Independent	No. of Outside Directorship held Domestic Companies		No. of Outside Committees # (excluding **)	
		Public	Private	Member	Chairman
Shri B. K. Birla (DIN : 00055856)	Non-Executive	4	–	–	–
Shri Kumar Mangalam Birla (DIN : 00012813)	Non-Executive	8	9	–	–
Shri D. K. Mantri (DIN : 00075664)	Non-Executive*	3	15	–	–
Smt. A. K. Kothari <sup>®</sup> (DIN : 00051900)	Non Executive*	9	6	5	–
Shri A. V. Jalan (DIN : 01455782)	Non-Executive	2	10	–	–
Shri K. K. Daga <sup>^</sup> (DIN : 00897823)	Non-Executive*	N.A.	N.A.	N.A.	N.A.
Shri R. A. Makharia (DIN : 00103430)	Executive***	N.A.	N.A.	N.A.	N.A.
Smt. Surbhi Singhi (DIN : 03275338)	Non Executive*	5	1	4	–
Shri R. P. Pansari <sup>\$</sup> (DIN : 00869222)	Executive	2	3	–	2

- \* Also independent  
 \*\* Private companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.  
 \*\*\* Shri R.A. Makharia was the Managing Director, designated as Executive Director of the Company who retired from the services of the Company w. e. f. 23<sup>rd</sup> September, 2016.  
 ^ Shri K. K. daga resigned form the Board with effect from 16<sup>th</sup> August, 2016.  
 \$ Shri R. P. Pansari has been appointed as Managing Director of the Company w. e. f. 14<sup>th</sup> February, 2017. However he resigned from the Board w.e.f. 7<sup>th</sup> May, 2017.  
 @ Shri A. K. Kothari had been appointed as an Additional Director with effect from 25<sup>th</sup> July,2016.  
 # Only the two committees viz., the Audit Committee and the Stakeholders Relationship Committee are considered for this purpose.  
 – None of the Directors of the Company hold any Equity Shares in the Company except Shri D. K. Mantri – 100 Equity Shares and Shri A. K. Kothari – 70 Equity Shares.  
 – The Non-Executive Directors have no material pecuniary relationship or transactions with the Company in their personal capacity.

**(ii) Details of sittings fees, remuneration etc. paid to Directors :**

Name of the Directors		Remuneration paid during 2016-2017
		Sittings fees for attending Meetings of the Board and/or Committee thereof (All figures in ₹)
Shri B. K. Birla		–
Shri Kumar Mangalam Birla		40,000
Shri D. K. Mantri		1,80,000
Shri A. K. Kotari		1,40,000
Shri A. V. Jalan		1,20,000
Shri K. K. Daga(Upto 15.08.2016)		40,000
Shri R. A. Makharia (Upto 22.09.2016)		40,000
Smt. Surbhi Singhi		60,000
Shri R. P. Pansari (from 14.02.2017upto 06.05.2017)		NIL
Executive Director	Remuneration	Benefits and perquisites including ₹ 3,95,350/- being rent
Shri R. A. Makharia		₹ 31,28,211/-
Managing Director	Remuneration	₹ 1,67,50,915/-
(from 14.02.2017 upto 06.05.2017)		Benefits and perquisites
Shri R. P. Pansari		₹ 7,67,857/-
		₹ 2,69,821/-

- Note : 1. No commission is paid to any Directors.  
 2. Smt. Surbhi Singhi is an Associate Partner in Khaitan & Co. LLP and renders professional services to the Company and a sum of ₹ 8,74,580/- has been paid towards Professional services to Khaitan & Co. LLP during the year 2016-2017.

**(iii) Number of Board Meetings held and attended by the Directors :**

a. 5 meetings of the Board of Directors were held during the year ended 31st March, 2017.

These were held on :

- (1) 30-05-2016 (2) 11-08-2016 (3) 24-10-2016  
(4) 14-11-2016 (5) 14-02-2017

b. The attendance record of each of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2017 and of the last Annual General Meeting is as under :-

Directors	No. of Board Meetings Attended	Attendance at the last AGM
Shri B. K. Birla	1	No
Shri Kumar Mangalam Birla	3	No
Shri D. K. Mantri	5	Yes
Shri A. K. Kothari (w.e.f. 25.07.2016)	3	No
Shri A. V. Jalan	3	No
Shri K. K. Daga (Upto 15.08.2016)	1	N.A.
Shri R. A. Makharia (Upto 22.09.2016)	2	No
Smt. Surbhi Singhi	2	No
Shri R. P. Pansari (w.e.f. 14.02.2017 Upto 06.05.2017)	N.A.	N.A.

c. Agenda and notes on Agenda are circulated to the Directors, in advance. All material information is incorporated in the Agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting.

d. A separate meeting of the Independent Directors of the Company was held on 29th December, 2016 and all the Independent Directors were present at the said meeting.

**C. Code of Conduct**

The Company has laid down a Code of Conduct for all the Board of Directors including Independent Directors and Senior Management Personnel for avoidance of conflict of interest. It has received from all of them the necessary declaration affirming compliance with Code of Conduct for the year 2016-2017. There were no material financial and commercial transactions in which the Senior Management Personnel had personal interest, which would lead to potential conflict of interest of the Company during the year. The Code of Conduct is available on Company's website.

**D. Audit Committee**

(i) The Audit Committee is comprised of four Non-Executive Directors viz.

- (1) Shri D. K. Mantri (2) Shri A. K. Kothari (w.e.f. 25.07.2016) (3) Shri A. V. Jalan  
(4) Smt. Surbhi Singhi (w.e.f. 14.02.2017) (5) Shri K. K. Daga (upto 24.07.2016)

Shri D.K. Mantri, Shri A. K. Kothari and Smt. Surbhi Singhi being Independent Non-Executive Directors.

- (ii) Audit Committee meetings were held on 30-05-2016, 11-08-2016, 14-11-2016 and 14-02-2017. The attendance of the Audit Committee Members is as under :-

<u>Name of the Audit Committee Members</u>	<u>No. of Meetings Attended</u>
Shri D. K. Mantri	4
Shri A. K. Kothari (w.e.f. 25.07.2016)	3
Shri A. V. Jalan	3
Shri K. K. Daga (Upto 24.07.2016)	1
Smt. Surbhi Singhi (w.e.f. 14.02.2017)	N.A.

- (iii) At the invitation of the company, Internal Auditors, Statutory Auditors, Chief Financial Officer and Company Secretary who is acting as Secretary of the Audit Committee and other officers of the Company also attended the Audit Committee meetings to answer and clarify queries raised at the said meetings.

- (iv) The role and terms of reference of the Audit Committee covers the matters specified for Audit Committee under Regulation 18(3) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

#### **E. Nomination and Remuneration Committee**

In continuation of the practices of good Corporate Governance, the Board has constituted Nomination and Remuneration Committee of Directors of the Company to recommend / review remuneration of the Managing Director and/or Wholetime Directors as per requirement.

The Committee comprises of Shri D. K. Mantri, Shri A. K. Kothari (w.e.f. 14.11.2016), Shri A. V. Jalan, Smt. Surbhi Singhi (w.e.f 14.02.2017) and Shri K. K. Daga (Upto 15.08.2016) – Non Executive Directors of the Company.

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Regulation 19(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as prescribed by SEBI and Section 178 of the Companies Act, 2013.

Nomination and Remuneration Committee Meetings were held on 04-07-2016, 11-08-2016, 13-01-2017 and 14-02-2017. The attendance of the members of Nomination and Remuneration Committee are as under:

<u>Name of the Nomination and Remuneration Committee Members</u>	<u>No. of meeting attended</u>
Shri D.K. Mantri	4
Shri A. K. Kothari (w.e.f 14.11.2016)	2
Shri A.V. Jalan	3
Smt. Surbhi Singhi (w.e.f 14.02.2017)	N.A.
Shri K.K. Daga (upto 15.08.2016)	1

The Nomination and Remuneration Policy has been accepted by the Board of Directors. The Nomination and Remuneration Policy is attached as Annexure B to the Boards' Report.



**F. Corporate Social Responsibility Committee (CSR Committee)**

The Company has constituted a Corporate Social Responsibility Committee (CSR Committee) comprising of Shri B. K. Birla, Shri D. K. Mantri, Shri A. K. Kothari and Shri A. V. Jalan. The said committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring and implementation of the framework of the CSR policy and recommending the amount to be spent on CSR activities. The Corporate Social Responsibility Policy as recommended by the CSR Committee has been accepted by the Board of Directors. The Corporate Social Responsibility Policy is attached as Annexure C to the Boards' Report and is available on the Company website [www.pilaniinvestment.com/images/Pilani\\_CSR\\_Policy.pdf](http://www.pilaniinvestment.com/images/Pilani_CSR_Policy.pdf). The details of CSR Expenditure is attached as Annexure D to the Board's Report.

The terms of reference of this Committee is to comply with the requirements of Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and all other relevant compliances.

During the financial year ended on 31<sup>st</sup> March, 2017, only one meeting was held on 30<sup>th</sup> January, 2017 and all the Committee members were present at the aforesaid meeting.

**G. Stakeholders Relationship Committee**

The Company has constituted a Stakeholders Relationship Committee headed by Shri D. K. Mantri, a Non-Executive and Independent Director. The Company Secretary has been designated as the Compliance Officer. During the year ended 31<sup>st</sup> March, 2017, 3 investors complaints/queries were received and as on 31<sup>st</sup> March, 2017 there were no complaints/queries pending reply. There was no share transfer pending for registration for more than 30 days as on the said date.

**H. Other Committees**

As per the regulations of Reserve Bank of India for NBFC Companies, the Company has constituted three other committees namely Risk Management Committee, ALM Committee and Investment Committee.

**I. General Body Meetings**

Details of Annual General Meetings/Extra Ordinary General Meeting during the preceding three years are as under :

<u>Year</u>	<u>Date</u>	<u>Type</u>	<u>Location</u>	<u>Time</u>
2013-2014	29.08.2014	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.
2014-2015	21.12.2015	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.
2015-2016	15.09.2016	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.

Whether special resolutions were put through postal ballot last year ? No

Are votes proposed to be conducted through postal ballot this year ? No

**J. Disclosures**

(i) There are no materially significant transactions with related parties viz. Promoters, Directors or the Management, their subsidiaries or relative conflicting with Company's interest except stated in the Note No. 24 of Notes to Financial Statement as on date.

- (ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.
- (iii) The Company has adopted and complied with mandatory requirements relating to Corporate Governance norms as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iv) The Company has in place Whistle Blower Policy (Vigil Mechanism) which is also available on Company's website [http://pilaniinvestment.com/images/Pilani-Whistle Blower Policy.pdf](http://pilaniinvestment.com/images/Pilani-Whistle%20Blower%20Policy.pdf) . No personnel has been denied access to the Audit Committee to lodge their grievances, if any.
- (v) Policies on Material Subsidiaries and Policy on Related Party Transactions had been formulated and uploaded on the Company's website [www.pilaniinvestment.com/images/Pilani-Policy on Material Subsidiary.pdf](http://www.pilaniinvestment.com/images/Pilani-Policy%20on%20Material%20Subsidiary.pdf) and [www.pilaniinvestment.com/images/Pilani-RPT Policy.pdf](http://www.pilaniinvestment.com/images/Pilani-RPT%20Policy.pdf) respectively .
- (vi) A Board performance evaluation policy has also been formulated and uploaded on the Company's website [www.pilaniinvestment.com/images/Pilani-Board Performance Evaluation Policy.pdf](http://www.pilaniinvestment.com/images/Pilani-Board%20Performance%20Evaluation%20Policy.pdf) .
- (vii) The Company have nothing to report as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.
- (viii) Details of Familiarisation / Training program of Independent Director is available on the Company's website [www.pilaniinvestment.com/images/Familiarisation Programme to Independent Directors.pdf](http://www.pilaniinvestment.com/images/Familiarisation%20Programme%20to%20Independent%20Directors.pdf) .
- (ix) The Chief Executive Officer and the Chief Financial Officer of the Company had certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Certificate Forms part of Annual Report.

**K. Means of Communication**

- (i) Quarterly results :  
Which newspaper normally published in : The Financial Express, Kolkata  
and Dainik Statesman, Kolkata
- (ii) Half-yearly report sent to each household of Shareholders : No
- (iii) Any website, where displayed : Yes - [www.pilaniinvestment.com](http://www.pilaniinvestment.com)
- (iv) Whether MD & A is a part of Annual Report : Yes

**L. Management Discussion & Analysis Report**

Your Company is an Investment Company and risk of the company consists principally of investment in shares and securities, loans and trade accounts receivable and investment in Mutual Funds. Internal control and monitoring systems are periodically evaluated to manage and minimize the risk.

The Company is fully committed to ensuring an effective internal control environment and

periodically checks the adequacy and effectiveness of the internal control system.

**M. General Shareholder Information**

- (i) Annual General Meeting to be held :
- |            |   |   |
|------------|---|---|
| Day & Date | : | Thursday, 24 <sup>th</sup> August, 2017                   |
| Venue      | : | Birla Building, 9/1 R.N. Mukherjee Road, Kolkata – 700001 |
| Time       | : | 3.00 P.M.   |
- (ii) Financial Calendar (tentative) for the year 2017-18 :
- |   |   |  |
|---|---|--|
| First Quarterly Results   | : | On or before 14 <sup>th</sup> August, 2017   |
| Second Quarterly Results  | : | On or before 14 <sup>th</sup> November, 2017 |
| Third Quarterly Results   | : | On or before 14 <sup>th</sup> February, 2018 |
| Fourth Quarterly Results / Audited Yearly Results for the Year ended 31 <sup>st</sup> March, 2018 | : | Before end of May, 2018                      |
- (iii) Date of Book Closure : 18<sup>th</sup> August, 2017 to 24<sup>th</sup> August, 2017 (Both days inclusive)
- (iv) Date of Dividend payment : On or after 31<sup>st</sup> August, 2017
- (v) Information pertaining to the Stock Exchanges :
- (a) The Equity Shares of the Company are listed at the following Stock Exchanges :
- |   |
|---|
| (i) National Stock Exchange of India Limited, ( <i>w.e.f. 8<sup>th</sup> December, 2015</i> ) |
| Exchange Plaza,   |
| Bandra Kurla Complex, Bandra (East),  |
| Mumbai – 400051   |
| (Scrip Code: PILANIINVS)  |
| (ii) BSE Limited, ( <i>w.e.f. 18<sup>th</sup> May, 2016</i> )                                 |
| Phiroze Jeejeebhoy Towers,  |
| Dalal Street,   |
| Mumbai – 400001   |
| (Scrip Code: 539883)  |
- Note : Listing fees for the year 2017-2018 have been paid to both the Stock Exchanges.
- (b) ISIN No. for the Company's ordinary shares in Demat Form: INE 417C01014
- (c) Depository Connectivity : NSDL and CDSL
- (d) Registrar and Transfer Agent :
- Niche Technologies Private Limited., D-511, Bagree Market, 71, B.R.B.Basu Road, Kolkata – 700001 – Phone Nos. (033) 22357270/22357271.  
E-mail : [nichetechpl@nichetechpl.com](mailto:nichetechpl@nichetechpl.com)
- (e) Market Price Data
- The details of monthly highest and lowest closing quotations of the equity shares of the Company at the National Stock Exchange of India Limited during the financial year 2016-17 are as under :

Quotation at National Stock Exchange of India Limited

Month	High ₹	Low ₹	Volume (In Nos.)
April 2016	1330	1212	5539
May 2016	1350	1230	5858
June 2016	1375	1232	9428
July 2016	1320	1231	15298
Aug. 2016	1440	1231	19309
Sept. 2016	1524	1350	18322
Oct. 2016	1690	1393	13924
Nov. 2016	1670	1325	7698
Dec. 2016	1480	1341	3742
Jan. 2017	1600	1410	7624
Feb. 2017	2005	1505	16639
Mar. 2017	2550	2085	35148

Quotation at BSE Limited:

Month	High ₹	Low ₹	Volume (In Nos.)
April 2016	-	-	-
May 2016	1356	1251	74
June 2016	1325	1255	207
July 2016	1303	1237	317
Aug. 2016	1450	1220	860
Sept. 2016	1519	1342	581
Oct. 2016	1690	1351	1117
Nov. 2016	1710	1335	454
Dec. 2016	1485	1380	183
Jan. 2017	1600	1407	349
Feb. 2017	2000	1535	948
Mar. 2017	2538	2070	2703

(f) Share Transfer System for physical Shares :

Share transfers are generally registered within a period of 30 days from the date of receipt provided the documents are complete in all respects. All share transfers are approved by the Board.

(vi) Distribution of Shareholding :

Distribution of shareholding as on 31<sup>st</sup> March, 2017

(a) According to Number of Equity Shares

Sl.No.	No. of Equity Shares held	No. of Folios	No. of Shares	% of Shareholding
1.	Upto 500	6023	4,08,306	5.16
2.	501 to 1,000	142	1,04,186	1.32
3.	1,001 to 2,000	68	97,734	1.24
4.	2,001 to 3,000	12	29,826	0.38
5.	3,001 to 4,000	9	32,107	0.41
6.	4,001 to 5,000	4	18,499	0.23
7.	5,001 to 10,000	9	63,856	0.81

8.	10,001 to 20,000	6	85,001	1.07
9.	20,001 to 50,000	3	1,05,253	1.33
10.	50,001 to 1,00,000	5	3,10,457	3.93
11.	1,00,001 and above	7	66,53,525	84.13
	<b>Total</b>	<b>6288</b>	<b>79,08,750</b>	<b>100.00</b>

(b) Categories of Shareholding :

Sl. No.	Category	No. of Folios	% of Folios	No. of Shares held	% of share holding
1.	Promoters	10	0.16	45,51,416	57.55
2.	Resident Individuals	5,948	94.59	7,08,125	8.95
3.	Private Corporate Bodies	192	3.05	23,99,100	30.34
4.	Financial Institutions/ Nationalised Banks	3	0.05	19,800	0.25
5.	Mutual Funds & Insurance	—	—	—	—
6.	FIIS	—	—	—	—
7.	NRI and OCBs	42	0.67	21,345	0.27
8.	Others	92	1.46	2,08,941	2.64
9.	PFI	1	0.02	23	-
	<b>Total</b>	<b>6,288</b>	<b>100.00</b>	<b>79,08,750</b>	<b>100.00</b>

(vii) Dematerialisation of shareholding and liquidity :

As per SEBI's guidelines, your company's shares are compulsorily traded in Dematerialized Form for all the investors with effect from 27<sup>th</sup> November, 2001. As on 31<sup>st</sup> March, 2017. 58,41,158 Company's Equity shares representing 73.86% of the Company's total Equity Shares were held in dematerialized form and balance 20,67,592 Equity Shares representing 26.14% were held in physical form.

(viii) Contact address for Shares and Share related matters :

For any assistance regarding Share transfers and transmission, change of address, duplicate/missing Share Certificates, Demat, redressal of Complaints and Grievances, non-receipt of dividends and other matters, please write to or contact the Share Department of the Company at the address given below :

Shri N.K. Baheti, Pilani Investment and Industries Corporation Ltd., Birla Building, 14<sup>th</sup> Floor, 9/1 R.N. Mukherjee Road, Kolkata-700001. Phone:- 033- 30573700 /30410900 (Extn. 2439).

For and on behalf of the Board of Directors

**A. K. KOTHARI**

*Director*

(DIN : 00051900)

**D. K. MANTRI**

*Director*

(DIN : 00075664)

Kolkata  
May 30, 2017

### **DECLARATION**

The Board of Directors and Senior Management personnel have affirmed their compliance of the '**Code of Conduct for Members of the Board and Senior Management**' for the year 2016 -2017 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

May 30, 2017

R.P. PANSARI  
*Chief Executive Officer*

**CEO/CFO Certificate under Regulation 17(8) of SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015**

We hereby certify to the Board that :-

- a. We have reviewed Financial Statements and the Cash Flow Statement for the financial year 2016-17 and that to the best of our knowledge and belief :-
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements, together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2016-17 which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
  - i. there have not been significant changes in internal control over financial reporting during the said financial year;
  - ii. there have not been significant changes in accounting policies during the said financial year and that the same have been disclosed in the notes to the financial statements ; and
  - iii. there has not been instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

N. K. Baheti  
*Chief Financial Officer*

R. P. Pansari  
*Chief Executive Officer*

Kolkata  
May 30, 2017

**Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Members of  
Pilani Investment and Industries Corporation Limited  
9/1, R.N. Mukherjee Road  
Kolkata-700 001.

1. The accompanying Corporate Governance Report prepared by Pilani Investment and Industries Corporation Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended with respect to Corporate Governance for the year ended March 31, 2017. This report is required by the Company for annual submission to the Stock exchanges and to be sent to the Shareholders of the Company.

**Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

**Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
- i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2017 and verified that at least one women director was on the Board during the year;
  - iv. Obtained and read the minutes of the following committee meetings held April 1, 2016 to March 31, 2017:
    - (a) Board of Directors meeting;
    - (b) Audit committee;
    - (c) Nomination and remuneration committee;
  - v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
  - vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2017, referred to in paragraph 1 above.

### **Other matters and Restriction on Use**

9. This report 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.
10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not



accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S. R. Batliboi & Co. LLP**

Chartered Accountants

**ICAI Firm Registration Number** : 301003E/E300005

**per Sanjay Kumar Agarwal**

Partner

Membership Number : 060352

Place of Signature : Kolkata

Date : May 30, 2017

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Pilani Investment and Industries Corporation Limited

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of Pilani Investment and Industries Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial

## **INDEPENDENT AUDITORS' REPORT — (Contd.)**

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

### **Basis for qualified opinion**

As indicated in Note 19 to the financial statements, no provision has been made in respect of deposit of Rs. 6.93 millions with the Debt Recovery Tribunal against claim made by a bank on the basis of guarantee given in earlier years since the matter is pending with Debt Recovery Appellate Tribunal as per the Hon'ble Bombay High Court order. Consequently, we are unable to comment on the effect of the above on the financial statements.

Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, of its profit, and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

**INDEPENDENT AUDITORS' REPORT — (Contd.)**

- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Companies Act 2013;
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 18.2 & Note 19 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in Note 12 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S. R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 30, 2017

**Annexure 1 referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Pilani Investment and Industries Corporation Limited as at and for the year ended March 31, 2017**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
 (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.  
 (c) According to the information and explanations given by the management, the title deeds of immovable properties included in the fixed assets are held in the name of the company.
- (ii) The Company’s business does not involve inventories and, accordingly, the requirements under paragraph 3 (ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) (a) The Company has been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to employees’ state insurance, sales tax, value added tax, duty of customs and duty of excise are not applicable to the Company.  
 (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees’ state insurance, value added tax, sales tax, duty of customs and duty of excise are not applicable to the Company.  
 (c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where Dispute is pending
Income Tax Act, 1961	Income tax on certain disallowances, etc.	6.13	2010-11	Income Tax Appellate Tribunal, Kolkata

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT — (Contd.)**

According to the information and explanations given to us, there are no dues of sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

- (viii) The company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For **S. R. BATLIBOI & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 30, 2017

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Pilani Investment and Industries Corporation Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

An audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanation given to us and based on our audit, the following material weakness has been identified as at March 31, 2017.

The Company's internal financial controls over provision in respect of deposit against certain cases were not operating effectively which could potentially result in material misstatement whereby the Company does not recognise provision against the probable liability.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2017, based on the internal control over financial



reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017 .

**Explanatory paragraph**

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Pilani Investments and Industries Corporation Limited, which comprise the Balance Sheet as at March 31, 2017 , and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone financial statements of Pilani Investment and Industries Corporation Limited and this report affect our report dated May 30, 2017 which expressed a modified opinion on those financial statements.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Sanjay Kumar Agarwal**  
Partner  
Membership Number: 060352

Place of Signature: Kolkata  
Date: May 30, 2017.

**BALANCE SHEET AS AT 31ST MARCH 2017**

	Notes	As At 31st March, 2017 ₹ in Millions	As At 31st March, 2016 ₹ in Millions
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	79.09	79.09
Reserves & Surplus	4	9,160.75	8,701.30
		<u>9,239.84</u>	<u>8,780.39</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Provisions	5	0.23	0.25
		<u>0.23</u>	<u>0.25</u>
<b>CURRENT LIABILITIES</b>			
Trade Payables	6	4.46	0.31
Other Current Liabilities	6	5.50	18.95
Short Term Provisions	5	16.86	267.73
		<u>26.82</u>	<u>286.99</u>
<b>Total</b>		<u><u>9,266.89</u></u>	<u><u>9,067.63</u></u>
<b>A S S E T S</b>			
<b>NON CURRENT ASSETS</b>			
<b>FIXED ASSETS</b>			
Tangible Assets	7	0.01	0.21
Non Current Investments	8	7,816.76	6,620.35
Long Term Loans & Advances	9	73.94	77.20
		<u>7,890.71</u>	<u>6,697.76</u>
<b>CURRENT ASSETS</b>			
Current Investments	10	1,337.53	2,243.26
Trade Receivables	11	2.73	4.31
Cash & Bank Balances	12	33.59	113.09
Short Term Loan & Advances	9	1.49	5.47
Other Current Assets	11	0.84	3.74
		<u>1,376.18</u>	<u>2,369.87</u>
<b>Total</b>		<u><u>9,266.89</u></u>	<u><u>9,067.63</u></u>

**Summary of Significant Accounting Policies**

2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No.: 301003E/E300005

**Per Sanjay Kumar Agarwal**

Partner

Membership No. 060352

Place : Kolkata

Dated : 30th May, 2017

For and on behalf of the Board of Directors

**D. K. MANTRI**

Director

(DIN:00075664)

**A. K. KOTHARI**

Director

(DIN:00051900)

**R. P. PANSARI**

Chief Executive Officer

**N. K. BAHETI**

Chief Financial Officer

**R. S. KASHYAP**

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017**

	Notes	For the year ended 31st March, 2017 ₹ in Millions	For the year ended 31st March, 2016 ₹ in Millions
<b>INCOME</b>			
Revenue from operations	13	527.25	466.02
Other Income	14	0.04	0.10
<b>Total Revenue (I)</b>		<b>527.29</b>	<b>466.12</b>
<b>EXPENSES</b>			
Employee benefits expenses	15	9.83	11.64
Depreciation and amortization expense	17	6.31	2.08
Other expenses	16	25.43	50.89
<b>Total Expenses (II)</b>		<b>41.57</b>	<b>64.61</b>
Profit before tax (I) - (II)		<b>485.72</b>	401.51
<b>Tax Expense :</b>			
Current Tax		46.00	23.50
MAT Credit Entitlement		(19.73)	(11.09)
<b>Total Tax Expense</b>		<b>26.27</b>	12.41
<b>Profit for the year</b>		<b>459.45</b>	<b>389.10</b>
Earnings per Equity Shares [ Nominal Value of ₹ 10/- each (₹ 10/-)]			
<b>Basic &amp; Diluted (₹)</b>	23	<b>58.09</b>	49.20

**Summary of Significant Accounting Policies** 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No.: 301003E/E300005

**Per Sanjay Kumar Agarwal**

Partner

Membership No. 060352

Place : Kolkata

Dated : 30th May, 2017

For and on behalf of the Board of Directors

**D. K. MANTRI**

Director

(DIN:00075664)

**A. K. KOTHARI**

Director

(DIN:00051900)

**R. P. PANSARI**

Chief Executive Officer

**N. K. BAHETI**

Chief Financial Officer

**R. S. KASHYAP**

Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>For the year ended 31st March, 2017 ₹ in Millions</b>	<b>For the year ended 31st March, 2016 ₹ in Millions</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	<b>485.72</b>	401.51
Adjustment for :		
Depreciation and amortization expenses	<b>6.31</b>	2.08
<b>Operating profit before working capital changes :</b>	<b>492.03</b>	403.59
(Decrease) / Increase in Long term provisions	<b>(0.02)</b>	0.05
Increase / (Decrease) in Trade Payables	<b>4.15</b>	(5.15)
(Decrease) / Increase in Other Current Liabilities	<b>(13.51)</b>	0.74
(Decrease) / Increase in Short-Term Provisions	<b>12.90</b>	13.72
Decrease in Non-Current Loans & Advances	<b>7.24</b>	3.38
Decrease in Short-Term Loans and Advances	<b>3.98</b>	594.63
(Increase) in Non-Current Investment	<b>(1,202.68)</b>	(14.49)
Decrease / (Increase) in Current Investment	<b>905.73</b>	(758.59)
Decrease in Trade Receivable	<b>1.58</b>	1.39
Decrease in Other Current Assets	<b>2.90</b>	30.84
<b>Cash generated from operations :</b>	<b>188.50</b>	270.11
Direct Tax Paid	<b>(30.25)</b>	(12.85)
<b>Net Cash Flow From Operating Activities</b>	<b>158.25</b>	257.26
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of Fixed Assets	<b>0.16</b>	–
Matured/(Investment) in Fixed Deposit with original maturity for more than 12 months	<b>78.99</b>	(56.00)
<b>Net cash flow from/(used in) investing activities</b>	<b>79.15</b>	(56.00)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	<b>(197.66)</b>	(197.55)
Tax on Dividend Paid	<b>(40.25)</b>	(40.25)
<b>Net Cash Flow From/(used in) Financing activities</b>	<b>(237.91)</b>	(237.80)

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>For the year ended 31st March, 2017 ₹ in Millions</b>	<b>For the year ended 31st March, 2016 ₹ in Millions</b>
<b>D. NET (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(0.51)</b>	<b>(36.54)</b>
<b>E. CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>7.09</b>	<b>43.63</b>
<b>F. CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>6.58</b>	<b>7.09</b>
<b>Components of cash and cash equivalents as indicated in Note 12 comprises of :</b>		
Cash on hand	<b>0.01</b>	<b>0.01</b>
Balances with scheduled banks on current account*	<b>6.57</b>	<b>7.08</b>
<b>Total</b>	<b>6.58</b>	<b>7.09</b>

\* Includes ₹ 4.24 Millions (31st March, 2016 ₹ 4.18 Millions) lying in Unpaid Dividend Account, not available for use by the Company.

As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005  
**Per Sanjay Kumar Agarwal**  
*Partner*  
Membership No. 060352  
Place : Kolkata  
Dated : 30th May, 2017

For and on behalf of the Board of Directors

**D. K. MANTRI**      **A. K. KOTHARI**  
*Director*                      *Director*  
(DIN:00075664)      (DIN:00051900)

**R. P. PANSARI**  
*Chief Executive Officer*

**N. K. BAHETI**      **R. S. KASHYAP**  
*Chief Financial Officer*      *Company Secretary*

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

### 1. Corporate Information :

Pilani Investment and Industries Corporation Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on National Stock Exchange and BSE Limited in India. The company is mainly engaged in investing in Group Companies & Mutual Funds.

### 2. Basis of Preparation :

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules 2016 and the directives prescribed by the Reserve Bank of India for Non-Banking Financial Companies. The financial statements have been prepared under the historical cost convention on an accrual basis except interest on Non Performing Loans that are recognised on realisation.

The accounting policies applied by the Company, are consistent with those used in the previous year, except for the change in accounting policy explained below.

### 2.1 Significant Accounting Policies :

#### (i) Change in Accounting Policy

##### (a) Accounting for Proposed Dividend

As per the requirements of AS 4 (Revised), proposed final dividend including Dividend Distribution Tax are recognised as a liability in the period in which they are approved by Shareholders unlike earlier requirement of recognising a liability in the period to which it relates. Had the Company continued with earlier practice, surplus in the statement of profit and loss would have been lower by ₹237.97 millions with a corresponding increase in current provision [Note 5].

#### (ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

#### (iii) Revenue Recognition

##### a. Dividend

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

##### b. Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

**c. Profit on Sale / Redemption of Mutual Fund Units**

Profit on Sale / Redemption of Mutual Fund units are accounted for net of security transaction tax and exit load.

**(iv) Provisioning on Standard Assets**

In terms of Master Direction - Non Banking Financial Company :- systemically important non Deposit taking Company and Deposit taking Company (Reserve Banks Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended from time to time ("the NBFC Master Direction 2016") issued by the Reserve Bank of India, contingent provision @0.35% on standard assets are made in the accounts.

**(v) Provision / Write - off against Non - Performing Assets**

Provision / Write – Off against Non – Performing assets are made as per the guidelines prescribed by Reserve Bank of India for Non-Deposit taking Finance Companies (NBFC – ND - SI).

**(vi) Fixed Assets**

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**(vii) Depreciation**

Depreciation on Fixed Assets (including assets under Investment Property) is provided as per the useful lives of the assets estimated by the management which is equal to the rates specified in Schedule II of the Companies Act, 2013 on reducing balance method.

Depreciation on fixed assets added / disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

**(viii) Investments**

- a) Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non- current /long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.
- b) Long-term investments are valued at cost, i.e. book value of the investments as reflected in the financial statements as on 31st March, 2003 and for subsequent diminution, provision is made by way of adjustment against Investment Reserve (Created in earlier years by revaluation of quoted investments) in terms of scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court during an earlier year. Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**c) Investment property**

An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

losses, if any.

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**(ix) Cash & Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**(x) Provision for Retirement benefits**

a) Retirement benefits in the form of Provident Fund and Superannuation are defined contribution schemes and the contributions are charged to statement of Profit and Loss of the year when an employee renders the related service. There are no obligations other than the contribution payable to the respective funds.

b) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.

c) Short term compensated absences are provided for based on estimates. The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The company does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

d) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

**(xi) Earnings per share**

Basic earnings per share is calculated by dividing the net Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**(xii) Income Taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017

The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent it has become reasonably certain or virtual certain, as the case may be that sufficient future taxable income will be available against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate Tax paid in a year is charged to the Statement of Profit & Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961 the said asset is created by way of credit to the statement of profit & loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### (xiii) Foreign Currency Transactions

#### a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. Shares held in Overseas Companies are valued at the exchange rates prevailing on the date of payment(s).

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

**c) Exchange Differences**

Exchange differences arising on the settlement/conversion of monetary items are recognized as income or expenses in the year in which they arise.

**d) Foreign Exchange Contracts not intended for trading or speculation purpose**

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

**(xiv) Assets acquired under lease**

***Operating Lease:***

***Where the Company is lessee***

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

***Where the Company is the lessor***

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

**(xv) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**(xvi) Provision**

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

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

3. SHARE CAPITAL	As At 31st March, 2017 (₹ in Millions)	As At 31st March, 2016 (₹ in Millions)
	<b>Authorised Shares</b> 90,00,000 (90,00,000) Equity Shares of ₹ 10/- each	<b>90.00</b>
<b>Issued, Subscribed &amp; Fully Paid up Shares</b> 79,08,750 (79,08,750) Equity Shares of ₹ 10/- each	<b>79.09</b>	79.09
	<b>79.09</b>	79.09

(a) There is no change in the number of shares in the current year and previous year.

**(b) Terms / rights attached to Equity Shares**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

During the year ended 31st March 2017, the amount of per share dividend recognized as distributions to shareholders was Nil ( ₹25) per share. The Board of Directors at its meeting held on 30th May, 2017, have proposed a final dividend of ₹25 per equity share for the financial year ended 31st March, 2017. The proposal is subject to the approval at the forthcoming Annual General Meeting. Total Cash out flow would be ₹237.97 millions including corporate dividend tax and the same will be accounted for in the financial year 2017-18 in terms of Revised Accounting Standard-4 notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules 2016.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the Company**

	As At 31st March 2017		As At 31st March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Aditya Marketing & Manufacturing Limited	27,35,494	34.59	27,35,494	34.59
Padmavati Investment Ltd.	13,98,486	17.68	13,98,486	17.68
Gwalior Webbing Co. Ltd.	4,54,168	5.74	4,54,168	5.74
The Punjab Produce & Trading Co. Limited	13,85,223	17.52	13,85,223	17.52

As per the records of the company, including its register of shareholders, the above shareholding represents legal ownership of shares.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

4. Reserve & Surplus	As At		As At	
	31st March, 2017 (₹ in Millions)	31st March, 2016 (₹ in Millions)	31st March, 2017 (₹ in Millions)	31st March, 2016 (₹ in Millions)
<b>Investment Reserve</b>				
Balance as per the last Financial Statements	3,460.08	3,460.08		
<b>General Reserve</b>				
Balance as per the last Financial Statements	1,971.33	1,871.33		
Add: Transfer from the Statement of Profit & Loss	–	100.00		
	1,971.33	1,971.33		
<b>Statutory Reserve</b>				
Balance as per the last Financial Statements	1,556.82	1,479.00		
Add: Transfer from the Statement of Profit & Loss	91.89	77.82		
	1,648.71	1,556.82		
<b>Surplus in the statement of Profit &amp; Loss</b>				
Balance as per the last Financial Statements	1,713.07	1,739.76		
Profit for the year	459.45	389.10		
Less : Appropriations				
Proposed Equity Dividend	–	197.72		
Tax on Proposed Equity Dividend	–	40.25		
Transfer to Statutory Reserve	91.89	77.82		
Transfer to General Reserve	–	100.00		
Surplus in the statement of Profit and Loss	2,080.63	1,713.07		
<b>Total Reserves &amp; Surplus</b>	<b>9,160.75</b>	<b>8,701.30</b>		
5. Provisions	<b>Long Term As At</b>		<b>Short Term As At</b>	
	31st March 2017 (₹ in Millions)	31st March 2016 (₹ in Millions)	31st March 2017 (₹ in Millions)	31st March 2016 (₹ in Millions)
<b>Provisions for Employee Benefits</b>				
Provision for Gratuity (Note 20)	0.23	0.25	1.12	11.41
Provision for Leave Benefits	–	–	1.04	3.65
	0.23	0.25	2.16	15.06
<b>Other Provisions</b>				
Provision for tax (net of advance tax & tax deducted at source ₹ 351.02 Millions 31st March 2016 ₹ 351.02 Millions)	–	–	0.28	0.28
Proposed Equity Dividend	–	–	–	197.72
Provision for tax on proposed Equity Dividend	–	–	–	40.25
Contingent Provisions against Standard Assets	–	–	2.75	2.75
Provision towards Demand for Municipal Taxes*	–	–	11.67	11.67
	–	–	14.70	252.67
	0.23	0.25	16.86	267.73

\*Being provision made against demand for municipal taxes (including interest and penalty) for earlier years. The Company has represented to the Municipal authorities for their reconsideration of the annual valuation which is under consideration of the authorities.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>As At 31st March, 2017 (₹ in Millions)</b>	<b>As At 31st March, 2016 (₹ in Millions)</b>		
<b>6. Trade Payables &amp; Other Current Liabilities</b>				
Trade Payables (Refer Note 25)	<b>4.46</b>	0.31		
<b>Other Liabilities</b>				
Payable towards purchase of capital goods	–	12.05		
Payable to Employees	<b>0.46</b>	1.70		
Investors Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid Dividend	<b>4.24</b>	4.18		
<b>Others</b>				
Security Deposits	<b>0.03</b>	0.68		
Statutory Dues	<b>0.46</b>	0.03		
Other-Miscellaneous	<b>0.31</b>	0.31		
	<b>5.50</b>	18.95		
	<b>9.96</b>	19.26		
<b>7. Tangible Assets</b>				
	<b>Furniture &amp; Fixtures</b>	<b>Office Equipments</b>	<b>Vehicles</b>	<b>TOTAL</b>
<b>Cost or Valuation</b>				<b>(₹ in Millions)</b>
As at 1st April 2015	0.19	0.04	0.78	1.01
Addition	–	–	–	–
As at 31st March 2016	0.19	0.04	0.78	1.01
Addition	–	–	(0.78)	(0.78)
<b>As at 31st March 2017</b>	<b>0.19</b>	<b>0.04</b>	–	<b>0.23</b>
<b>DEPRECIATION</b>				
As at 1st April 2015	0.19	0.01	0.50	0.70
Charge for the year	–	0.01	0.09	0.10
As at 31st March 2016	0.19	0.02	0.59	0.80
Charge for the year	–	0.01	0.03	0.04
Addition/(Disposal)	–	–	(0.62)	(0.62)
<b>As at 31st March 2017</b>	<b>0.19</b>	<b>0.03</b>	–	<b>0.22</b>
<b>Net Block</b>				
As at 31st March 2016	–	0.02	0.19	0.21
<b>As at 31st March 2017</b>	–	<b>0.01</b>	–	<b>0.01</b>

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

			<b>As At</b>	<b>As At</b>
			<b>31st March, 2017</b>	<b>31st March, 2016</b>
			<b>(₹ in Millions)</b>	<b>(₹ in Millions)</b>
<b>8. Non-Current Investments</b>				
<b>Investment Property (valued at cost less accumulated depreciation)</b>				
Cost of Land, Building & Furniture given on Operating Lease			<b>45.33</b>	18.80
Add : Additions during the year			–	26.53
<b>Sub Total (A)</b>			<b>45.33</b>	<b>45.33</b>
Depreciation as at 1st April 2016			<b>9.69</b>	7.71
Add : Depreciation for the year			<b>6.27</b>	1.98
<b>Sub Total (B)</b>			<b>15.96</b>	9.69
<b>Net Block (A-B)</b>			<b>29.37</b>	<b>35.64</b>
<b>Non-Trade Investments (valued at cost)</b>	No. of	Face Value		
<b>Unquoted equity instruments (Fully Paid)</b>	shares	per share		
<b>In Subsidiaries</b>				
PIC Properties Limited	50,002	₹ 10	<b>0.50</b>	0.50
PIC Realcon Limited	50,000	₹ 10	<b>0.50</b>	0.50
<b>In Other Companies</b>				
Birla Building Limited	15,000	₹ 10	<b>0.15</b>	0.15
Birla Consultants Limited	12,000	₹ 10	<b>0.12</b>	0.12
Indo Thai Synthetics Co. Limited	2,07,900	Baht10	<b>1.14</b>	1.14
Indo Phil Textile Mills Inc., Manila	2,11,248	Pesos10	<b>0.20</b>	0.20
The Eastern Economist Limited	400	₹100	<b>0.04</b>	0.04
The Industry House Limited	2,812	₹100	<b>0.19</b>	0.19
			<b>2.85</b>	<b>2.85</b>
<b>Quoted Equity Instruments (Fully Paid)</b>				
<b>In Associates</b>				
Century Textiles & Industries Limited	3,42,20,520	₹ 10	<b>1,585.75</b>	1,585.75
Kesoram Industries Limited	2,73,38,750	₹ 10	<b>1,682.44</b>	1,682.44
<b>In Other Companies</b>				
Aditya Birla Fashion & Retail Limited	9,72,909	₹ 10	<b>0.26</b>	0.26
Aditya Birla Nuvo Limited	187,098	₹ 10	<b>29.15</b>	29.15
Grasim Industries Limited@	2,23,43,465	₹ 2	<b>1,235.61</b>	618.87
	(43,24,668)	₹ 10		
Hindalco Industries Limited	2,91,85,398	₹ 1	<b>1,836.33</b>	1,836.33
Idea Cellular Limited	81,68,500	₹ 10	<b>585.94</b>	–
		(-)		

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

			<b>As At 31st March, 2017 (₹ in Millions)</b>	<b>As At 31st March, 2016 (₹ in Millions)</b>
Jayshree Tea & Industries Limited	2,844	₹5	<b>0.04</b>	0.04
Kesoram Textile Mills Limited	24,15,750	₹2	<b>0.60</b>	0.60
Mangalam Cement Limited	11,20,000	₹10	<b>7.56</b>	7.56
Tanfac Industries Limited	498,000	₹10	<b>5.63</b>	5.63
Ultra Tech Cement Limited	24,57,309	₹10	<b>807.33</b>	807.33
Umi Special Steels Limited**	1,00,000 (1,00,000)	₹10	-	-
Zuari Global Limited	4,34,000	₹10	<b>3.95</b>	3.95
Zuari Agro Chemicals Limited	4,34,000	₹10	<b>3.95</b>	3.95
			<b>7,784.54</b>	6,581.86
			<b>7,816.76</b>	6,581.86
Aggregated Value of Investment Property			<b>29.37</b>	35.64
Aggregated Value of Quoted Investments			<b>7,784.54</b>	6,581.86
Aggregated Value of Unquoted Investments			<b>2.85</b>	2.85
Market Value of Quoted Investments			<b>80,614.96</b>	48,713.40
** net of provision for other than temporary diminution			<b>0.17</b>	0.17

@During the year, shares have been split from Face value of Rs.10 per share to Rs. 2 per share.

**The following shares, although in Physical possession of the company have not been indicated above since the value thereof has been written off in earlier years :**

	<b>No. of Shares</b>	<b>Face Value (₹ per share)</b>
<b>QUOTED (Fully Paid)</b>		
<b>Equity Shares</b>		
Jiyajeerao Cotton Mills Limited	150	10
Kalyan Sundaram Cement Industries Limited	50,000	10
Tungbhadra Industries Limited	1,865	10
<b>UNQUOTED (Fully Paid)</b>		
<b>Equity Shares</b>		
Bombay Industrial Traders Limited (In liquidation)	915	100
Hind Cycles Limited (In liquidation)	400	100
Industrial Plants Limited (in liquidation)	75,000	10
Mckenzie's Limited	753	10

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

			No. of Shares	Face Value (₹ per share)
<b>In Subsidiary Companies</b>				
Atlas Iron and Alloys Limited (in liquidation)			72,000	10
<b>Debentures</b>				
Hind Cycles Limited (In liquidation)			66	100
<b>UNQUOTED (Partly Paid)</b>				
<b>Equity Shares</b>				
Central Distributors Limited (in Liquidation) (Paid up ₹ 7.50 per share)			1,284	10
<b>9. Loans and Advances</b>				
	<b>Non-Current Portion</b>		<b>Current Portion</b>	
	<b>As At</b>	<b>As At</b>	<b>As At</b>	<b>As At</b>
	<b>31st March 2017</b>	<b>31st March 2016</b>	<b>31st March 2017</b>	<b>31st March 2016</b>
	<b>(₹ in Millions)</b>	<b>(₹ in Millions)</b>	<b>(₹ in Millions)</b>	<b>(₹ in Millions)</b>
<b>Security Deposits</b>				
Unsecured, Considered good	1.75	2.55	-	-
<b>(A)</b>	<b>1.75</b>	<b>2.55</b>	<b>-</b>	<b>-</b>
<b>Loans</b>				
Unsecured, Considered good				
To a wholly owned Subsidiary Company (Interest Free)	29.84	36.29	-	-
<b>(B)</b>	<b>29.84</b>	<b>36.29</b>	<b>-</b>	<b>-</b>
<b>Advances recoverable in cash or in kind</b>				
Unsecured, Considered good	-	-	1.49	5.37
Unsecured, considered doubtful	1.67	1.67	-	-
	1.67	1.67	1.49	5.37
Less Provision for doubtful advances	1.67	1.67	-	-
<b>(C)</b>	<b>-</b>	<b>-</b>	<b>1.49</b>	<b>5.37</b>
<b>Other Loans and Advances</b>				
Unsecured, Considered good				
Advance income tax, Refund receivable (net of provisions)	35.42	31.43	-	-
Prepaid Expenses	-	-	-	0.01
Loans to Employees	-	-	-	0.09
Deposits made against Demand Notice (Refer Note 19)	6.93	6.93	-	-
<b>(D)</b>	<b>42.35</b>	<b>38.36</b>	<b>-</b>	<b>0.10</b>
<b>(A+B+C+D)</b>	<b>73.94</b>	<b>77.20</b>	<b>1.49</b>	<b>5.47</b>



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

<b>10. Current Investments :</b>			<b>As At</b>	<b>As At</b>
<b>Trade Investments</b>	No.	Face Value	<b>31st March 2017</b>	<b>31st March, 2016</b>
<b>Investments in Mutual Funds (Unquoted)</b>	of Units	per unit	<b>(₹ in Millions)</b>	<b>(₹ in Millions)</b>
<b>(Valued at Lower of Cost or Fair Value)</b>				
Axis Treasury Advantage Fund- Growth	-	₹ 1000	-	75.00
	(46,168)			
Birla Sunlife Saving Fund - Dividend	<b>1,460,801</b>	₹ 100	<b>145.53</b>	210.02
	(20,96,838)			
Birla Sunlife Cash Manager Fund - Dividend	<b>17,63,327</b>	₹ 100	<b>176.78</b>	177.48
	(17,70,505)			
Birla Sunlife Cash Manager Fund - Growth	<b>5,34,746</b>	₹ 100	<b>200.00</b>	104.17
	(5,09,987)			
Birla Sunlife Saving Fund - Growth	<b>15,49,836</b>	₹ 100	<b>470.00</b>	15.00
	(57,193)			
DSP Black Rock Money Manager Fund - Div.	-	₹ 1000	-	135.23
	(1,34,693)			
DSP Black Rock Money Manager Fund - Gr.	-	₹ 1000	-	106.00
	(53,957)			
HDFC Cash Management Fund - Growth	<b>32,85,260</b>	₹ 10	<b>108.50</b>	-
	(-)			
ICICI Prudential Money Manager Fund-Gr.	-	₹ 100	-	174.20
	(9,50,607)			
ICICI Prudential Regular Saving Fund - Div.	-	₹ 100	-	33.91
	(3,38,260)			
Kotak Treasury Advantage Fund - Growth	-	₹ 10	-	56.00
	(24,14,553)			
Kotak Treasury Advantage Fund - Dividend	-	₹ 10	-	147.73
	(1,46,58,224)			
L&T Ultra Short Term Fund-Growth	-	₹ 10	-	75.00
	(31,64,557)			
Reliance Money Manager Fund - Dividend	<b>2,14,509</b>	₹ 1000	<b>212.60</b>	443.61
	(4,43,388)			
Reliance Liquid Fund - Growth	-	₹ 1000	-	39.57
	(12,749)			
Reliance Money Manager Fund - Growth	<b>14,213</b>	₹ 1000	<b>24.12</b>	24.12
	(14,213)			
SBI Ultra Short Term Debts Fund - Growth	-	₹ 1000	-	215.00
	(1,17,129)			
Tata Treasury Advantage Fund - Dividend	-	₹ 1000	-	11.26
	(11,168)			
UTI Floating Rate Fund -Growth	-	₹ 1000	-	90.00
	(38,147)			
UTI Treasury Advantage Fund - Dividend	-	₹ 1000	-	109.96
	(1,09,706)			
			<b>1,337.53</b>	<b>2,243.26</b>

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

**11. Trade Receivables and Other Assets**

	Current	
	As At 31st March 2017 (₹ in Millions)	As At 31st March 2016 (₹ in Millions)
<b>11.1 Trade Receivables</b>		
<b>Unsecured, Considered good</b>		
Outstanding for a period exceeding six months from the due date of payment	0.64	1.05
Other Debts	2.09	3.26
	<u>2.73</u>	<u>4.31</u>
<b>11.2 Other Assets</b>		
Unsecured, Considered good		
Interest Accrued on Deposits	0.84	3.74
	<u>0.84</u>	<u>3.74</u>
	<u>3.57</u>	<u>8.05</u>
<b>12. Cash and Bank Balances</b>		
<b>Cash and cash equivalents</b>		
Balances with Banks		
On Current Accounts	2.33	2.90
On Unpaid Dividend Account	4.24	4.18
Cash on Hand	0.01	0.01
	<u>6.58</u>	<u>7.09</u>
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 12 months	27.01	106.00
	<u>27.01</u>	<u>106.00</u>
	<u>33.59</u>	<u>113.09</u>

**The details of Specified Bank Notes (SBN) held and transacted during the period 08.11.2016 to 30.12.2016 are as below :-**

	SBNs	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	0.02	0.01	0.03
(+) Permitted receiptes*	-	0.05	0.05
(-) Permitted payments	-	0.05	0.05
(-)Amount deposited in Banks	0.02	-	0.02
Closing Cash in hand as on 30.12.2016	<u>-</u>	<u>0.01</u>	<u>0.01</u>

\* Represents withdrawn from Bank

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>For the Year ended 31st March 2017 (₹ in Millions)</b>	<b>For the Year ended 31st March 2016 (₹ in Millions)</b>
<b>13. Revenue from Operations</b>		
Dividend Income		
– Non Current Investments	343.35	323.86
– Current Investments	45.26	63.40
Profit on sale of current investments (Units of Mutual Fund)	109.41	–
<b>Interest Income</b>		
– On Loans	–	37.01
– On Fixed Deposit with Banks	8.50	14.61
<b>Other Operating Revenue</b>		
Rent Income	14.43	16.40
Service Charges	6.30	10.74
	<u>527.25</u>	<u>466.02</u>
<b>14. Other Income</b>		
Miscellaneous Receipts	0.04	0.10
	<u>0.04</u>	<u>0.10</u>
<b>15. Employee Benefits Expenses</b>		
Salaries and Bonus	6.40	8.17
Gratuity (Refer Note 20)	1.95	1.69
Contribution to Provident and Other Funds	0.65	0.78
Staff Welfare Expenses	0.83	1.00
	<u>9.83</u>	<u>11.64</u>
<b>16. Other Expenses</b>		
Director's sitting Fees	0.71	0.71
Insurance Charges	0.01	0.01
Repairs & Maintenance (others)	0.03	0.02
CSR Expenses (as contribution to various trusts/societies)	2.50	11.50
Building Maintenance & Service Expenses	9.29	15.95
Rates & Taxes (Net)*	2.28	16.02*
Rent	0.52	0.77
Irrecoverable balances written off	2.04	–
Miscellaneous Expenses	7.18	5.28
Payment to Auditors - As Auditors		
Audit Fee	0.32	0.22
Limited Review	0.19	0.13
In Other Capacity		
For Certification, etc.	0.24	0.20
For Expenses, etc.	0.12	0.08
	<u>25.43</u>	<u>50.89</u>
<b>17. Depreciation and Amortization Expense</b>		
Depreciation on Tangible Assets	0.04	0.10
Depreciation on Investment Property	6.27	1.98
	<u>6.31</u>	<u>2.08</u>

\* Includes ₹14.59 millions (including interest & penalty of ₹ 5.79millions) for earlier years, towards demand for municipal taxes.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

**18.1 Capital & Other Commitments :**

- a) Uncalled liability on partly paid Shares held as Investments ₹ **0.003 Millions**  
(₹ 0.003 Millions )

**18.2 Contingent Liabilities :**

Income Tax demands for earlier years aggregating to ₹ **16.33 Millions** (₹ 24.73 Millions) disputed by the Company.

19. The Company has disputed the claim for recovery of ₹ 1.54 Millions plus interest from 1<sup>st</sup> November, 1973 made by State Bank of India, Bombay in a suit filed against the company on the basis of guarantee given in respect of the advances made to Hind Cycles Limited against their Cash Credit Account by the said Bank. Against the above claim, ₹ 6.93 Millions have been deposited with Debts Recovery Appellate Tribunal pursuant to Hon'ble Bombay High Court Order. No provision against the above claim has been made in the accounts since the matter is pending with the Debt Recovery Appellate Tribunal as per the Hon'ble Bombay High Court order.

**20. Disclosure under Accounting Standard - 15 (Revised) on 'Employee Benefits'.**

<b>A. Defined Contribution Plan</b>	<b>For the year ended 31st March 2017 (₹ in Millions)</b>	<b>For the year ended 31st March 2016 (₹ in Millions)</b>
Contribution to Provident Fund	<b>0.60</b>	0.72

**B. Defined Benefit Plan**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets Gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1972. The aforesaid scheme is not funded.

The following tables summarises the components of net benefit expenses recognised in Statement of Profit & Loss and the amount recognised in the Balance Sheet for the respective plan.

**Statement of Profit & Loss**

**Net employee benefit expense recognized in the employee cost :**

	<b>31st March 2017 (₹ in Millions)</b>	<b>31st March 2016 (₹ in Millions)</b>
Current Service Cost	<b>0.04</b>	0.46
Interest cost on benefit obligation	<b>0.17</b>	0.78
Curtailment Cost / (Credit)	<b>(9.47)</b>	-
Net actuarial (gain)/loss recognized in the year	<b>11.21</b>	0.44
Net benefit expense	<b>1.95</b>	1.68

**Balance Sheet**

<b>Benefit asset / liability</b>	<b>31st March 2017 (₹ in Millions)</b>	<b>31st March 2016 (₹ in Millions)</b>
Present value of defined benefit obligation	<b>1.35</b>	11.66
<b>Plan liability / (asset)</b>	<b>1.35</b>	11.66

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

**Changes in the present value of the defined benefit obligation are as follows :**

	<u>31st March 2017</u> <u>(₹ in Millions)</u>	<u>31st March 2016</u> <u>(₹ in Millions)</u>
Opening defined benefit obligation	11.66	9.97
Current service cost	0.04	0.47
Interest cost	0.17	0.78
Crtailment Cost / (Credit)	(9.47)	-
Actuarial (gains)/losses on obligation	11.21	0.44
Benefits Paid	(12.26)	-
<b>Closing defined benefit obligation</b>	<u>1.35</u>	<u>11.66</u>

**The principal assumptions used in determining gratuity obligations for the company's plans are shown below :**

	<u>6.88% p.a.</u>	<u>7.59% p.a.</u>
Discount rate	6.88% p.a.	7.59% p.a.
Expected rate of return on assets	N. A.	N.A.

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

**Amounts for the current and previous four years are as follows :**

<b>Gratuity</b>	<u>31st March 2017</u> <u>(₹ in Millions)</u>	<u>31st March 2016</u> <u>(₹ in Millions)</u>	<u>31st March 2015</u> <u>(₹ in Millions)</u>	<u>31st March 2014</u> <u>(₹ in Millions)</u>	<u>31st March 2013</u> <u>(₹ in Millions)</u>
Defined Benefit					
Obligation	1.35	11.66	9.97	8.38	6.92
Surplus / (Deficit)	(1.35)	(11.66)	(9.97)	(8.38)	(6.92)
Experience adjustments on plan liabilities	11.20	0.44	0.41	0.49	0.62

21. No effect has been given in the accounts in respect of the following Equity Shares received by way of fully paid Bonus Shares on shares not belonging to the Company and the same are being held in trust by the Company :

<u>Sl. Name of the Company</u>	<u>No. of Equity Shares</u>	<u>Face Value per Share (₹)</u>
(a) Grasim Industries Ltd.	5755	2/-
(b) Hindustan Motors Ltd.	440	10/-
(c) Century Textiles & Industries Ltd	220	10/-
(d) Tungabhadra Industries Ltd.	4	10/-
(e) Hindustan Everest Tools Ltd.	60	10/-

22. **Segment Reporting :**

The company has only one business segment viz. investment and related activities and its operations are also confined to one geographical segment i.e. India. As such, no further disclosure under Accounting Standard 17 "Segment Reporting" is required.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017****23. Earning Per Share (EPS) :**

The following reflects the profit and share data used in the basic and diluted EPS computations :

	<b>For the year ended 31st March 2017 (₹ in Millions)</b>	<b>For the year ended 31st March 2016 (₹ in Millions)</b>
Profit after Tax as per statement of Profit & Loss	<b>459.45</b>	389.10
Weighted average number of Equity Shares (Nos.)	<b>79,08,750</b>	79,08,750
Earnings per Equity Share Nominal Value of Shares (₹ 10)		
Basic & Diluted (₹ per share)	<b>58.09</b>	49.20

**24. Related Party Disclosures****Names of related parties and related party relationship****a. Name of the related parties where control exists :**

Subsidiary Companies	PIC Properties Limited PIC Realcon Limited Atlas Iron & Alloys Limited (in Liquidation)
----------------------	---

**b. Names of other related parties :**

Associate Company	Century Textile & Industries Limited Kesoram Industries Limited
Key Management Personnel	Shri R.A.Makharia (Executive Director)(Upto 23rd Sept.2016) Shri R.P.Pansari (Managing Director)(w.e.f. 14th Feb.2017) Shri N.K.Baheti (CFO) Shri R.S.Kashyap (Company Secretary)

**Related Party Transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period.

	<b>2016-2017 (₹ in Millions)</b>	<b>2015-2016 (₹ in Millions)</b>
<b>Subsidiary Company</b>		
<b>Loans &amp; Advances received back</b>		
PIC Realcon Limited	<b>6.45</b>	3.38
<b>Loans and advances outstanding</b>		
PIC Properties Limited	<b>4.81</b>	4.81
PIC Realcon Ltd.	<b>25.03</b>	31.48
<b>Associate Company</b>		
<b>Dividend Income</b>		
Century Textile & Industries Limited	<b>188.21</b>	188.21

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

	<u>2016-2017</u> (₹ in Millions)	<u>2015-2016</u> (₹ in Millions)
<b><u>Key Management Personnel</u></b>		
<b>Remuneration</b>		
Shri R. A. Makharia	2.62	5.49
Shri R. P. Pansari	0.98	-
Shri N. K. Baheti	1.34	0.99
Shri R. S. Kashyap	0.52	0.43
<b><u>Director Sitting Fees</u></b>		
Shri R.A.Makharia	0.04	0.08
<b>Loan Given</b>		
Shri N.K.Baheti	-	0.10
<b><u>Loan Received back</u></b>		
Shri N.K.Baheti	0.08	0.02
<b><u>Loan Outstanding</u></b>		
Shri N.K.Baheti	-	0.08
25.	Based on the informations/documents available with the company, no creditor is covered under Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provisions / payments have been made by the company to such creditors, if any, and no disclosures are made in these accounts.	
26.	<b>Leases :</b> <b>Operating Lease : Company as a Lessee</b> The office premises is obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the company. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. The leases are cancellable.	
	<u>For the year ended</u> <u>31st March 2017</u> (₹ in Millions)	<u>For the year ended</u> <u>31st March 2016</u> (₹ in Millions)
	0.52	0.77
	<b>Operating Lease : Company as a Lessor</b> The company has leased certain office on operating leases. The lease term is for 1-3 years and thereafter renewable . There is escalation clause in the lease agreements. The rent is not based on any contingencies. There are no restrictions imposed by lease arrangements. The leases are cancellable.	
27.	Minimum Alternative Tax (MAT) Credit entitlement of ₹ 294.13 Millions (after adjusting utilised during the current year ₹ 19.73 Millions), has not been recognized by the Company in the absence of convincing evidence to claim the above tax credit in future years.	

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

- 28.** The Company has applied to the Reserve Bank of India (“RBI”) for its conversion from Non-Banking Financial Company to Core Investment Company and the approval from RBI is awaited.
- 29.** Additional disclosure required by NBFC-ND-SI in terms of the notification issued by RBI vide circular no. RBI/DNBR/2016-17/45 DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 are as follows:

Particulars	Remarks
1. Capital to Risk (Weighted) Assets Ratio	Refer Note No. 29 (B)
2. Investments	Refer Note No. 29 (C)
3. Derivatives	The Company has no transaction or exposure in Derivatives in the current and previous year.
i) Forward Rate Agreement / Interest Rate Swap	
ii) Exchange Traded Interest Rate (IR) Derivatives	The Company has no unhedged foreign currency exposure as on March 31, 2017 and March 31, 2016
iii) Disclosure on Risk Exposure in Derivatives	
4. Disclosures relating to Securitisation	
i) Information duly certified by the SPV’s auditors obtained by the originating NBFC from the SPV.	The Company does not have any outstanding amount of securitised assets in the current year and previous year end. Hence, no such information is duly certified by the SPV’s auditors obtained.
ii) Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction.	The Company has not sold financial assets to securitisation or reconstruction company for asset reconstruction during the current and previous year.
iii) Details of Assignment transaction undertaken by NBFC’s	The Company has not undertaken any assignment transactions during the current and previous year.
5. Details of Non Performing financial assets purchased / sold	
i) Details of Non Performing financial assets purchased :	The Company has not purchased / sold Non Performing financial assets during the current and previous year.
ii) Details of Non Performing financial assets sold :	
6. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities	Refer Note No. 29 (E)
7. Exposures	
i) Exposure to Real Estate Sector	The Company has no Exposure to Real Estate directly or indirectly.
ii) Exposure to Capital Market	The Company has no Exposure to Capital Market directly or indirectly.
iii) Details of financing of parent company products :	The Disclosure is not applicable as the Company does not have any holding or parent company.
8. Details of financing of parent company products :	Not Applicable.
9. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceed by the NBFC	Not Applicable.
10. Unsecured Advances	Not Applicable.



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	Remarks						
11. Miscellaneous							
i) Registration obtained from other financial sector regulators	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Regulator</th> <th style="text-align: center;">Registration No.</th> </tr> </thead> <tbody> <tr> <td>Ministry of Company Affairs</td> <td>L24131WB1948PLC095302</td> </tr> <tr> <td>Reserve Bank of India</td> <td>B-05.06669</td> </tr> </tbody> </table>	Regulator	Registration No.	Ministry of Company Affairs	L24131WB1948PLC095302	Reserve Bank of India	B-05.06669
Regulator	Registration No.						
Ministry of Company Affairs	L24131WB1948PLC095302						
Reserve Bank of India	B-05.06669						
ii) Disclosure of Penalties imposed by RBI and other regulators	No Penalties were imposed by RBI and other regulators during the current and previous year.						
iii) Related Party Transactions	Refer Note No. 24						
iv) Ratings assigned by credit rating agencies and migration of ratings during the year	The Company has not opted any credit ratings during the year ended March 31, 2017 and previous year ended March 31, 2016.						
v) Remuneration to Directors	Refer Note No. 24						
vi) Net Profit or Loss for the period, prior period items and changes in accounting policies.	Refer Note No. 2 & 2.1						
vii) Revenue Recognition	Refer Note No. 2.1(iii)						
viii) Accounting Standard 21 -Consolidated Financial Statements (CFS)	A Separate Consolidated Financial Statement has been prepared by the company during the year ended March 31, 2017 and previous year ended March 31, 2016.						
12. Additional Disclosures							
i) Provisions and Contingencies	Refer to Note No. 29 (D)						
ii) Draw Down from Reserves	There has been no draw down from reserves during the current and previous year						
iii) Concentration of Deposits, Advances, Exposures and NPAs							
a) Concentration of Deposits (for deposit taking NBFCs)	This Disclosure is not applicable as the Company as it is not a deposit taking NBFC						
b) Concentration of Advances	Not applicable as no such advances is being made.						
c) Concentration of Exposure	Not applicable as no such Exposure is being made.						
d) Concentration of NPAs	The Company does not have any such exposure.						
e) Sector-wise NPAs	The Company does not have any such exposure.						
f) Movement of NPAs	The Company does not have any such exposure.						
iv) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad.	The Company has no exposure or transaction with overseas assets.						
v) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	There are no Off-balance Sheet exposure as on March 31, 2017 and March 31, 2016.						
13. Disclosure of Complaints	Not applicable to the company						

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017****B) Capital to Risk-Assets Ratio (CRAR)**

<b>Particulars</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
(i) CRAR (%)	<b>65.97</b>	67.80
(ii) CRAR - Tier I Capital (%)	<b>37.07</b>	42.92
(iii) CRAR - Tier II Capital (%)	<b>28.90</b>	24.88
(iv) Amount of Subordinated debt raised as Tier-II Capital	-	-
(v) Amount raised by issue of perpetual Debt Instruments	-	-

**C) Investment****Amount ₹ in Millions**

<b>Particulars</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
1) Value of Investments		
(i) Gross Value of Investments		
a) In India	<b>9,124.92</b>	8,827.97
b) Outside India	-	-
ii) Provisions for Depreciation		
a) In India	<b>0.17</b>	0.17
b) Outside India	-	-
ii) Net value of Investments		
a) In India	<b>9,124.75</b>	8,827.80
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening Balance	<b>0.17</b>	0.17
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing Balance	<b>0.17</b>	0.17

**D) Provisions and contingencies****Amount ₹ in Millions**

<b>Break up of Provisions and contingencies shown under the head Expenditure in Profit &amp; Loss Account</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
(i) Provision for depreciation on Investment	-	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards Income tax	<b>26.27</b>	12.41
(iv) Other provisios and Contingencies (with details)		
a) Provision for Gratuity	<b>1.95</b>	1.69
b) Provision for Leave Benefit	<b>0.18</b>	0.41
(v) Provision for Standard Assets	-	-

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

**(E) Maturity pattern of certain items of assets and liabilities :**

(₹ in Millions)

	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
<b>Liabilities</b>									
<b>Assets</b>									
<b>Advances</b>	–	–	–	–	0.04	36.87	–	38.52	75.43
	–	–	–	–	(0.34)	(36.56)	–	(45.77)	(82.67)
<b>Investments</b>	–	–	–	–	1,337.53	–	–	7,816.76	9,154.29
	–	–	–	–	(2,243.26)	–	–	(6,620.35)	(8,863.61)

**Note :** Maturity of Current Investments and Long Term Investments has been considered in 'Over 6 months to 1 year' and 'Over 5 years' category respectively.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2017**

30. Previous year's figures including those in brackets have been regrouped / rearranged where necessary to confirm the current year's figures.

As per our report of even date.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No.: 301003E/E300005

**Per Sanjay Kumar Agarwal**

*Partner*

*Membership No. 060352*

Place : Kolkata

Dated : 30th May, 2017

For and on behalf of the Board of Directors

**D. K. MANTRI**

*Director*

(DIN:00075664)

**A. K. KOTHARI**

*Director*

(DIN:00051900)

**R. P. PANSARI**

*Chief Executive Officer*

**N. K. BAHETI**

**R. S. KASHYAP**

*Chief Financial Officer Company Secretary*

***DIRECTORS***

SHRI G. K. TULSIAN

SHRI S. N. NEOTIA

SHRI S. K. DAGA

SHRI K. K. MEHRA

***AUDITORS***

M/S. SINGHI & CO.,  
CHARTERED ACCOUNTANTS,  
1-B, OLD POST OFFICE STREET  
KOLKATA - 700 001

***REGISTERED OFFICE***

10, CAMAC STREET  
KOLKATA - 700 017  
CIN - U70109WB1985PLC038472

To  
The Members

Your Directors have pleasure in presenting their Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2017.

### 1. Financial summary or highlights / Performance of the Company

Items	Year Ended 31st March 2017	Year Ended 31st March 2016
	₹	₹
Turnover (incl. Other Income)	22,08,321	7,68,953
<b>Less :</b>		
Employees Cost	7,000	1,000
Operation Expenses	5,07,450	2,02,164
Depreciation	52,762	52,762
<b>Net Profit / (Loss) for the year before tax</b>	<b>16,41,109</b>	<b>5,13,027</b>
Provision for Taxation	2,12,645	1,13,925
<b>Net Profit / (Loss) after tax</b>	<b>14,28,464</b>	<b>3,99,102</b>
Profit / (Loss) brought forward from previous year	50,03,054	46,03,952
<b>Balance Carried to Balance Sheet</b>	<b>64,31,518</b>	<b>50,03,054</b>

### 2. Operational Review :

During the year under review, the turnover (incl. other income) of the Company was around ₹22.08 Lacs. The company is reporting a Net Profit for the year of ₹ 14.28 Lacs (After tax) as compared to a Net Profit of ₹ 3.99 Lacs (After tax) during the previous year.

The directors are optimistic of greater activity and earning profit during the forthcoming year.

### 3. Dividend :

The Board of Directors refrain to declare any Dividend during the year.

### 4. Directors :

Shri S. K. Daga retires by rotation from the Board and being eligible offers himself for re-appointment.

### 5. Particular of Employees :

The Company has no employees requiring disclosures pursuant to provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### 6. Meetings :

During the year five Board Meetings were convened and held. The intervening gap between the meeting was within the period prescribed under the Companies Act, 2013.

**7. Auditor :**

Messrs **Singhi & Co. Chartered Accountants**, retire, but are eligible for re-appointment. Their re-appointment may be approved on remuneration to be determined by the directors.

**8. Auditor's Report :**

The Auditor's Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments under section 134 of the Companies Act, 2013.

**9. Extract of Annual Return :**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in **MGT 9** as a part of this Annual Report as **Annexure I**.

**10. Directors' Responsibility Statement :**

In terms of Section 134(5) of the Companies Act, 2013, the directors would like to state that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have 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 or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

**11. Acknowledgements :**

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

For and on behalf of the Board

Kolkata.  
Date : 25th May, 2017

**G. K. Tulsian**  
DIN : 00017786  
Director

**S. N. Neotia**  
DIN : 01259207  
Director

## Form No. MGT - 9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2017

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

## I. REGISTRATION AND OTHER DETAILS :

1. CIN : U70109WB1985PLC038472
2. Registration Date : 31/01/1985
3. Name of the Company : PIC Properties Limited
4. Category / Sub-Category of the Company : Company Limited by Shares
5. Address of the Registered office and contact details : 10, Camac Street,  
Industry House, Kolkata- 700017
6. Whether listed company : No
7. Name, Address and Contact details of Registrar and Transfer Agent, if any : N. A.

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	* Rental Income	773	100%



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

Sl. No.	Name And Address of The Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	M/s. Pilani Investment & Industries Corporation Ltd. Birla Building (14th Flr.) 9/1, R.N.Mukherjee Road, Kolkata - 700001	L24131WB1948 PLC095302	Holding Company	100%	2(46) of Companies Act, 2013

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)  
Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31st March 2016)				No. of Shares held at the end of the year (as on 31st March 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	50,002	50,002	100%	NIL	50,002	50,002	100%	No Change
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total shareholding of Promoter (A)</b>	<b>NIL</b>	<b>50,002</b>	<b>50,002</b>	<b>100%</b>	<b>NIL</b>	<b>50,002</b>	<b>50,002</b>	<b>100%</b>	<b>No Change</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31st March 2016)				No. of Shares held at the end of the year (as on 31st March 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(1)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>2.Non-Institutions</b>									
a) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C) Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
NonResident Indians Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies-DR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Grand Total (A+B+C)</b>	<b>NIL</b>	<b>50,002</b>	<b>50,002</b>	<b>100%</b>	<b>NIL</b>	<b>50,002</b>	<b>50,002</b>	<b>100%</b>	<b>No Change</b>

**B) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	M/s. Pilani Investment & Industries Corporation Ltd.	50,002	100%	NIL	50,002	100%	NIL	No Change

**C) Change in Promoters' Shareholding (Please specify, if there is no change)-NOT APPLICABLE**

Sl. No.	PARTICULARS	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the End of the year	N.A.	N.A.	N.A.	N.A.

**D) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) : NOT APPLICABLE**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	N.A.	N.A.	N.A.	N.A.
	At the End of the year	N.A.	N.A.	N.A.	N.A.

**E) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-----	-----	-----	-----
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-----	-----	-----	-----
	At the End of the year	-----	-----	-----	-----

**F) INDEBTEDNESS -**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	Nil	2,67,09,182	Nil	2,67,09,182
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>Nil</b>	<b>2,67,09,182</b>	<b>Nil</b>	<b>2,67,09,182</b>
Change in indebtedness during the Financial Year				
*Addition	Nil	Nil	Nil	Nil
*Reduction	Nil	Nil	Nil	Nil
<b>(Net Change)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Indebtedness at the end of the Financial Year				
i) Principal Amount	Nil		Nil	
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>Nil</b>		<b>Nil</b>	

**V) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
1.	Gross Salary (a) Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4.	Commission – as % of profit	NIL	NIL	NIL	NIL	NIL
	– Others, specify...					
5.	Others, please specify	NIL	NIL	NIL	NIL	NIL
	<b>TOTAL (A)</b>	NIL	NIL	NIL	NIL	NIL
	Ceiling as per the Act					

**B. Remuneration to other directors:-**

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	<b>Independent Directors</b>	NIL	NIL	NIL	NIL	NIL
	Fee for attending Board/Committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	<b>TOTAL (1)</b>	NIL	NIL	NIL	NIL	NIL
2	<b>Other Non-Executive Directors</b>					
	Fee for attending Board/Committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	<b>TOTAL (2)</b>	NIL	NIL	NIL	NIL	NIL
	<b>Total (B) = (1 + 2)</b>	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall ceiling as per the Act	NIL	NIL	NIL	NIL	NIL

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
<b>1.</b>	<b>Gross Salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL
<b>2.</b>	<b>Stock Option</b>	NIL	NIL	NIL	NIL
<b>3.</b>	<b>Sweat Equity</b>	NIL	NIL	NIL	NIL
<b>4.</b>	<b>Commission – As a % of Profit</b>	NIL	NIL	NIL	NIL
	Others, specify	NIL	NIL	NIL	NIL
<b>5.</b>	<b>Others, please specify</b>	NIL	NIL	NIL	NIL
	<b>TOTAL (A)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding Fees Imposed	Authority RD/NCLT COURT	Appeals Made if any (give details)
<b>A. Company</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>B. Directors</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.
<b>C. Other Officers in Default</b>					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment	N.A.	N.A.	N.A.	N.A.	N.A.
Compounding	N.A.	N.A.	N.A.	N.A.	N.A.

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of PIC PROPERTIES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of PIC Properties Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal

financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Basis of Qualified Opinion**

A balance of Rs 2,19,00,000/- (P.Y Rs 2,19,00,000/-) from M/S Birla Group Holdings Pvt. Ltd. has been carried in the Balance Sheet under Long Term Borrowings. In the absence of underlying documents, we are unable to comment on the nature and balance of the same.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis of Qualified Opinion paragraph* the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit/loss and its cash flows for the year ended on that date.

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

- a) Note No. 19 of notes to financial statements, regarding demand of Rs 4,37,77,380/- raised by New Delhi Municipal Council towards Property Tax with retrospective effect from Financial year 2000-01 to 2016-17. The Company has filed an appeal against the same at the Court of District Judge, Patiala House, New Delhi and has not made any provision in the accounts as the management is optimistic of its favorable outcome. We have relied upon the contention of the management.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our Knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company



so far as it appears from our examination of those books.

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 19 to financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of accounts maintained by the Company.

For SINGHI & CO.  
*Chartered Accountants*  
Firm Registration No. 302049E

(Anurag Singhi)  
*Partner*  
Membership No. 066274

Kolkata  
Date: 25th May, 2017

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 1 with the heading "Report on other legal and regulatory requirement" of our Report of even date to the members of PIC Properties Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2017.

- i) In respect of its fixed assets:
  - a) The Company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.
  - b) The fixed assets were physically verified during the year by the management which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii) The Company is not trading in any goods. Therefore paragraph 3(ii) of the Order relating to inventories is not applicable to the Company.
- iii) The Company has taken unsecured loan from its holding company. The maximum amount involved was Rs. 48,09,182/- and the year-end balance was Rs. 48,09,182/-. As explained this loan is interest free and repayable on demand. In our opinion other terms and conditions of such loan are prima facie not prejudicial to the interest of the Company.
- iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, investments, guarantees and security. Therefore, this clause is not applicable to the company.
- v) In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year.
- vi) The company is not required to maintain cost records as prescribed by Central Government under section 148 (1) (d) of the Companies Act 2013.
- vii) In respect of statutory and other dues:
  - a) According to the information and explanations given to us and on the basis of our examination of the books and account, the Company has generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at 31<sup>st</sup> March 2017 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31<sup>st</sup> March, 2015 which have not been deposited on account of dispute.
- viii) The company has not taken any loan from any bank, financial institution or debenture holders during the year. Accordingly Paragraph-3 (viii) of the Order is not applicable.

- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year and no term loan has been raised by the company during the year. Therefore, this clause is not applicable for the company.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) The Company did not have any whole time director or manager during the financial year. Accordingly Paragraph 3(xi) of the Order is not applicable.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, this clause is not applicable to the company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Kolkata.  
Date: 25th May, 2017

For SINGHI & CO.  
*Chartered Accountants*  
Firm Registration No. 302049E  
Anurag Singhi  
*Partner*  
Membership No. 066274

## **ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of **PIC Properties Limited** for the year ended 31<sup>st</sup> March 2017, we report that:

We have audited the internal financial controls over financial reporting of **PIC Properties Limited** ('the Company') as on 31<sup>st</sup> March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Kolkata  
Date: 25th May, 2017

For SINGHI & CO.  
*Chartered Accountants*  
Firm Registration No. 302049E  
Anurag Singhi  
*Partner*  
Membership No. 066274

**BALANCE SHEET AS AT 31ST MARCH 2017**

Particulars	Note	As at 31st March 2017 ₹	As at 31st March 2016 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUND</b>			
Share Capital	2	500,020	500,020
Reserves and Surplus	3	6,459,905	5,031,441
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	26,709,182	26,709,182
Other long-term liabilities	5	30,000	30,000
<b>CURRENT LIABILITIES</b>			
Short term borrowings			
Trade payables	6	97,650	34,500
Other Current Liabilities	7	27,000	-
Short term provisions	8	2,41,545	3,914
<b>TOTAL</b>		<b>34,065,302</b>	<b>32,309,057</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<i>Fixed assets</i>			
Tangible assets	9	26,461,249	26,514,011
Non-current investments	10	3,574,455	4,800,495
Long term loans and advances	11	212,899	119,551
<b>CURRENT ASSETS</b>			
Trade Receivables	12	-	43,483
Cash and cash equivalents	13	1,773,835	771,274
Short-term loans and advances	14	2,042,864	60,243
<b>TOTAL</b>		<b>34,065,302</b>	<b>32,309,057</b>

Summary of Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For SINGHI & CO.

*Chartered Accountants*

Firm Registration no. 302049E

CA Anurag Singhi

*Partner*

Membership No. 066274

Place : Kolkata

Date: 25th May, 2017

**G. K. TULSIAN**

DIN : 00017786

*Director*

**S. N. NEOTIA**

DIN : 01259207

*Director*

**Statement of Profit and Loss for the year ended 31st March, 2017**

Particulars	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
		₹	₹
Revenue from operations	15	579,780	579,780
Other Income	16	1,628,541	189,173
<b>Total Revenue</b>		<b>2,208,321</b>	<b>768,953</b>
<b>Expenses</b>			
Employee benefit expenses	17	7,000	1,000
Depreciation and amortization exp.	9	52,762	52,762
Other expenses	18	507,450	202,164
<b>Total Expenses</b>		<b>567,212</b>	<b>255,926</b>
<b>PROFIT BEFORE TAX</b>		<b>1,641,109</b>	<b>513,027</b>
Tax expense :			
-Current Tax		299,529	61,898
-MAT Credit Utilisation		-	48,965
-MAT Credit Entitlement		(92,224)	-
-Income Tax for Earlier Years		5,340	3,062
-Deferred Tax		-	-
<b>PROFIT AFTER TAX</b>		<b>1,428,464</b>	<b>399,102</b>
Earning per equity share			
Basic		28.57	7.98
Diluted		28.57	7.98

See Accompanying Notes to  
the Financial Statements

1

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For SINGHI & CO.

Chartered Accountants

Firm Registration no. 302049E

CA Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata

Date : 25th May, 2017

**G. K. TULSIAN**

DIN : 00017786

Director

**S. N. NEOTIA**

DIN : 01259207

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

<b>Particulars</b>	<b>For the year ended 31st March 2017</b>	<b>For the year ended 31st March 2016</b>
	₹	₹
<b>Net Profit Before taxation, and Extraordinary Item</b>	<b>1,641,109</b>	<b>513,027</b>
Adjustment for :		
Depreciation	52,762	52,762
Profit of Sales of Mutual Fund Units	(1,475,870)	–
Income from Investments	(152,671)	189,173
<b>Operating profit before working capital changes</b>	<b>65,330</b>	<b>376,616</b>
Increase / (Decrease) in Trade Payable/ Other Current Liabilities	90,150	792
Decrease / (Increase) in Trade Receivable / Short Term Loans & Advances	(1,944,666)	(29,497)
	<b>(1,789,186)</b>	<b>347,911</b>
Income Tax Paid	(62,834)	(215,484)
<b>Net Cash from operations</b>	<b>1,852,020</b>	<b>132,427</b>
<b>Cash Flow from investing activities</b>		
Non-current investments	2,701,910	–
Income from Investments	152,671	189,173
<b>Net Cash from Investing activities</b>	<b>2,854,581</b>	<b>189,173</b>
<b>Cash Flow from Financing activities</b>		
Advance against equity Received / (Payment)	–	–
Increase in Long term Borrowings	–	–
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents</b>	<b>1,002,561</b>	<b>321,600</b>
Cash & Cash equivalents at the beginning of the year	771,274	449,674
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>1,773,835</b>	<b>771,274</b>

**Note :** The above Cash Flow Statement has been made according to indirect method as specified in paragraph 18(b) of AS 3 prescribed by ICAI.

Place : Kolkata  
Date : 25th May, 2017

**G. K. TULSIAN**  
DIN : 00017786  
*Director*  
**S. N. NEOTIA**  
DIN : 01259207  
*Director*



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****i) Basis for preparation of Accounts :**

The Accounts have been prepared to comply in all material aspects with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India.

**ii) Revenue Recognition**

Income & Expenditure are recognised on accrual basis.

**iii) Fixed Assets:**

Fixed assets are stated at cost less depreciation. Expenses relating to acquisition and installation of fixed assets are capitalised till the assets are put to use.

**iv) Depreciation:**

Depreciation on fixed assets has been provided on Straight Line Method (SLM) as per useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

**v) Investments :**

Investments are stated at cost and are long term in nature.

**vi) Income Tax:**

Current tax is provided as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized on timing differences between taxable income and accounting income subject to a consideration of prudence.

**2. SHARE CAPITAL**

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Amount	No. of Shares	Amount
Authorised		₹		₹
Equity Shares of par value ₹10/- each	90,000	900,000	90,000	900,000
1,000-6% Non Cumulative Redeemable Preference Shares of ₹100/- each	1,000	100,000	1,000	100,000
<b>Total</b>	<b>91,000</b>	<b>1,000,000</b>	<b>91,000</b>	<b>1,000,000</b>
Issued, subscribed and fully paid				
Equity Shares of par value ₹10/- each	50,002	500,020	50,002	500,020

a) There has been no change / movements in number of shares outstanding at the beginning & at the end of the reporting period.

b) The Company has only one class of issued shares i.e. Ordinary shares having par value of ₹10/- per share. Each holder ordinary share is entitle to one vote per share & equal right for dividend. The dividend propose by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the ordinary shareholders are eligible to receive the remaining

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

assets of the Company after payment of all preferential amounts in proportion to their shareholding.

c) 50002 Equity Shares of ₹ 10/- each are held by M/s Pilani Investment & Industries Corpn. Ltd. being the 100% holding Company.

d) Details of the Shareholders holding more than 5% of the shares in the company.

Sl.No.	Name of Shareholder	No. of shares held	%of holding	%of holding	No. of shares held
1	M/s Pilani Investment & Industries Corpn. Ltd.	50,002	100	100	50,002

e) No ordinary shares have been reserved for issue under options and contracts/commitments for the sale of the shares/disinvestments as at the Balance Sheet date.

f) No shares have been allotted or has been bought back by the Company during the period of 5 years preceding that date as at which the Balance Sheet prepared.

g) No securities convertible into Equity / Preference shares issued by the Company during the year.

h) No calls are unpaid by any Directors or Officers of the Company during the year.

**3. RESERVES & SURPLUS**

Particulars	As at 31st March 2017	As at 31st March 2016
	₹	₹
<b><i>i) Capital Redemption Reserve</i></b>		
Balance at beginning of the year	200	200
Add/ Less : Movements during the year	—	—
<b>Balance at the end of the year</b>	<b>200</b>	<b>200</b>
<b><i>ii) General Reserve</i></b>		
Balance at beginning of the year	28,187	28,187
Add/ Less : Movements during the year	—	—
<b>Balance at the end of the year</b>	<b>28,187</b>	<b>28,187</b>
<b><i>iii) Surplus in statement of Profit &amp; loss</i></b>		
Balance at beginning of the year	5,003,054	4,603,952
Add : Net Profit for the current year	1,428,464	399,102
Balance at the end of the year	6,431,518	5,003,054
	<b>6,459,905</b>	<b>5,031,441</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****4. LONG-TERM BORROWINGS**

<b>Particulars</b>	<b>As at 31st March 2017 ₹</b>	<b>As at 31st March 2016 ₹</b>
<b><i>Unsecured</i></b>		
* Loan from Holding Co. i.e. M/s Pileri Investment & Ind. Corpn. Ltd.	<b>4,809,182</b>	4,809,182
Advance from - M/s Birla Group Holdings Pvt. Ltd.	<b>21,900,000</b>	21,900,000
* Interest Free		
<b>TOTAL</b>	<b>26,709,182</b>	26,709,182

**5. OTHER LONG-TERM LIABILITIES**

<b>Particulars</b>	<b>As at 31st March 2017 ₹</b>	<b>As at 31st March 2016 ₹</b>
<b><i>Secured</i></b>		
Security Deposit against Rent	<b>30,000</b>	30,000
<b>TOTAL</b>	<b>30,000</b>	30,000

**6. TRADE PAYABLE**

<b>Particulars</b>	<b>As at 31st March 2017 ₹</b>	<b>As at 31st March 2016 ₹</b>
<b>Trade Payable</b>		
Audit Fees Payable	<b>34,650</b>	34,500
Sundry Creditors for expenses	<b>63,000</b>	-
<b>TOTAL</b>	<b>97,650</b>	34,500

**7. OTHER CURRENT LIABILITIES**

<b>Particulars</b>	<b>As at 31st March 2017 ₹</b>	<b>As at 31st March 2016 ₹</b>
TDS Payable	<b>27,000</b>	-
<b>TOTAL</b>	<b>27,000</b>	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

**9. TANGIBLE ASSETS**

Fixed Assets	Gross Block				Accumulated Depreciation					Net Block	
	Opening Bal. as at 1 April 2016	Additions	Sales/ Adjustment	Balance as at 31 March 2017	Opening Bal. as at 1 April 2016	Depreciation charge for the year	*Adjustment	Sales / Adjustment	Balance as at 31 March 2017	Balance as at 31 March 2017	Balance as at 31 March 2016
	₹	₹	₹	₹	₹	₹		₹	₹	₹	₹
<b>a Tangible Assets</b>											
Freehold Land	24,822,151	-	-	<b>24,822,151</b>	-	-	-	-	-	<b>24,822,151</b>	24,822,151
Buildings	3,426,308	-	-	<b>3,426,308</b>	1,734,448	<b>52,762</b>	-	-	<b>1,787,210</b>	<b>1,639,098</b>	1,6,91,860
<b>Total</b>	<b>28,248,459</b>	-	-	<b>28,248,459</b>	<b>1,734,448</b>	<b>52,762</b>	-	-	<b>1,787,210</b>	<b>26,461,249</b>	26,514,011
Previous Year	28,248,459	-		28,248,459	1,681,686	52,762	-	-	1,734,448	26,514,011	

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****8. SHORT TERM PROVISIONS**

Particulars	As at 31st March 2017 ₹	As at 31st March 2016 ₹
Provision for Income Tax (net off TDS & Advance Tax)	241,545	3,914
<b>TOTAL</b>	<b>241,545</b>	<b>3,914</b>

**10. NON CURRENT INVESTMENTS****Particulars**

As at 31st March 2017 ₹	As at 31st March 2016 ₹
-------------------------------	-------------------------------

**Non Trade Investments (valued at cost unless stated otherwise) :**

Investment in Equity Instruments (Quoted)

200 (31st March 2016 : 200) Equity Shares of ₹10/- each fully paid in Mangalore Refinery Petrochemicals Ltd.

2,000

2,000

2,000

2,000

**Details of Investments in liquid mutual fund units :**

	Units	As at 31st March 2017	Units	As at 31st March 2016
Birla Sunlife Dividend Yied Plus- Div.	18,811.136	250,000	18,811.136	250,000
Birla Sunlife Midcap - Plan A - Div.	33,472.804	800,000	33,472.804	800,000
Birla Sunlife MIP - Wealth 25 - Gr.	-	-	21,986.716	317,203
Birla Sunlife MIP - Wealth 25 - Gr.	-	-	36,549.406	508,837
Birla Sunlife Dynamic Bond Fund - Retail - Growth	-	-	22,366.397	400,000
Birla Sunlife Short Term Opportunity Fund - Growth	16,671.767	310,970	16,671.767	310,970
Birla Sunlife Medium Term Plan - Growth	50,782.902	711,585	50,782.902	711,585
Birla Sunlife Medium Term Plan - Growth	58,746.460	999,900	58,746.460	999,900
		<b>3,072,455</b>		<b>4,298,495</b>

**Details of Investments in Tax Free Bonds :**

Housing and Urban Dev. Crpn. Ltd.

500

500,000

500

500,000

**TOTAL****3,574,455****4,800,495**

Particulars	2017 ₹	2016 ₹
Aggregate Book Value of quoted investments	3,074,455	4,300,495
Aggregate Book Value of Tax Free Bonds	500,000	500,000
Aggregate NAV of quoted investments	4,219,295	6,040,382

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****11. LONG-TERM LOANS & ADVANCES**

<b>Particulars</b>	<b>As at 31st March 2017 ₹</b>	<b>As at 31st March 2016 ₹</b>
<b>Unsecured, Considered good</b>		
Deposit with Govt. & Other Authorities	8,100	8,100
MAT Credit Entitlement	204,799	111,451
<b>Total</b>	<b>212,899</b>	<b>119,551</b>

**12. TRADE RECEIVABLES**

<b>Particulars</b>	<b>As at 31st March 2017 ₹</b>	<b>As at 31st March 2016 ₹</b>
<b>Unsecured, considered good</b>		
<b>Outstanding for less than six months</b>		
Unsecured, considered good	–	43,483
<b>Total</b>	<b>–</b>	<b>43,483</b>

**13. CASH AND CASH EQUIVALENTS**

<b>Particulars</b>	<b>As at 31st March 2017 ₹</b>	<b>As at 31st March 2016 ₹</b>
Balance with Scheduled Banks : in Current Account	1,768,531	767,257
Cash in hand (As certified by the Management)	5,304	4,017
<b>Total</b>	<b>1,773,835</b>	<b>771,274</b>

**14. SHORT-TERM LOANS & ADVANCES**

<b>Particulars</b>	<b>As at 31st March 2017 ₹</b>	<b>As at 31st March 2016 ₹</b>
<b>Unsecured, Considered good</b>		
Prepaid Insurance	16,823	16,692
Advance to Others	13,176	15,558
Income Tax Refundable	22,465	27,993
Deposit with New Delhi Municipal Corpn. against Appeal (Property Tax Demand)	1,990,400	–
<b>Total</b>	<b>2,042,864</b>	<b>60,243</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****15. REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>For the year ended 31st March, 2017 ₹</b>	<b>For the year ended 31st March, 2016 ₹</b>
<b>Other Operating Revenue</b>		
Rent Income	579,780	579,780
<b>Total</b>	<b>579,780</b>	<b>579,780</b>

**16. OTHER INCOME**

<b>Particulars</b>	<b>For the year ended 31st March, 2017 ₹</b>	<b>For the year ended 31st March, 2016 ₹</b>
<b>Dividends</b>		
From Mutual Fund Units - Long Term	111,971	148,473
<b>Interest Income</b>		
Interest on Tax Free Bonds - Long Term	40,700	40,700
Profit on sales of Mutual Fund Units - Long Term	1,475,870	–
<b>Total</b>	<b>1,628,541</b>	<b>189,173</b>

**17. EMPLOYEE BENEFITS EXPENSES**

<b>Particulars</b>	<b>For the year ended 31st March, 2017 ₹</b>	<b>For the year ended 31st March, 2016 ₹</b>
Salaries and Bonus	7,000	1,000
<b>Total</b>	<b>7,000</b>	<b>1,000</b>

**18. OTHER EXPENSES**

<b>Particulars</b>	<b>For the year ended 31st March, 2017 ₹</b>	<b>For the year ended 31st March, 2016 ₹</b>
Rates and Taxes	160,856	120,356
Insurance Charges	21,190	20,974
Bank Charges	9,809	533
General Expenses	4,115	6,131
Filing Fees	1,200	1,200
Audit Fees	34,500	34,500
Professional Fees	275,750	16,970
Printing & Stationery	30	1,500
<b>Total</b>	<b>507,450</b>	<b>202,164</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017****19. CONTINGENT LIABILITIES**

Particulars	For the year ended 31st March, 2017 ₹	For the year ended 31st March, 2016 ₹
<b>Income Tax demand under dispute</b> (A. Y. - 2012-2013)	-	5,590

ii) A demand of Rs 4,37,77,380/- was raised by New Delhi Municipal Council towards Property Tax with retrospective effect from Financial year 2000-01 to 2016-17. The Company has not recognized it as a Liability in the Account for Financial year 2016-17, being contingent in nature. The Company has filed an Appeal on 02.03.2017 against the same at the Court of District Judge, Patiala House, New Delhi and is optimistic of its favourable outcome.

20. There are no other timing differences between taxable income & accounting income of the company primarily because tax benefit of Depreciation is not available to the Company, it being assessed under the head Income from House Property.
21. As there is only one segment in the Company, AS-17 is not applicable.
22. Minimum Alternate tax ("MAT") under the provision of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit & Loss. The credit available under the Act in respect of MAT paid is recognised as an asset of Rs 2,04,799/-. Based on projections made by the management and the current working trend of the company the management is virtually certain of recovering the MAT credit entitlement.
23. M/s Pilani Investment & Industries Corporation Ltd. being our 100% Holding Co. is the only related party but there has been no transaction with them during the Accounting Year 2016-17. Rs.48,09,182/- being the opening balance (as on 01.04.16) and the year-end balance (as on 31.03.17) in respect of Unsecured Loan (interest free) from M/s Pilani Investments & Industries Corporation Limited to its 100% subsidiary PIC Properties Ltd.

**24. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below :



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017**

<b>Particulars</b>	<b>SBNs*</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing cash in hand as on November 8, 2016	1,500	2,304	3,804
(+) Permitted Receipts	-	5,000	5,000
(-) Permitted Payments	-	1,900	1,900
(-) Amount deposited in Banks	1,500	-	1,500
<b>Closing cash in hand as on November 8, 2016</b>	<b>-</b>	<b>5,404</b>	<b>5,404</b>

\* For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

**25.** The company has reclassified previous year figures to confirm to this year's classification.

As per our Report of even date  
For SINGHI & CO.  
*Chartered Accountants*  
Firm Registration No. 302049E  
**CA. Anurag Singhi**  
*Partner*  
Membership No. 066274  
Place : Kolkata  
Date : 25th May, 2017

**G. K. TULSIAN**  
DIN : 00017786  
*Director*  
**S. N. NEOTIA**  
DIN : 01259207  
*Director*

***DIRECTORS***

SHRI TRIDIB KUMAR DAS

SHRI GAUTAM GANGULI

SHRI SURESH KUMAR SHARMA (FROM 19.10.2016)

SHRI ARVIND KUMAR SINGH (UPTO 05.03.2017)

***AUDITORS***

M/S. B. K. SHROFF & CO.,  
CHARTERED ACCOUNTANTS,  
23A, NETAJI SUBHAS ROAD,  
KOLKATA - 700 001

***REGISTERED OFFICE***

BIRLA BUILDING,  
9/1, R. N. MUKHERJEE ROAD,  
KOLKATA - 700 001  
CIN - U70102WB2013PLC190163

**DIRECTORS' REPORT**

DEAR SHAREHOLDERS

Your Directors have the pleasure in presenting before you the 5<sup>th</sup> Annual Report and Accounts of the Company for the year ended 31st March, 2017.

**FINANCIAL RESULTS :**

	<u>2016-2017</u>	(Amount in ₹) <u>2015-2016</u>
Gross Profit for the year	<b>44,69,661</b>	60,89,228
Add : Balance brought forward from previous year	<b>1,57,06,860</b>	96,17,632
	<b><u>2,01,76,521</u></b>	<u>1,57,06,860</u>

There is no change in the nature of the business of the Company.

There were no significant orders passed by the regulators neither there were any material changes and commitments effecting the financial position of the company.

The company has in place an internal control system which ensures proper recording of the financial information and various regulatory and statutory compliances.

Extract of Annual Return as required under Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies Management and Administration) Rules, 2014 is attached as Annexure - 1 and forms part of this Report.

**DIVIDEND**

The Board of Directors did not recommend any dividend for the year ended 31st March, 2017.

**DIRECTORS**

Shri Gautam Ganguli (DIN: 00871416), Director of the Company retire from the office by rotation and being eligible, offers himself for re-appointment.

The Board of Directors at their meeting held on 19th October, 2016 appointed Shri Suresh Kumar Sharma (DIN: 00304907) as an Additional Director of the Company with effect from 19th October, 2016. Shri Suresh Kumar Sharma hold office upto the date of the ensuing Annual General Meeting and is eligible for appointment.

During the year ended 31st March 2017 five Board meetings were held on 20.05.2016, 25.08.2016, 19.10.2016, 30.01.2017 and 06.03.2017. All the Board meetings were attended by Shri Tridib Kumar Das, Shri Gautam Ganguli and Shri Suresh Kumar Sharma (w.e.f. 19.10.2016). Shri Arvind Kumar Singh did not attend any Board meeting during the year.

As Shri Arvind Kumar Singh could not attend any Board meeting during the last twelve months and hence pursuant to the provisions contained under Section 167 (1) (b) of the Companies Act, 2013 Shri Arvind Kumar Singh ceases to be the Director of the Company with effect from 06.03.2017.

**DIRECTORS' RESPONSIBILITY STATEMENT**

In compliance with the provisions of Section 134 of the Companies Act, 2013 the Directors to the best of their knowledge and belief confirm that –

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies as mentioned in Note 1 of Notes to Financial Statements and applied them consistently and made judgements and estimates that are 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 as on 31<sup>st</sup> March, 2017 and the Profit or Loss of the Company for the financial year ended on that date;

- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) There is a proper system to ensure compliance with the provisions with all applicable laws and that such systems are adequate and operating effectively.

#### **RELATED PARTY TRANSACTIONS**

There were no transactions / contracts / arrangements entered with related party during the year under review accordingly the provisions of Section 188 of the Companies Act, 2013 are not attracted. However the NIL disclosure in Form AOC-2 is attached as Annexure- 2.

#### **AUDITORS**

M/s B. K. Shroff & Co. Chartered Accountants, Kolkata the Statutory Auditors of the Company, retire, and being eligible, offer themselves for re-appointment.

#### **AUDITORS REPORT**

The observations made in the Auditors Report are self explanatory and, therefore, do not call for any further explanation under Section 134 (3)(f)(i) of the Companies Act, 2013.

#### **EMPLOYEES**

The Company had no employees in the category specified under Section 134 (3) (q) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **PARTICULARES OF LOANS, GUARANTEES AND INVESTMENTS**

The Company has not provided any loans or given any guarantee/security to any person.

#### **DETAILS AND INFORMATION AS REQUIRED UNDER SECTION 134(3)(I) OF THE COMPANIES ACT, 2013**

No material changes and commitments have taken place between the end of the financial year of the Company to which the Balance Sheet relates and the date of Report, which affects the financial position of the Company.

#### **FIXED DEPOSITS**

Your Company has not accepted fixed deposits from the public during the financial year ended 31st March, 2017.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

The Company has no manufacturing activity and therefore, the disclosure of particulars as required to be appended under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, in so far as it relates to the Conservation of the Energy and Technology Absorption is not applicable. Particulars with regard to Foreign Exchange Earnings and Outgo – The Company has no such transactions.

For and on behalf of the Board of Directors

Kolkata  
May 15, 2017

<b>TRIDIB KUMAR DAS</b> (DIN : 01063824) <i>Director</i>	<b>GAUTAM GANGULI</b> (DIN : 00871416) <i>Director</i>	<b>SURESH KUMAR SHARMA</b> (DIN : 00304907) <i>Director</i>
--	--	---

**ANNEXURE- 1****Form No. MGT - 9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March, 2017**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : U70102WB2013PLC190163
- ii) Registration Date : 28<sup>th</sup> January, 2013
- iii) Name of the Company : PIC Realcon Limited
- iv) Category / Sub-Category of the Company : Company having share capital
- v) Address of the Registered office : Birla Building, 14<sup>th</sup> Floor  
and contact details : 9/1, R. N. Mukherjee Road, Kolkata- 700001  
Phone: 033 30573700/ 30410900
- vi) Whether listed company : No
- vii) Name, Address and Contact : Not Applicable  
details of Registrar and Transfer  
Agent, if any

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Financial and Investment Services	6430	100%

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

Sl. No.	Name And Address of The Company	CIN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Pilani Investment and Industries Corporation Limited	L24131WB1948PLC095302	Holding	100%	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF	-	6	6	-	-	6	6	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	49994	49994	100	-	49994	49994	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1):-</b>	-	<b>50000</b>	<b>50000</b>	<b>100</b>	-	<b>50000</b>	<b>50000</b>	<b>100</b>	-
(2) <b>Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	-	<b>50000</b>	<b>50000</b>	<b>100</b>	-	<b>50000</b>	<b>50000</b>	<b>100</b>	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/Fl	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Fund	-	-	-	-	-	-	-	-	-
i) Others(Specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2.Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C) Others (Specify)									
1. NRI / OCB	-	-	-	-	-	-	-	-	-
2. Clearing Mem.	-	-	-	-	-	-	-	-	-
3. Trust	-	-	-	-	-	-	-	-	-
4. Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs &ADRS	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>50000</b>	<b>50000</b>	<b>100</b>	-	<b>50000</b>	<b>50000</b>	<b>100</b>	-



**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Pilani Investment and Industries Corporation Ltd.	49994	100	-	49994	100	-	-
2	Shri Arvind Kumar Singh and Pilani Investment and Industries Corporation Ltd.	1	-	-	1	-	-	-
3	Shri Yaswant Mishra and Pilani Investment and Industries Corporation Ltd.	1	-	-	1	-	-	-
4	Shri Jayant Sogani and Pilani Investment and Industries Corporation Ltd.	1	-	-	1	-	-	-
5	Shri Pinaki Sircar and Pilani Investment and Industries Corporation Ltd.	1	-	-	1	-	-	-
6	Shri Tridib Kumar Das and Pilani Investment and Industries Corporation Ltd.	1	-	-	1	-	-	-
7	Shri Sajjan Kumar Ghuwalewala and Pilani Investment and Industries Corporation Ltd.	1	-	-	1	-	-	-

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50,000	100	50,000	100

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer / bonus / sweat equity etc.	No change in shareholding during the year			
	<b>At the End of the year</b>	<b>50,000</b>	<b>100</b>	<b>50,000</b>	<b>100</b>

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Directors &amp; KMP</b>				
1.	Shri Arvind Kumar Singh (since ceased to be Director) Pilani Investment Investment and Industries Corporation Limited	1	-	1	-
2.	Shri Tridib Kumar Das and Pilani Investment and Industries Corporation Ltd.	1	-	1	-
3.	Shri Gautam Ganguli	-	-	-	-
4.	Shri Suresh Kumar Sharma (w.e.f. - 19.10.2016)	-	-	-	-

\* Pilani Investment and Industries Corporation Limited is the beneficial owner of above shares held in the name of the Directors.

**V. INDEBTEDNESS (in ₹)****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year i. e. on 01.04.2016				
i) Principal Amount	Nil	3,14,77,226	Nil	3,14,77,226
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ ii + iii)</b>	<b>Nil</b>	<b>3,14,77,226</b>	<b>Nil</b>	<b>3,14,77,226</b>
Change in indebtedness during the Financial Year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	64,50,000	Nil	64,50,000
<b>(Net Change)</b>	<b>Nil</b>	<b>64,50,000</b>	<b>Nil</b>	<b>64,50,000</b>
Indebtedness at the end of the Financial Year i. e. on 31.03.2017				
i) Principal Amount	Nil	2,50,27,226	Nil	2,50,27,226
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i + ii + iii)</b>	<b>Nil</b>	<b>2,50,27,226</b>	<b>Nil</b>	<b>2,50,27,226</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****(All figures in ₹)****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of the MD / WTD / Manager	Total Amount
<b>1. Gross Salary</b>			
(a)	Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	—	
(b)	Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	—	
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	—	
2.	Stock Option	—	
3.	Sweat Equity	—	
4.	Commission – As a % of profit – Others, specify	—	
5.	Others, please specify - Board Meeting Fees	—	—
	<b>TOTAL (A)</b>	<u>—</u>	<u>—</u>
	Ceiling as per the Act.		4,91,663

**B. Remuneration to other directors:**

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
	NIL		NIL

**Independent Directors :**

Fee for attending Board/Committee meetings	-
Commission	-
Others, please specify	-
<b>TOTAL (1)</b>	<b>-</b>

**Other Non-Executive Directors :**

Fee for attending Board/Committee meetings	-
Commission	-
Others, please specify	-
<b>TOTAL (2)</b>	<b>-</b>

**Total (B) = (1 + 2)**

Total Managerial Remuneration	-
Overall ceiling as per the Act	-

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO	CS	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option NA	-	-	-
3.	Sweat Equity NA	-	-	-
4.	Commission – As a % of Profit – Others, specify	-	-	-
5.	Others, please specify –	-	-	-
	<b>TOTAL (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding Fees Imposed	Authority RD/NCLT COURT	Appeals Made if any (give details)
------	------------------------------	-------------------	---	-------------------------	------------------------------------

**A. Company**

Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

**B. Directors**

Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

**C. Other Officers in Default**

Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

## Annexure- 2

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.**

1.	Details of contracts or arrangements or transactions not at arm's length basis	NIL
	(a) Name(s) of the related party and nature of relationship	-
	(b) Nature of contracts/arrangements/transactions	-
	(c) Duration of the contracts/arrangements/transactions	-
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
	(e) Justification for entering into such contracts or arrangements or transactions	-
	(f) Date(s) of approval by the Board	-
	(g) Amount paid as advances, if any:	-
	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
2.	Details of material contracts or arrangement or transactions at arm's length basis	NIL
	(a) Name(s) of the related party and nature of relationship	-
	(b) Nature of contracts/arrangements/transactions	-
	(c) Duration of the contracts/arrangements/transactions	-
	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	-
	(e) Date(s) of approval by the Board, if any :	-
	(f) Amount paid as advances, if any :	-

For and on behalf of the Board of Directors

**TRIDIB KUMAR DAS GAUTAM GANGULI SURESH KUMAR SHARMA**  
(DIN : 01063824) (DIN : 00871416) (DIN : 00304907)  
Director Director Director

Kolkata  
May 15, 2017

## **INDEPENDENT AUDITORS' REPORT**

**To**  
**The Members of**  
**PIC REALCON LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PIC REALCON LIMITED** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the period from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 then ended and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the Financial Statements**

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

### **Auditor's responsibility**

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

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

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

### **INDEPENDENT AUDITORS' REPORT - (Contd.)**

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the period ended on that date.

#### **Report on Other Legal and Regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2017 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i The Company has no pending litigations on its financial position;
  - ii. The Company has no long-term contracts including derivative contracts hence no provision is required under the applicable law or accounting standards;
  - iii. There are no amounts, required to be transferred, to the Investor Education & Protection Fund by the Company.
  - iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and as such the disclosure requirement as envisaged in Notification G.S.R 308(E) dated 30th March 2017 is not applicable to the Company.

Place : Kolkata  
Date : The 15th May, 2017

For B. K. SHROFF & CO.  
*Chartered Accountants*  
Firm Registration No. 302166E  
L. K. Shroff  
*Partner*  
Membership No. 060742

**Annexure - A to the Auditors' Report**

**Annexure referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory requirements" of our report of even date**

- (i) The company has no Fixed Asset and as such clause (i) (a), (b) and (c) of the Order are not applicable to the company.
- (ii) Having regard to the company's business, the provision of clause (ii) of the Order is not applicable to the company since the company has no Inventories
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and as such clauses (iii) (a), (b) and (c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us no loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013 has been given by the company and as such the provisions of clause (iv) of the order is not applicable to the company.
- (v) According to the information and explanation given to us, the company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the order are not applicable to the company.
- (vi) According to information & explanation given to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the products of the Company, hence clause (vi) of the Order is not applicable to the Company.
- (vii) Having regard to the company's business, the provision of clause (vii) (a) & (b) of the Order are not applicable to the company since the company has no employee and no liability in relation to statutory dues till date.
- (viii) As per books & records maintained by the Company and according to information & explanations given to us, the Company has no dues to financial institutions, banks or debenture holders hence clause (viii) of the Order is not applicable to the Company.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, no moneys has been raised by way of initial public offer or further public offer (including debt instruments) and no any term loans obtained by the company during the year. Therefore, the provisions of clause (ix) of the order are not applicable to the company.
- (x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanation given to us, the company has not paid any managerial remuneration covered under the provisions of section 197

read with schedule V of the Companies Act, 2013. Therefore, the provisions of clause (xi) of the order are not applicable to the company.

- (xii) The company is not a nidhi company and hence provisions of clause (xii) of the order are not applicable to the company.
- (xiii) In our opinion and according to the information and explanation given to us, no any transaction with the related parties are made covered under the provisions of section 177 and 188 of Companies Act, 2013 and hence provisions of clause (xiii) of the order are not applicable to the company.
- (xiv) During the year under review the company has not made any preferential allotment on private placement of shares or fully or partly convertible debentures.
- (xv) The company has not entered into any non cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934

Place : Kolkata  
Date : The 15th May, 2017

For B. K. SHROFF & CO.  
*Chartered Accountants*  
Firm Registration No. 302166E  
L. K. Shroff  
*Partner*  
Membership No. 060742

**Annexure - B to the Auditors' Report**  
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143**  
**of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **PIC REALCON LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

Place : Kolkata  
Date : The 15th May, 2017

For B. K. SHROFF & CO.  
*Chartered Accountants*  
Firm Registration No. 302166E  
L. K. Shroff  
*Partner*  
Membership No. 060742

**BALANCE SHEET AS AT 31ST MARCH 2017**

	Notes	31st March 2017 ₹	31st March 2016 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	2	500,000	500,000
Reserves and Surplus	3	20,176,521	15,706,860
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	25,027,226	31,477,226
<b>CURRENT LIABILITIES</b>			
Other current liabilities	5	20,126	18,675
<b>TOTAL</b>		<b>45,723,874</b>	<b>47,702,761</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Non-Current Investments	6	44,601,000	44,601,000
Other Non Current Assets	7	16,485	19,782
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	8	3,63,387	3,081,979
Other Current Assets	9	743,002	-
<b>TOTAL</b>		<b>45,723,874</b>	<b>47,702,761</b>

**Significant accounting policies** 1

The accompanying notes are an integral part of the financial statements

"As per our Report of even date"

For B. K. SHROFF & CO  
Chartered Accountants  
Firm Registration no. 302166E

L. K. Shroff  
Partner  
Membership No. 060742

Place : Kolkata  
Dated: 15th May, 2017

For and on behalf of the Board of Directors

**TRIDIB KUMAR DAS**  
DIN : 01063824  
Director

**GAUTAM GANGULI**  
DIN : 00871416  
Director

**SURESH KUMAR SHARMA**  
DIN : 00304907  
Director

**Statement of Profit and Loss for the year ended 31st March, 2017**

	Notes	31st March 2017 ₹	31st March 2016 ₹
<b>Income</b>			
Revenue from operations	10	4,512,960	6,136,250
<b>Total Revenue (I)</b>		<b>4,512,960</b>	<b>6,136,250</b>
<b>Expenses</b>			
Other expenses	11	43,299	47,022
<b>Total Expenses (II)</b>		<b>43,299</b>	<b>47,022</b>
<b>PROFIT BEFORE TAX (I) - (II)</b>		<b>4,469,661</b>	<b>6,089,228</b>
<b>Tax expense :</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expenses</b>		<b>-</b>	<b>-</b>
<b>PROFIT AFTERTAX</b>		<b>4,469,661</b>	<b>6,089,228</b>
<b>Earnings per Equity Shares</b> <b>[Nominal Value of Rs. 10/- each]</b>			
Basic & Diluted	12	89.39	121.78
<b>Significant Accounting Policies</b>	1		

The accompanying notes are an integral part of the financial statements

"As per our Report of even date"

For B. K. SHROFF & CO  
Chartered Accountants  
Firm Registration no. 302166E

L. K. Shroff  
Partner  
Membership No. 060742

Place : Kolkata  
Dated: 15th May, 2017

For and on behalf of the Board of Directors

**TRIDIB KUMAR DAS**  
DIN : 01063824  
Director

**GAUTAM GANGULI**  
DIN : 00871416  
Director

**SURESH KUMAR SHARMA**  
DIN : 00304907  
Director

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
	₹	₹
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit before Tax</b>	4,469,661	6,089,228
Adjustment for :		
Preliminary Expenses - Written Off	3,297	3,297
<b>Operating profit before working capital changes</b>	<u>4,472,958</u>	<u>6,092,525</u>
Increase / (Decrease) in other current liabilities	1,451	5,192
(Increase) / Decrease in other current assets	<u>(743,002)</u>	<u>-</u>
<b>Cash generated from operations</b>	<u>3,731,407</u>	<u>6,097,717</u>
Direct Tax Paid	-	-
<b>Net Cash Flow from Operating Activities</b>	<u>3,731,407</u>	<u>6,097,717</u>
<b>B. Cash Flow from investing activities</b>	-	-
<b>Net Cash Flow from/(used in) investing activities</b>	<u>-</u>	<u>-</u>
<b>C. Cash Flow from Financing activities</b>		
Repayment of Long Term Borrowing	<u>(6,450,000)</u>	<u>(3,379,517)</u>
<b>Net Cash Flow from/(used in) Financing activities</b>	<u>(6,450,000)</u>	<u>(3,379,517)</u>
<b>D. Net Increase in Cash &amp; Cash equivalents (A+B+C)</b>	<u>2,718,593</u>	<u>2,718,200</u>
<b>E. Cash &amp; Cash equivalents at the beginning of the year</b>	<u>3,081,979</u>	<u>363,779</u>
<b>F. Cash &amp; Cash equivalents at the end of the year</b>	<u>363,387</u>	<u>3,081,979</u>
Components of Cash & Cash equivalents as indicated in Note 8 Comprises of :		
Cash on hand	9,216	9,216
Balances with schedule banks on current account	<u>354,171</u>	<u>3,072,763</u>
Total	<u>363,387</u>	<u>3,081,979</u>

"As per our Report of even date"

For B. K. SHROFF & CO  
Chartered Accountants  
Firm Registration no. 302166E

L. K. Shroff  
Partner  
Membership No. 060742

Place : Kolkata  
Dated: 15th May, 2017

For and on behalf of the Board of Directors

**TRIDIB KUMAR DAS**

DIN : 01063824

Director

**GAUTAM GANGULI**

DIN : 00871416

Director

**SURESH KUMAR SHARMA**

DIN : 00304907

Director



---

## Notes to financial statements for the year ended 31st March, 2017

### Corporate Information

PIC Realcon Limited is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 as a Small & Medium sized company as defined in the General Instruction in respect of Accounting Standard notified under the Companies (Accounting Standard) Rules, 2006. Accordingly, the Company has complied with the Accounting Standard as applicable to Small & Medium sized company.

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### i) Basis of preparation :

The financial statements have been prepared to comply in all material respect with the accounting principles generally accepted in India, including mandatory Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 2013, under historical cost convention and on an accrual basis.

#### ii) Revenue Recognition :

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

#### iii) Investments :

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non-Current investments. Non-Current investments are valued at cost & Current investments are carried at lower of cost and fair value determined on an individual investment basis.

#### iv) Earning per share :

Basic earning per share is calculated by dividing the net Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### v) Taxes on Income

Provision for tax is made in the accounts as payable as per provision of Income Tax, 1961, Deferred Tax Asset is recognized in accounts only when there is virtual certainty of its realisation in near future.

**Notes to financial statements for the year ended 31st March, 2017****2. SHARE CAPITAL**

	<u>As at 31st March 2017</u>	<u>As at 31st March 2016</u>
Authorised Shares	₹	₹
50,000 Equity Shares of ₹10/- each (P.Y. - 50,000 Equity Shares)	<b>500,000</b>	500,000
<b>Issued, subscribed and fully paid up shares</b>		
50,000 Equity Shares of ₹10/- each (P.Y. - 50,000 Equity Shares)	<b>500,000</b>	500,000
	<b>500,000</b>	500,000

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	<u>31st March, 2017</u>		<u>31st March, 2016</u>	
	<u>No. of Shares</u>	<u>(₹)</u>	<u>No. of Shares</u>	<u>(₹)</u>
Equity Shares				
At the beginning of the Period	<b>50,000</b>	<b>500,000</b>	-	-
Add: Issued during the period	-	-	50,000	500,000
Outstanding at the end of the period	<b>50,000</b>	<b>500,000</b>	50,000	500,000

(b) The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the Annual General Meeting and payable in Indian Rupees.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of the equity shares held by the shareholders.

**(c) Details of shareholders holding more than 5% shares in the company**

	<u>31st March, 2017</u>		<u>31st March, 2016</u>	
	<u>No. of Shares Held</u>	<u>% of Holding</u>	<u>No. of Shares Held</u>	<u>% of Holding</u>
Pilani Investment & Industries Corpn. Ltd.	<b>50,000</b>	<b>100.00</b>	50,000	100.00

As per the records of the company, including its register of shareholders, the above shareholding represents legal ownership of shares.

**3. Reserves & Surplus**

	<u>31st March, 2017</u>	<u>31st March, 2016</u>
	<u>(₹)</u>	<u>(₹)</u>
<b>Surplus in the statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statements	<b>15,706,860</b>	9,617,632
<b>Profit for the year</b>	<b>4,469,661</b>	6,089,228
Less : Appropriations	-	-
Surplus in the statement of Profit & Loss	<b>20,176,521</b>	15,706,860
<b>Total Reserves &amp; Surplus</b>	<b>20,176,521</b>	15,706,860

## Notes to financial statements for the year ended 31st March 2017

			31st March 2017 (₹)	31st March 2016 (₹)
<b>4. Long-Term borrowings</b>				
<b>Loan from companies</b>				
Unsecured Loan from Holding Company :- <b>Pilani Investment &amp; Industries Corpn. Ltd.</b> (Interest Free Loan)			<u>25,027,226</u>	<u>31,477,226</u>
			<u>25,027,226</u>	<u>31,477,226</u>
<b>5. Other Current Liabilities</b>				
Liabilities for Expenses			<u>20,126</u>	<u>18,675</u>
			<u>20,126</u>	<u>18,675</u>
<b>6. Non-Current Investments</b>				
<b>Non Trade investments (Valued at cost)</b>	No. Shares	Face Value	31st March 2017	31st March 2016
<b>Unquoted equity instruments (Fully Paid)</b>			(₹)	(₹)
The Hindustan Times Ltd.	1,92,000	10	218,493	218,493
Gmmco Limited	68,249	10	34,209,811	34,209,811
			<u>34,428,304</u>	<u>34,428,304</u>
<b>Quoted equity instruments (Fully Paid)</b>				
Cimmco Limited	70,780	10	503,016	503,016
Hindustan Everest Tools Ltd.	52,175	10	446,227	446,227
KDDL Ltd.	35,000	10	305,830	305,830
Orient Cement Ltd.	425,260	1	2,558,148	2,558,148
Orient Papers & Industries Ltd.	425,260	1	1,859,307	1,859,307
Sutlej Textiles & Industries Ltd.	171,463	10	2,470,700	2,470,700
SIL Investment Limited	114,309	10	2,014,376	2,014,376
Zenith Birla Limited	3,432	10	15,092	15,092
			<u>10,172,696</u>	<u>10,172,696</u>
			<u>44,601,000</u>	<u>44,601,000</u>
Aggregate Value of Quoted Investments			10,172,696	10,172,696
Aggregate Value of Unquoted Investments			34,428,304	34,428,304
Market Value of Quoted Investments			264,747,272	181,746,265
<b>7. Other Non Current Assets</b>				
<b>Miscellaneous Expenditures</b>				
Preliminary Expenses			<u>16,485</u>	<u>19,782</u>
			<u>16,485</u>	<u>19,782</u>
<b>8. Cash and Bank Balances</b>				
<b>Balance with Scheduled Banks</b>				
On Current Accounts			354,171	3,072,763
<b>Cash on Hand</b>			<u>9,216</u>	<u>9,216</u>
			<u>363,387</u>	<u>3,081,979</u>

## Notes to financial statements for the year ended 31st March 2017

	31st March 2017 (₹)	31st March 2016 (₹)
<b>9. Other Current Assets</b>		
<b>Others</b>		
Dividend Receivable	743,002	–
	<u>743,002</u>	<u>–</u>
<b>10. Revenue from Operations</b>		
<b>Dividend Income on</b>		
– Non Current Investments	4,512,960	6,136,250
	<u>4,512,960</u>	<u>6,136,250</u>
<b>11. Other Expenses</b>		
Professional Charges	15,000	23,000
Demat Charges	–	750
Filing Fees	2,000	2,800
Payment to Auditors		
– As Audit Fee	17,250	17,175
– For Others	5,752	–
<b>Preliminary Expenses -Written Off</b>	<u>3,297</u>	<u>3,297</u>
	<u>43,299</u>	<u>47,022</u>
<b>12. Earning Per Share</b>		
Profit after Tax as per Statement of Profit & Loss	4,469,661	6,089,228
Weighted Average no. of Equity Shares (Nos.)	50,000	50,000
Basic & Diluted Earning Per Share	<u>89.39</u>	<u>121.78</u>

13. In the earlier year, all the Non Current Investment in Equity instruments amounting ₹ 4,46,01,000/- has received/transferred from holding company i.e. 'Pilani Investment & Industries Corpn. Ltd.' However the transfer of the few shares in the name of the Company is under process.

14. The disclosure requirement as envisaged in Notification G.S.R. 308 (E) dated 30th March, 2017 is not applicable to us as the Company neither hold nor transacted in Specified Bank Notes (SBN) during the period from 8th November, 2016 to 30th December, 2016.

15. Figures have been rounded off to nearest Rupee.

As per our Report of even date"

For and on behalf of the Board of Directors

For B. K. SHROFF & CO  
Chartered Accountants  
Firm Registration no. 302166E

L. K. Shroff  
Partner  
Membership No. 060742

Place : Kolkata  
Dated: 15th May, 2017

**TRIDIB KUMAR DAS**

DIN : 01063824

Director

**GAUTAM GANGULI**

DIN : 00871416

Director

**SURESH KUMAR SHARMA**

DIN : 00304907

Director

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Pilani Investment and Industries Corporation Limited

### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of Pilani Investment and Industries Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

**Basis for qualified opinion**

- a) As indicated in Note 1(ii) (c) to the Consolidated financial Statements, difference of Rs. 1538.76 millions between the Company's investments and share of equity in Associate Company has been credited to revenue reserves since such differences on various dates of acquisitions were not available, the appropriateness or otherwise of which we are unable to comment on including compliance with GAAP.
- b) As indicated in Note 20 to the Consolidated financial statements, no provision has been made in respect of deposit of Rs. 6.93 millions with the Debt Recovery Tribunal against claim made by a bank on the basis of guarantee given in earlier years since the matter is pending with Debt Recovery Appellate Tribunal as per the Hon'ble Bombay High Court order. Consequently, we are unable to comment on the effect of the above on the consolidated financial statements.
- c) A balance of Rs. 21.90 millions payable to M/s. Birla Group Holdings Private Limited has been carried in the Balance sheet of one of the Subsidiary Company under Long Term Borrowings. In the absence of underlying documents, the auditors of that subsidiary Company are unable to comment on the nature and balance of the same.

Our audit opinion on the consolidated financial statements for the previous year was also qualified in respect of the above matters.

**Qualified opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of consolidated state of affairs of the Group, and its associates as at March 31, 2017, of their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to Note 19.2(b) to the consolidated financial statements regarding demand of Rs.43.78 millions towards property tax in a subsidiary company. The Subsidiary Company has filed an appeal against the same with Hon'ble district Judge at Delhi and is optimistic of its favourable outcome.

Our opinion is not qualified in respect of above matter.

### **Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associates as noted in the 'other matter' paragraph, to the extent applicable, we report that:
  - (a) Except for the matters described in the Basis for Qualified Opinion paragraph, We/ the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - (b) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
  - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies & associate Companies incorporated in India, none of the directors of the Group's companies and its associates incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
  - (g) With respect to the adequacy and the operating effectiveness of the internal financial

controls over financial reporting of the Holding Company and its subsidiary companies and associate companies incorporated in India, refer to our separate report in “Annexure 1” to this report;

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates as noted in the ‘Other matter’ paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates – Refer Note 19.2, Note 19.3(b) & Note 20 to the consolidated financial statements;
  - ii. The Holding Company, its subsidiaries and a associate company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2017. The other associate company have made provision as at March 31, 2017, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and associates companies incorporated in India during the year ended March 31, 2017. In case of subsidiary companies, there were no amounts which were required to be transferred to the Investor Education and Protection Fund.
  - iv. The Holding Company and subsidiaries incorporated in India have provided requisite disclosure in Note 13 to these consolidated financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group as produced to us by the Management of the Holding Company.

**Other Matter**

We did not audit the financial statements and other financial information , in respect of subsidiaries whose financial statements include total assets of Rs. 79.79 millions and net assets of Rs.27.64 millions as at March 31, 2017, and total revenues of Rs. 5.09 millions and and net cash outflows of Rs. 1.72 millions for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor’s reports have been furnished to us by the management. The consolidated financial



statements also include the Company's share of net loss of Rs. 289.35 millions for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the report(s) of such other auditors.

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

For **S. R. BATLIBOI & CO. LLP**  
*Chartered Accountants*

ICAI Firm Registration Number : 301003E/E300005

Per **Sanjay Kumar Agarwal**  
Partner  
Membership Number: 060352

Place of Signature: Kolkata  
Date: May 30, 2017

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Piloni Investment and Industries Corporation Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Piloni Investment and Industries Corporation Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company, its subsidiary companies, and its associate companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based [on, "the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)"]. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Qualified Opinion**

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of its subsidiary companies and its associate companies, which are companies incorporated in India, the following material weakness(es) have been identified as at March 31, 2017:

- a) The Holding Company's internal financial controls system over provision in respect of deposit against certain cases., were not operating effectively which could potentially result in material misstatement whereby the Company does not recognise provision against the probable liability.
- b) The Subsidiary Company's internal control system over classification of a balance payable to a party which has been carried in the Balance sheet of the Subsidiary Company under Long Term Borrowings, were not operating effectively whereby the classification may not be appropriate.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company, its subsidiary companies and its associate companies which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness/es described above on the achievement of the objectives of the control criteria, the internal financial controls over financial reporting were operating effectively in the Holding Company, its subsidiary companies and its associate companies which are companies incorporated in India as of March 31, 2017.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies and one associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2017 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 30, 2017 expressed qualified audit opinion.

For **S. R. BATLIBOI & CO. LLP**

*Chartered Accountants*

ICAI Firm Registration Number : 301003E/E300005

Per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

Place of Signature: Kolkata

Date: May 30, 2017

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017**

	Notes	As At 31st March, 2017 ₹ in Millions	As At 31st March, 2016 ₹ in Millions
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	79.09	79.09
Reserves and Surplus	4	12,106.92	11,717.94
		<b>12,186.01</b>	<b>11,797.03</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	21.90	21.90
Long Term Provisions	6	0.23	0.25
		<b>22.13</b>	<b>22.15</b>
<b>Current Liabilities</b>			
Trade Payables	7	4.53	0.34
Other Current Liabilities	7	5.58	19.00
Short Term Provisions	6	17.10	267.73
		<b>27.21</b>	<b>287.07</b>
		<b>12,235.35</b>	<b>12,106.25</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible Assets	8	26.47	26.72
Non-Current Investments	9	10,783.46	9,664.65
Long Term Loans and Advances	10	44.31	41.03
Other Non Current Assets	12	0.02	0.02
		<b>10,854.26</b>	<b>9,732.42</b>
<b>Current Assets</b>			
Current Investments	11	1,337.53	2,243.26
Trade Receivables	12	2.73	4.36
Cash and Bank Balances	13	35.72	116.94
Short Term Loans and advances	10	3.53	5.53
Other Current Assets	12	1.58	3.74
		<b>1,381.09</b>	<b>2,373.83</b>
		<b>12,235.35</b>	<b>12,106.25</b>

**Summary of Significant Accounting Policies** 2.1

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No.: 301003E/E300005

**Per Sanjay Kumar Agarwal**

Partner

Membership No. 060352

Place : Kolkata

Dated : 30th May, 2017

For and on behalf of the Board of Directors

**D. K. MANTRI**

Director

(DIN:00075664)

**A. K. KOTHARI**

Director

(DIN:00051900)

**R. P. PANSARI**

Chief Executive Officer

**N. K. BAHETI**

Chief Financial Officer

**R. S. KASHYAP**

Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017**

	Notes	For the year ended 31st March, 2017 ₹ in Millions	For the year ended 31st March, 2016 ₹ in Millions
<b>INCOME</b>			
Revenue from operations	14	<b>345.76</b>	284.72
Other Income	15	<b>0.04</b>	0.10
<b>Total Revenue (I)</b>		<b>345.80</b>	284.82
<b>EXPENSES</b>			
Employee benefits expenses	16	<b>9.84</b>	11.64
Depreciation and amortization expense	18	<b>6.37</b>	2.13
Other expenses	17	<b>25.97</b>	51.15
<b>Total Expenses (II)</b>		<b>42.18</b>	64.92
Profit before tax (I) - (II)		<b>303.62</b>	219.90
<b>Tax Expense :</b>			
Current Tax		<b>46.30</b>	23.57
MAT Credit Entitlement		<b>(19.82)</b>	(11.05)
<b>Total Tax Expense</b>		<b>26.48</b>	12.52
Profit for the year (A)		<b>277.14</b>	207.38
Share of Profit / (Loss) in Associate Companies (Net) (B)		<b>150.17</b>	(109.80)
Profit / (Loss) for the year (A + B)		<b>427.31</b>	97.58
Earnings per Equity Shares [ Nominal Value of ₹ 10/- each (₹ 10/-)]			
<b>Basic &amp; Diluted (₹)</b>	24	<b>54.03</b>	12.34

**Summary of Significant Accounting Policies** 2.1

The accompanying notes are an integral part of the consolidated financial statements

As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005  
**Per Sanjay Kumar Agarwal**  
Partner  
Membership No. 060352  
Place : Kolkata  
Dated : 30th May, 2017

For and on behalf of the Board of Directors

**D. K. MANTRI**      **A. K. KOTHARI**  
Director                      Director  
(DIN:00075664)      (DIN:00051900)

**R. P. PANSARI**  
Chief Executive Officer

**N. K. BAHETI**      **R. S. KASHYAP**  
Chief Financial Officer      Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

	<b>For the year ended 31st March, 2017 ₹ in Millions</b>	<b>For the year ended 31st March, 2016 ₹ in Millions</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit Before Tax</b>	<b>303.62</b>	219.90
Adjustment for :		
Depreciation and amortisation expense	<b>6.37</b>	2.13
<b>Operating Profit Before Working Capital Changes :</b>	<b>309.99</b>	222.03
(Decrease) / Increase in Long Term provisions	<b>(0.02)</b>	0.05
Increase / (Decrease) in Trade Payables	<b>4.19</b>	(5.16)
(Decrease) / Increase in other current liabilities	<b>(13.48)</b>	0.76
(Decrease) / Increase in Short-term provisions	<b>(12.90)</b>	13.72
Decrease in Non-Current Loans and Advances	<b>0.80</b>	-
(Increase) / Decrease in Non Current Investments	<b>(1,013.24)</b>	173.73
Decrease in Short-Term Loans and Advances	<b>2.00</b>	594.64
Decrease / (Increase) in Current Investments	<b>905.73</b>	(758.59)
Decrease in Other Current Assets	<b>2.16</b>	30.84
Decrease in Trade Receivables	<b>1.63</b>	1.35
<b>Cash Generated from Operations :</b>	<b>186.86</b>	273.37
Direct Tax paid	<b>(30.33)</b>	(13.07)
<b>Net Cash Flow from Operating Activities</b>	<b>156.53</b>	260.30
<b>B. Cash Flow from Investing Activities</b>		
Sale of Fixed Asset	<b>0.16</b>	-
Matured/(Investment) in Fixed Deposits with original maturity for more than 12 months	<b>78.99</b>	(56.00)
<b>Net Cash Flow used in Investing Activities</b>	<b>79.15</b>	(56.00)
<b>C. Cash Flows from Financing Activities</b>		
Dividend Paid	<b>(197.66)</b>	(197.55)
Tax on Dividend Paid	<b>(40.25)</b>	(40.25)
<b>Net Cash Flow used in Financing Activities</b>	<b>(237.91)</b>	(237.80)

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

	<u>For the year ended 31st March, 2017 ₹ in Millions</u>	<u>For the year ended 31st March, 2016 ₹ in Millions</u>
<b>D. Net Decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(2.23)</b>	(33.50)
<b>E. Cash and Cash Equivalents at the Beginning of the year</b>	<b>10.94</b>	44.44
<b>F. Cash and Cash Equivalents at the End of the year</b>	<b>8.71</b>	10.94
Components of cash & cash equivalents as indicated in Note 13 comprises of:		
Cash on Hand	<b>0.02</b>	0.02
Balances with scheduled banks on current account*	<b>8.69</b>	10.92
<b>Total</b>	<b>8.71</b>	10.94

\* Includes ₹ 4.24 Millions (31st March, 2016 ₹ 4.18 Millions) lying in Unpaid Dividend Account, not available for use by the Company.

As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005  
**Per Sanjay Kumar Agarwal**  
Partner  
Membership No. 060352  
Place : Kolkata  
Dated : 30th May, 2017

For and on behalf of the Board of Directors

**D. K. MANTRI**      **A. K. KOTHARI**  
*Director*                      *Director*  
(DIN:00075664)      (DIN:00051900)

**R. P. PANSARI**  
*Chief Executive Officer*

**N. K. BAHETI**      **R. S. KASHYAP**  
*Chief Financial Officer*      *Company Secretary*



**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

**1. Principles of consolidation of financial statements**

(i) The consolidated financial statements which relates to Pilani Investment and Industries Corporation Limited, its subsidiary companies and associate companies, have been prepared on the following basis:

- (a) The Consolidated financial statements of the company and its subsidiaries are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized profit /loss included therein.
- (b) The Consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements. The accounting year followed by the subsidiary companies is uniform with the holding company.
- (c) The excess/ shortfall of cost to the company of its investments in the subsidiary companies as on the date of investment is recognised in the financial statements as goodwill/ capital reserve as the case may be. Any such difference arising subsequently is adjusted against the statement of Profit & Loss.

(d) The subsidiary companies considered in the financial statements are as follows:

<u>Name</u>	<u>Country of Incorporation</u>	<u>% of voting power</u>
PIC Properties Limited	India	100
PIC Realcon Limited	India	100

(e) The other subsidiary company Atlas Iron & Alloys Limited incorporated in India in which the Company has got 98.33% (98.33%) voting power, has not been considered in the financial statements, since the subsidiary company is in liquidation.

**(ii) Investment in Associates**

(a) In terms of Accounting Standard 23- "Accounting for Investment in Associates in consolidated Financial Statements", the company has prepared the accompanying Consolidated Financial statements by Accounting for investment in the associates under equity method.

(b) The associate companies considered in the financial statement are as follows:-

<u>Name</u>	<u>Country of Incorporation</u>	<u>% of voting power</u>
Century Textiles & Industries Limited	India	30.64
Kesoram Industries Limited	India	23.31

(c) The difference of ₹1538.76 Millions between the cost of company's investments in its Associate Company namely Century Textiles & Industries Limited and the proportionate share in the equity of the associate company as on 31st March, 2002 has been credited to the Revenue Reserve in the financial statements, since the details of such differences on the various dates of acquisition were not available. However, ₹116.77 Millions being the excess of the cost of the company's investments in the said associate company acquired during the years 2005-06 & 2006-07 over the proportionate share in the equity of the company

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

as on the date of the investment has been identified as Goodwill & included in the carrying value of the investments.

- d) The difference of ₹ 519.80 Millions between the cost of company's investments in its Associate Company namely Kesoram Industries Limited on 27th June, 2013 (being the date on which it became associate on acquisition of shares ) and the proportionate share in the equity of the said associate company has been considered as Capital Reserve and adjusted with carrying amount of Investment in the said associate.

### 2. Basis of Preparation

The financial statements of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules 2016 and the directives prescribed by the Reserve Bank of India for Non-Banking Financial Companies. The financial statements have been prepared under the historical cost convention on an accrual basis except interest on non-performing loans that are recognised on realisation.

The accounting policies applied by the Company, are consistent with those used in the previous year, except for the change in accounting policy explained below.

#### 2.1 Significant Accounting Policies

##### (i) Change in Accounting Policy

###### (a) Accounting for Proposed Dividend

As per the requirements of AS 4 (Revised), proposed final dividend including Dividend Distribution Tax are recognised as a liability in the period in which they are approved by Shareholders unlike earlier requirement of recognising a liability in the period to which it relates. Had the Company continued with earlier practice, surplus in the statement of profit and loss would have been lower by ₹ 237.97 millions with a corresponding increase in current provision [Note 6].

###### (ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

###### (iii) Revenue Recognition

###### a. Dividend

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

###### b. Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### c. Profit on Sale / Redemption of Mutual Fund Units

Profit on Sale / Redemption of Mutual Fund units are accounted for net of security transaction tax and exit load.

### (iv) Provisioning on Standard Assets

In terms of Master directions - Non Banking Financial Company - Systemically Important Non-Deposit taking Company and deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR.PD. 008/03.10.119/2016-17 dated September 01, 2016 , as amended from time to time ('the NBFC Master Directions 2016') issued by the Reserve Bank of India, contingent provision @0.35% on standard assets are made in the accounts.

### (v) Provision / Write-off against Non-Performing Assets

Provision / Write – Off against Non – Performing assets are made as per the guidelines prescribed by Reserve Bank of India for Non-Deposit taking Finance Companies (NBFC – ND-SI).

### (vi) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

### (vii) Depreciation

Depreciation on Fixed Assets (including assets under Investment Property) is provided as per the useful lives of the assets estimated by the management which is equal to the rates specified in Schedule II of the Companies Act, 2013 on reducing balance method except in case of a Subsidiary where the depreciation is provided on a straight line method.

Depreciation on fixed assets added / disposed off during the period is provided on pro-rata basis with reference to the date of addition/disposal.

### (viii) Investments

- a) Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as Non- current / long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.
- b) Long-term investments are valued at cost, i.e. book value of the investments as reflected in the financial statements as on 31st March, 2003 and for subsequent diminution, provision is made by way of adjustment against Investment Reserve (Created in earlier years by revaluation of quoted investments) in terms of scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court during an earlier year. Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.
- c) Investment property  
An investment in land or buildings, which is not intended to be occupied substantially for use by, or in the operations of, the company, is classified as investment property. Investment properties are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the investment property to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### (ix) Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

### (x) Provision for Retirement benefits

- a) Retirement benefits in the form of Provident Fund and Superannuation are defined contribution schemes and the contributions are charged to statement of Profit and Loss of the year when an employee renders the related service. There are no obligations other than the contribution payable to the respective funds.
- b) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- c) Short term compensated absences are provided for based on estimates. The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The company does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.
- d) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

### (xi) Earnings per share

Basic earnings per share is calculated by dividing the net Profit or Loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

### (xii) Income Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profits for the year is

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

accounted for using the tax rates and laws that have been substantially enacted as of the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax assets are recognized only to the extent there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent it has become reasonably certain or virtual certain, as the case may be that sufficient future taxable income will be available against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternate tax paid in a year is charged to the Statement of Profit & Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e the period for which MAT Credit is allowed to be carried forward. In the year in which the Company recognizes MAT Credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961 the said asset is created by way of credit to the statement of profit & loss and shown as "MAT Credit entitlement" The Company reviews the "MAT Credit entitlement" Asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### (xiii) **Foreign Currency Transaction**

#### **a) Initial Recognition**

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **b) Conversion**

Foreign Currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rates that existed when the values were determined. Shares held in Overseas Companies are valued at the exchange rates prevailing on the date of payment(s).

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

### c) Exchange Differences

Exchange differences arising on the settlement / conversion of monetary items are recognized as income or expenses in the year which they arise.

### d) Foreign Exchange Contracts not intended for trading or speculation purpose

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or Loss arising on cancellation or renewal of forward exchange contract is recognized as income or expenses for the year.

### (xiv) Assets acquired under lease

#### ***Operating Lease:***

*Where the Company is lessee*

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

*Where the Company is the lessor*

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

### (xv) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### (xvi) Provision

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

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

<b>3. Share Capital</b>	<b>As At 31st March, 2017 (₹ in Millions)</b>	<b>As At 31st March, 2016 (₹ in Millions)</b>
<b>Authorised Shares</b>		
90,00,000 (90,00,000) Equity Shares of ₹ 10/- each	<b>90.00</b>	90.00
<b>Issued, Subscribed &amp; Fully Paid up Shares</b>		
79,08,750 (79,08,750) Equity Shares of ₹ 10/- each	<b>79.09</b>	79.09
	<b>79.09</b>	79.09

There is no change in number of shares in current year and previous year

**(a) Terms / rights attached to Equity Shares**

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees.

During the year ended 31st March 2017, the amount of per share dividend recognized as distribution to shareholders was ₹ Nil (₹ 25) per share. The Board of Directors at its meeting held on 30th May, 2017, have proposed a final dividend of ₹ 25 per equity share for the financial year ended 31st March, 2017. The proposal is subject to the approval at the forthcoming Annual General Meeting. Total Cash out flow would be ₹ 237.97 millions including corporate dividend tax and the same will be accounted for in the financial year 2017-18 in terms of Revised Accounting Standard -4 notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules 2016.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(b) Details of shareholders holding more than 5% shares in the Company**

	<b>As At 31st March 2017</b>		<b>As At 31st March 2016</b>	
	<b>No. of Shares</b>	<b>% of Holding</b>	<b>No. of Shares</b>	<b>% of Holding</b>
Aditya Marketing & Manufacturing Limited	<b>27,35,494</b>	<b>34.59</b>	27,35,494	34.59
Padmavati Investment Ltd.	<b>13,98,486</b>	<b>17.68</b>	13,98,486	17.68
Gwalior Webbing Co. Ltd.	<b>4,54,168</b>	<b>5.74</b>	4,54,168	5.74
The Punjab Produce & Trading Co. Limited	<b>13,85,223</b>	<b>17.52</b>	13,85,223	17.52

As per the records of the company, including its register of shareholders, the above shareholding represents legal ownership of shares.

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

<b>4. Reserves &amp; Surplus</b>	<b>As At</b>	<b>As At</b>
	<b>31st March, 2017</b>	<b>31st March, 2016</b>
	<b>(₹ in Millions)</b>	<b>(₹ in Millions)</b>
<b>Investment Reserve</b>		
Balance as per the last Financial Statements	<b>3,460.08</b>	3,460.08
<b>Revaluation Reserve</b>		
Proportionate share in associate company	<b>5.93</b>	5.93
<b>General Reserve</b>		
Balance as per last Financial Statements	<b>2,555.45</b>	2,455.45
Add: Transfer from the Statement of Profit & Loss	–	100.00
	<b>2,555.45</b>	2,555.45
<b>Statutory Reserve</b>		
Balance as per last Financial Statements	<b>1,557.10</b>	1,479.28
Add: Transfer from Statement of Profit & Loss	<b>91.89</b>	77.82
	<b>1,648.99</b>	1,557.10
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statements	<b>4,139.38</b>	4,495.92
Profit / (Loss) for the year	<b>427.31</b>	97.58
Less:- Appropriations		
Dividend Tax on profit of associate	<b>38.33</b>	38.33
Proposed Equity Dividend	–	197.72
Tax on Proposed Equity Dividend	–	40.25
Transfer to Statutory Reserve	<b>91.89</b>	77.82
Transfer to General Reserve	–	100.00
Surplus in the Statement of Profit and Loss	<b>4,436.47</b>	4,139.38
<b>Total Reserves &amp; Surplus</b>	<b>12,106.92</b>	11,717.94

**5. Long-Term borrowings**

	<b>Non-Current</b>	
	<b>As At</b>	<b>As At</b>
	<b>31st March 2017</b>	<b>31st March 2016</b>
	<b>(₹ in Millions)</b>	<b>(₹ in Millions)</b>
<b>Unsecured</b>		
From - M/s Birla Group Holdings Pvt. Ltd.	<b>21.90</b>	21.90
	<b>21.90</b>	21.90



**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

**6. Provisions**

	Long Term		Short Term	
	As At 31st March 2017 (₹ in Millions)	As At 31st March 2016 (₹ in Millions)	As At 31st March 2017 (₹ in Millions)	As At 31st March 2016 (₹ in Millions)
<b>Provisions for Employee Benefits</b>				
Provision for Gratuity (Refer Note 21)	0.23	0.25	1.12	11.41
Provision for Leave Benefits	–	–	1.04	3.65
	<b>0.23</b>	<b>0.25</b>	<b>2.16</b>	<b>15.06</b>
<b>Other Provisions</b>				
Provision for tax (net of advance tax & tax deducted at source ₹ 351.02 Millions (31st March 2016 ₹ 351.02 Millions))	–	–	0.52	0.28
Proposed Equity Dividend	–	–	–	197.72
Provision for tax on proposed Equity Dividend	–	–	–	40.25
Contingent Provisions against Standard Assets	–	–	2.75	2.75
Provision towards Demand for Municipal Taxes*	–	–	11.67	11.67
	–	–	14.94	252.67
	<b>0.23</b>	<b>0.25</b>	<b>17.10</b>	<b>267.73</b>

\* Being provisions made against demand for municipal taxes (including interest and penalty) for earlier years. The company has represented to the municipal authorities for their reconsideration of the annual valuation which is under consideration of the authorities.

**7. Trade Payable and Other Current Liabilities**

	As At 31st March, 2017 (₹ in Millions)	As At 31st March, 2016 (₹ in Millions)
Trade Payables (Refer Note 26)	4.53	0.34
<b>Other Liabilities</b>		
Payable towards purchase of capital goods	–	12.05
Payable to Employees	0.46	1.70
Investors Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividend	4.24	4.18
<b>Others</b>		
Security Deposits	0.06	0.71
Statutory Dues	0.49	0.03
Other - Miscellaneous	0.33	0.33
	<b>5.58</b>	<b>19.00</b>
	<b>10.11</b>	<b>19.34</b>

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

<b>8. Tangible Assets</b>	(₹ in Millions)					
	<b>Land</b>	<b>Buildings</b>	<b>Furnitures &amp; Fixtures</b>	<b>Office Equipments</b>	<b>Vehicles</b>	<b>TOTAL</b>
<b>Cost or Valuation</b>						
As at 1st April 2015	24.82	3.43	0.19	0.04	0.78	29.26
Addition	–	–	–	–	–	–
As at 31st March 2016	24.82	3.43	0.19	0.04	0.78	29.26
Addition / (Disposal)	–	–	–	–	(0.78)	(0.78)
<b>As at 31st March 2017</b>	<b>24.82</b>	<b>3.43</b>	<b>0.19</b>	<b>0.04</b>	<b>–</b>	<b>28.48</b>
<b>Depreciation</b>						
As at 1st April 2015	–	1.68	0.19	0.01	0.50	2.38
Charge for the year	–	0.05	–	0.01	0.09	0.15
As at 31st March 2016	–	1.73	0.19	0.02	0.59	2.53
Charge for the year	–	0.06	–	0.01	0.03	0.10
Addition / (Disposal)	–	–	–	–	(0.62)	(0.62)
<b>As at 31st March 2017</b>	<b>–</b>	<b>1.79</b>	<b>0.19</b>	<b>0.03</b>	<b>–</b>	<b>2.01</b>
<b>Net Block</b>						
As at 31st March 2016	24.82	1.70	–	0.02	0.19	26.72
<b>As at 31st March 2017</b>	<b>24.82</b>	<b>1.64</b>	<b>–</b>	<b>0.01</b>	<b>–</b>	<b>26.47</b>

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

	<b>As At</b>	<b>As At</b>
	<b>31st March, 2017</b>	<b>31st March, 2016</b>
	<b>(₹ in Millions)</b>	<b>(₹ in Millions)</b>
<b>9. Non-Current Investments</b>		
<b>Investment Property (valued at cost less accumulated depreciation)</b>		
Cost of Land, Building & Furniture given on Operating Lease	<b>45.33</b>	18.80
Add : Additions during the year	-	26.53
<b>Sub Total (A)</b>	<b>45.33</b>	<b>45.33</b>
Depreciation as at 1st April 2016	<b>9.69</b>	7.71
Add : Depreciation for the year	<b>6.27</b>	1.98
<b>Sub Total (B)</b>	<b>15.96</b>	<b>9.69</b>
<b>Net Block (A-B)</b>	<b>29.37</b>	<b>35.64</b>
<b>Non-Trade Investments (valued at cost)</b>		
	No. of shares	Face Value per share
<b>Unquoted Equity Instruments (Fully Paid)</b>	/ Units	
Birla Buildings Limited	15,000	₹ 10
Birla Consultants Limited	12,000	₹ 10
Indo Thai Synthetics Co. Limited	2,07,900	Baht10
Indo Phil Textile Mills Inc., Manila	2,11,248	Pesos10
The Eastern Economist Limited	400	₹100
The Hindusthan Times Ltd.	1,92,000	₹10
The Industry House Limited	2,812	₹100
Gmmco Limited	68,249	₹ 10
		<b>34.21</b>
		<b>36.27</b>
<b>Unquoted Mutual Funds (Fully Paid)</b>		
Birla Sunlife Dividend Yield Plus-Dividend	18,811	<b>0.25</b>
Birla Sunlife Midcap Fund-Dividend	33,473	<b>0.80</b>
Birla Sunlife MipII-Wealth25-Growth	-	-
	(21,987)	0.32
Birla Sunlife MipII-Wealth 25-Growth	-	-
	(36,549)	0.51
Birla Sunlife Dynamic Bond Fund-Retail-Growth	-	-
	(22,366)	0.40
Birla Sunlife Short Term Opportunity Fund-Growth	16,672	<b>0.31</b>
Birla Sunlife Medium Term Plan-Growth	50,783	<b>0.71</b>
Birla Sunlife Medium Term Plan-Growth	58,746	<b>1.00</b>
		<b>3.07</b>
		<b>4.30</b>

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

	No. of shares	Face Value per share	As At 31st March, 2017 (₹ in Millions)	As At 31st March, 2016 (₹ in Millions)
<b>Quoted Equity Investments (Fully Paid)</b>				
<b>In Associates</b>				
Century Textiles & Industries Limited	3,42,20,520	₹ 10	1,585.75	# 1,585.75
Add : Proportionate Share of Accumulated Profit of the Associate Company upto 31st March 2017			4,601.97	4,601.54
			<b>6,187.72</b>	<b>6,187.29</b>
# includes Goodwill ₹ 116.77 Millions arisen on acquisition of shares [Refer Note : 1.(ii).(c)]				
Kesoram Industries Limited	2,73,38,750	₹ 10	1,682.44	# 1,682.44
Add : Proportionate Share of Accumulated Loss of the Associate Company upto 31st March 2017			(1,682.44)	(1,605.64)
			–	76.80
# Net of Capital Reserve ₹ 519.80 Millions arisen on acquisition of shares [Refer Note : 1(ii)(d)]				
<b>In Other Companies</b>				
Aditya Birla Fashion & Retail Limited	9,72,909	₹ 10	0.26	0.26
Aditya Birla Nuvo Limited	1,87,098	₹ 10	29.15	29.15
Cimmco Limited	70,780	₹ 10	0.50	0.50
Grasim Industries Limited @	2,23,43,465 (43,24,668)	₹ 2 (₹10)	1,235.61	618.87
Hindalco Industries Limited	2,91,85,398	₹ 1	1,836.33	1,836.33
Hindustan Everest Tools Limited	52,175	₹ 10	0.45	0.45
Jayshree Tea & Industries Limited	2,844	₹ 5	0.04	0.04
Idea Cellular Limited	81,68,500 (–)	₹ 10	585.94	–
KDDL Limited	35,000	₹ 10	0.31	0.31
Kesoram Textile Mills Limited	24,15,750	₹ 2	0.60	0.60
Mangalam Cement Limited	11,20,000	₹ 10	7.56	7.56
Mangalore Refineries Petro Chemicals Limited	200	₹ 10	0.00	0.00
Orient Cement Limited	4,25,260	₹ 1	2.56	2.56

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

	No. of shares	Face Value per share	As At 31st March, 2017 (₹ in Millions)	As At 31st March, 2016 (₹ in Millions)
Orient Paper & Industries Limited	4,25,260	₹ 1	1.86	1.86
Sutlej Textile & Industries Limited	1,71,463	₹ 10	2.47	2.47
SIL Investment Limited	1,14,309	₹ 10	2.01	2.01
Tanfac Industries Limited	498,000	₹ 10	5.63	5.63
Ultra Tech Cement Limited	2,457,309	₹ 10	807.33	807.33
Umi Special Steels Limited** (1,00,000)	1,00,000	₹ 10	—	—
Zenith Birla Limited	3,432	₹ 10	0.02	0.02
Zuari Global Limited	4,34,000	₹ 10	3.95	3.95
Zuari Agro Chemicals Limited	4,34,000	₹ 10	3.95	3.95
			<b>4,526.53</b>	<b>3,323.85</b>
<b>Investment in Tax Free Bond</b>				
Housing & Urban Development Corporation	500	₹1000	0.50	0.50
			<b>0.50</b>	<b>0.50</b>
			<b>10,783.46</b>	<b>9,664.65</b>
Aggregate Value of Investment Property			29.37	35.64
Aggregate Value of Quoted Investments			10,714.25	9,587.94
Aggregate Value of Unquoted Investments			39.84	41.07
Market Value of Quoted Investments			80,879.71	48,895.15
** net of provision for other than temporary diminution			0.17	0.17

@ During the year, shares have been split from face value of Rs.10/- per share to Rs.2/- per share.

**The following shares, although in Physical possession of the company have not been indicated above since the value thereof has been written off in earlier years :**

	No. of Shares	Face Value (₹ per share)
<b>QUOTED (Fully Paid) Equity Shares</b>		
Jiyajeerao Cotton Mills Limited	150	10
Kalyan Sundaram Cement Industries Limited	50,000	10
Tungbhadra Industries Limited	1,865	10

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

	<u>No. of Shares</u>	<u>Face Value (₹ per share)</u>
<b>UNQUOTED (Fully Paid)</b>		
<b>Equity Shares</b>		
Bombay Industrial Traders Limited (In liquidation)	915	100
Hind Cycles Limited (In liquidation)	400	100
Industrial Plants Limited (in liquidation)	75,000	10
Mckenzie's Limited	753	10
<b>In Subsidiary Companies</b>		
Atlas Iron and Alloys Limited (in liquidation)	72,000	10
<b>Debentures</b>		
Hind Cycles Limited (In liquidation)	66	100
<b>UNQUOTED (Partly Paid)</b>		
<b>Equity Shares</b>		
Central Distributors Limited (in Liquidation) (Paid up ₹ 7.50 per share)	1,284	10

**10. Loans and Advances**

	<u>Non-Current Portion</u>		<u>Current Portion</u>	
	<u>As At 31st March 2017 (₹ in Millions)</u>	<u>As At 31st March 2016 (₹ in Millions)</u>	<u>As At 31st March 2017 (₹ in millions)</u>	<u>As At 31st March 2016 (₹ in Millions)</u>
<b>Security Deposits</b>				
Unsecured, Considered good (A)	1.76	2.56	-	-
<b>Advances recoverable in cash or in kind</b>				
Unsecured, Considered good	-	-	1.50	5.39
Unsecured, Considered doubtful	1.67	1.67	-	-
	1.67	1.67	1.50	5.39
Less Provision for doubtful Advances	(1.67)	(1.67)	-	-
<b>(B)</b>	<b>-</b>	<b>-</b>	<b>1.50</b>	<b>5.39</b>
<b>Other Loans and Advances</b>				
Unsecured, Considered good				
Advance income tax, Refund receivable (net of provisions)	35.42	31.43	0.02	0.03
Prepaid Expenses	-	-	0.02	0.03

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

MAT Credit Entitlement	0.20	0.11	–	–
Loans to Employees	–	–	–	0.08
Deposits against Appeal (Property Tax Demand)	–	–	1.99	–
Deposit made against Demand Notice (Refer Note No.20)	6.93	6.93	–	–
<b>(C)</b>	<b>42.55</b>	<b>38.47</b>	<b>2.03</b>	<b>0.14</b>
<b>(A+B+C)</b>	<b>44.31</b>	<b>41.03</b>	<b>3.53</b>	<b>5.53</b>

**11. Current Investments :**

	No. of Units	Face Value (₹ per unit)	As At 31st March 2017 (₹ in Millions)	As At 31st March, 2016 (₹ in Millions)
<b>Trade Investments</b>				
<b>Investments in Mutual Funds (Unquoted) (Valued at Lower of Cost or Fair Value)</b>				
Axis Treasury Advantage Fund- Growth	–	₹ 1000	–	75.00
	(46,168)			
Birla Sunlife Cash Manager Fund - Growth	5,34,746	₹ 100	200.00	104.17
	(5,09,987)			
Birla Sunlife Saving Fund - Dividend	14,60,801	₹ 100	145.53	210.02
	(20,96,838)			
Birla Sunlife Cash Manager Fund - Dividend	17,63,327	₹ 100	176.78	177.48
	(17,70,505)			
Birla Sunlife Saving Fund - Growth	15,49,836	₹ 100	470.00	15.00
	(57,193)			
DSP Black Rock Money Manager fund - Div.	–	₹ 1000	–	135.23
	(1,34,693)			
DSP Black Rock Money Manager fund - Gr.	–	₹ 1000	–	106.00
	(53,957)			
HDFC Cash Management Fund - Growth	32,85,260	₹ 10	108.50	–
	(–)			
ICICI Prudential Money Manager Fund-Gr.	–	₹ 100	–	174.20
	(9,50,607)			
ICICI Prudential Regular Saving Fund - Div.	–	₹ 100	–	33.91
	(3,38,260)			
Kotak Treasury Advantage Fund - Dividend	–	₹ 10	–	147.73
	(1,46,58,224)			
Kotak Treasury Advantage Fund - Growth	–	₹ 10	–	56.00
	(24,14,553)			

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

L&T Ultra Short Term Fund-Growth	–	₹ 10	–	75.00
	(3,164,557)			
Reliance Money Manager Fund - Dividend	<b>2,14,509</b>	₹ 1000	<b>212.60</b>	443.61
	(4,43,388)			
Reliance Liquid Fund - Growth	–	₹ 1000	–	39.57
	(12,749)			
Reliance Money Manager Fund - Growth	<b>14,213</b>	₹ 1000	<b>24.12</b>	24.12
	(14,213)			
SBI Ultra Short Term Debts Fund - Growth	–	₹ 1000	–	215.00
	(1,17,129)			
Tata Treasury Advantage Fund - Dividend	–	₹ 1000	–	11.26
	(11,168)			
UTI Floating Rate Fund -Growth	–	₹ 1000	–	90.00
	(38,147)			
UTI Treasury Advantage Fund - Dividend	–	₹ 1000	–	109.96
	(1,09,706)			
			<b>1,337.53</b>	<b>2,243.26</b>

**12. Trade Receivables and Other Assets**

Non-Current Portion		Current	
As At 31st March 2017 (₹ in Millions)	As At 31st March 2016 (₹ in Millions)	As At 31st March 2017 (₹ in Millions)	As At 31st March 2016 (₹ in Millions)

**12.1 Trade Receivables**

**Unsecured, Considered good**

Outstanding for a period exceeding six months from due date of payment	–	–	<b>0.64</b>	1.05
Other Debts	–	–	<b>2.09</b>	3.31
	–	–	<b>2.73</b>	4.36

**12.2 Other Assets**

Unsecured, Considered good				
Interest Accrued on Deposits	–	–	<b>0.84</b>	3.74
Dividend Receivable			<b>0.74</b>	–
Preliminary Expenses	<b>0.02</b>	0.02	–	–
	<b>0.02</b>	0.02	<b>1.58</b>	3.74
	<b>0.02</b>	0.02	<b>4.31</b>	8.10



**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

**13. Cash and Bank Balances**

	<b>Current</b>	
	<b>As At 31st March 2017 (₹ in Millions)</b>	<b>As At 31st March 2016 (₹ in Millions)</b>
<b>Cash &amp; cash equivalents</b>		
Balances with Banks		
On Current Accounts	4.45	6.74
On Unpaid Dividend Account	4.24	4.18
Cash on Hand	0.02	0.02
	<u>8.71</u>	<u>10.94</u>
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 12 months	27.01	106.00
	<u>27.01</u>	<u>106.00</u>
	<u>35.72</u>	<u>116.94</u>

**The details of Specified Bank Notes (SBN) held and transacted by the Company and its Subsidiaries during the period 08.11.2016 to 30.12.2016 are as below:**

	<b>SBNs</b>	<b>Other denomination notes</b>	<b>Total</b>
Closing Cash in hand as on 08.11.2016	0.02	0.02	0.04
(+) Permitted receipts*	-	0.06	0.06
(-) Permitted payments	-	0.05	0.05
(-) Amount deposited in Banks	0.02	-	0.02
Closing Cash in hand as on 30.12.2016	<u>-</u>	<u>0.03</u>	<u>0.03</u>

\* Represents withdrawn from Bank

**14. Revenue from Operations**

	<b>For the Year ended 31st March 2017 (₹ in Millions)</b>	<b>For the Year ended 31st March 2016 (₹ in millions)</b>
<b>Dividend Income</b>		
– Non Current Investments	159.76	141.93
– Current Investments	45.26	63.40
Profit on sale of Current Investments (Units of Mutual Fund)	109.41	-
Profit on sale of Non Current Investments (Units of Mutual Fund)	1.48	-
<b>Interest Income</b>		
– On Loans	-	37.01
– On Fixed Deposit with Banks	8.50	14.62
– On Bonds	0.04	0.04
<b>Other Operating Revenue</b>		
– Rent Income	15.01	16.98
– Service Charges	6.30	10.74
	<u>345.76</u>	<u>284.72</u>

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

**15. Other Income**

	<b>For the Year ended 31st March 2017 ( ₹ in Millions)</b>	For the Year ended 31st March 2016 ( ₹ in Millions)
Miscellaneous Receipts	<b>0.04</b>	0.10
	<b>0.04</b>	0.10

**16. Employee Benefits Expenses**

Salaries and Bonus	<b>6.45</b>	8.17
Gratuity (Refer Note 21)	<b>1.95</b>	1.69
Contribution to Provident and Other Funds	<b>0.65</b>	0.78
Staff Welfare Expenses	<b>0.83</b>	1.00
	<b>9.84</b>	11.64

**17. Other Expenses**

Director's Sitting Fees	<b>0.71</b>	0.71
Insurance Charges	<b>0.03</b>	0.03
Repairs & Maintenance (others)	<b>0.03</b>	0.02
CSR Expenses (as contribution to various trusts / societies)	<b>2.50</b>	11.51
Building Maintenance & Service Expenses	<b>9.23</b>	15.95
Rates & Taxes (Net)	<b>2.44</b>	16.14
Rent	<b>0.52</b>	0.77
Irrecoverable balances written off	<b>2.04</b>	-
Miscellaneous Expenses	<b>7.49</b>	5.34
Payment to Auditors		
As Auditors		
-Audit Fee	<b>0.37</b>	0.27
-Limited Review	<b>0.19</b>	0.13
In Other Capacity		
For Certification, etc.	<b>0.24</b>	0.20
For Expenses, etc.	<b>0.12</b>	0.08
	<b>25.97</b>	51.15

\*Includes ₹14.59 Millions (including interest & penalty of ₹5.79 Millions for earlier years, towards demand for municipal taxes.

**18. Depreciation and Amortization Expenses**

Depreciation on Tangible Assets	<b>0.10</b>	0.15
Depreciation on Investment Property	<b>6.27</b>	1.98
	<b>6.37</b>	2.13

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

**19. 1. Capital & Other Commitments :**

- a) Uncalled liability on partly paid Shares held as Investments ₹ **0.003 Millions** (₹ **0.003 Millions**).

**19.2. Contingent Liabilities :**

- (a) Income Tax demands for earlier years aggregating to ₹ **16.33 Millions** (₹ 24.73 millions) disputed by the Company.
- (b) A demand of Rs.43.78 Millions was raised by New Delhi Municipal Council towards Property Tax with retrospective effect from Financial year 2000-01 to 2016-17 in a Subsidiary Company. The Subsidiary Company has not recognized it as a liability in the Accounts for Financial year 2016-17, being contingent in nature. The Subsidiary Company has filed an appeal on 02.03.2017 against the same at the Court of District Judge, Patiala House, New Delhi and is optimistic of its favourable outcome.

**19.3 Company's Share in outstanding Capital and other Commitment & Contingent Liabilities of associates :**

- a) Outstanding Capital and other Commitment

₹ **4,565.94 Millions** (₹ 4,872.36 Millions)

- b) Contingent Liabilities

**Guarantees given**

- |  | <b>2016 - 17</b>       | 2015 - 16       |
|--|------------------------|-----------------|
|  | <b>(₹ in Millions)</b> | (₹ in Millions) |
| i. by Banks on behalf of other Company     | <b>11.96</b>           | 111.68          |
| ii. to excise authorities                  | <b>0.28</b>            | 0.28            |
| iii. by Banks on behalf of other Companies | <b>0.61</b>            | -               |

**Claims against the Company not acknowledged as debts**

- |  |                 |          |
|--|-----------------|----------|
| i. Rates, taxes & duties demanded by various authorities               | <b>3,382.27</b> | 3,313.31 |
| ii. Amount demanded by Provident fund authorities which is sub-judice. | <b>2.03</b>     | 2.03     |
| iii. Others  | <b>71.42</b>    | 68.91    |

**For Income Tax matters**

**164.01**      88.84

**Penalty imposed by Competition Commission of India (CCI)**

**839.60**      -

- 20.** The Company has disputed the claim for recovery of ₹ 1.54 Millions plus interest from 1st November, 1973 made by State Bank of India, Bombay in a suit filed against the Company on the basis of guarantee given in respect of the advances made to Hind Cycles Limited against their Cash Credit Account by the said Bank. Against the above claim, ₹ 6.93 Millions has been deposited with Debts Recovery Appellate Tribunal pursuant to Hon'ble Bombay High Court Order. No provision against the above claim has been made in the accounts since the matter is pending with the Debt Recovery Appellate Tribunal as per the Hon'ble Bombay High Court order.

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

**21. Disclosure under Accounting Standard - 15 (Revised) on 'Employee Benefits'.**

	<b>For the Year ended 31st March 2017 (₹ in Millions)</b>	<b>For the Year ended 31st March 2016 (₹ in Millions)</b>
<b>A. Defined Contribution Plan</b>		
Contribution to Provident Fund	<b>0.60</b>	0.72

**B. Defined Benefit Plan**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets Gratuity on terms not lower than the amount payable under the Payment of Gratuity Act, 1972. The aforesaid scheme is not funded.

The following tables summarises the components of net benefit expenses recognised in Statement of Profit & Loss and the amount recognised in the Balance Sheet for the respective plan.

**Statement of Profit & Loss**

**Net employee benefit expense recognized in the employee cost :**

	<b>31st March 2017 (₹ in Millions)</b>	<b>31st March 2016 (₹ in Millions)</b>
Current Service Cost	<b>0.04</b>	0.46
Interest cost on benefit obligation	<b>0.17</b>	0.78
Curtailment cost / (Credit)	<b>(9.47)</b>	-
Net actuarial (gain)/loss recognized in the year	<b>11.21</b>	0.44
<b>Net benefit expense</b>	<b>1.95</b>	1.68

**Balance Sheet**

<b>Benefit asset/liability</b>	<b>31st March 2017 (₹ in Millions)</b>	<b>31st March 2016 (₹ in Millions)</b>
Present value of defined benefit obligation	<b>1.35</b>	11.66
<b>Plan liability / (asset)</b>	<b>1.35</b>	11.66

**Changes in the present value of the defined benefit obligation are as follows :**

Opening defined benefit obligation	<b>11.66</b>	9.97
Current Service Cost	<b>0.04</b>	0.47
Interest Cost	<b>0.17</b>	0.78
Curtailment cost / (Credit)	<b>(9.47)</b>	-
Actuarial (gains) / losses on Obligation	<b>11.21</b>	0.44
Benefits Paid	<b>(12.26)</b>	-
<b>Closing defined benefit obligation</b>	<b>1.35</b>	11.66

**The principal assumptions used in determining gratuity obligations for the company's plans are shown below :**

	<b>31st March 2017</b>	<b>31st March 2016</b>
Discount rate	<b>6.88 % p.a.</b>	7.59 % p.a.
Expected rate of return on assets	<b>N. A.</b>	N.A.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017

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

### Amounts for the current and previous four years are as follows :

	31st March 2017 (₹ in Millions)	31st March 2016 (₹ in Millions)	31st March 2015 (₹ in Millions)	31st March 2014 (₹ in Millions)	31st March 2013 (₹ in Millions)
Defined Benefit Obligation	1.35	11.66	9.97	8.38	6.92
Surplus / (Deficit)	(1.35)	(11.66)	(9.97)	(8.38)	(6.92)
Experience adjustments on plan liabilities	11.20	0.44	0.41	0.49	0.62

22. No effect has been given in the accounts in respect of the following Equity Shares received by way of fully paid Bonus Shares on shares not belonging to the Company and the same are being held in trust by the Company :

Sl. No.	Name of the Company	No. of Equity Shares	Face Value per Share (₹)
(a)	Grasim Industries Ltd.	5,755	2/-
(b)	Hindustan Motors Ltd.	440	10/-
(c)	Century Textiles & Industries Ltd.	220	10/-
(d)	Tungabhadra Industries Ltd.	4	10/-
(e)	Hindustan Everest Tools Ltd.	60	10/-

### 23. Segment Reporting :

The Company has only one business segment viz. investment and related activities and its operations are also confined to one geographical segment i.e. India. As such, no further disclosure under Accounting Standard 17 "Segment Reporting" is required.

### 24. Earnings Per Share (EPS) :

The following reflects the profit and share data used in the basis and diluted EPS computations :

	For the year ended 31st March 2017 (₹ in Millions)	For the Year ended 31st March 2016 (₹ in Millions)
Profit/(Loss) after Tax as per Consolidated statement of Profit & Loss	427.31	97.58
Weighted Average No. of Equity shares (Nos.)	79,08,750	79,08,750
Earnings per Equity Share (Nominal Value of share ₹ 10)		
Basic & Diluted (₹ per share)	54.03	12.34

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

**25. Related Party Disclosures**

**Names of related parties & related party relationship :**

**a. Name of other related parties**

**Key Management Personnel** Shri R. A. Makharia (Executive Director)  
(Upto 23rd September 2016)  
Shri R. P. Pansari (Managing Director)  
(w.e.f. 14th February 2017)  
Shri N. K. Baheti (CFO)  
Shri R. S. Kashyap (Company Secretary)

**Related Party Transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant period:

	<b>2016-17</b>	2015-16
	<b>₹ in Millions</b>	₹ in Millions
<b>Key Management Personnel</b>		
<b>Remuneration</b>		
Shri R.A.Makharia	<b>2.62</b>	5.49
Shri R.P.Pansari	<b>0.98</b>	-
Shri N.K.Baheti	<b>1.34</b>	0.99
Shri R.S.Kashyap	<b>0.52</b>	0.43
<b>Director Sitting Fees</b>		
Shri R.A.Makharia	<b>0.04</b>	0.08
<b>Loan Given</b>		
Shri N.K.Baheti	-	0.10
<b>Loan Received Back</b>		
Shri N.K.Baheti	<b>0.08</b>	0.02
<b>Loan Outstanding</b>		
Shri N.K.Baheti	-	0.08

26. Based on the informations/documents available with the company, no creditor is covered under Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provisions/ payments have been made by the company to such creditors, if any, and no disclosures are made in these accounts.

**27. Leases :**

**Operating Lease : Company as Lessee**

The office premises is obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the company. There is no escalation clauses in the lease agreements. There are no restrictions imposed by lease arrangements. The leases are cancellable.

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

	<b>For the year ended 31st March 2017 (₹ in Millions)</b>	<b>For the year ended 31st March 2016 (₹ in Millions)</b>
Lease Payments made for the year	<b>0.52</b>	0.77

**Operating Lease : Company as a Lessor**

The company has leased certain office on operating leases. The lease term is for 1-3 years and thereafter renewable. There is escalation clause in the lease agreements. The rent is not based on any contingencies. There are no restrictions imposed by lease arrangements. The leases are cancellable.

28. Minimum Alternative Tax (MAT) Credit entitlement of ₹ 294.13 Millions (after adjusting utilised during the current year ₹19.73 Millions), has not been recognized by the Company in the absence of convincing evidence to claim the above tax credit in future years.
29. The company has applied to Reserve Bank of India ("RBI") for its conversion from Non-Banking Financial Company to Core Investment Company and the approval from RBI is awaited.
30. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:  
( ₹ in Millions)

Name of the Entity	Net Assets		Share in Profit or (Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount
<b>Parent</b>				
Pilani Investment & Industries Corporation Limited	<b>48.74%</b> (46.41%)	<b>5,940.82</b> (5,474.92)	<b>63.47%</b> (205.88%)	<b>271.24</b> (200.89)
<b>Subsidiaries</b>				
PIC Properties Limited	<b>0.10%</b> (0.09%)	<b>11.77</b> (10.34)	<b>0.33%</b> (0.41%)	<b>1.43</b> (0.40)
PIC Realcon Limited	<b>0.38%</b> (0.40%)	<b>45.70</b> (47.68)	<b>1.05%</b> (6.24%)	<b>4.47</b> (6.09)
<b>Associates</b>				
Century Textiles & Industries Limited	<b>50.78%</b> (52.45%)	<b>6,187.72</b> (6,187.29)	<b>53.12%</b> (-191.23%)	<b>226.97</b> (-186.60)
Kesoram Industries Limited	- (0.65%)	- (76.80)	<b>-17.97%</b> (78.70%)	<b>(76.80)</b> (76.80)
	<b>100%</b>	<b>12,186.01</b>	<b>100%</b>	<b>427.31</b>
	(100%)	(11,797.03)	100%	(97.58)

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2017**

33. Previous year's figures including those in brackets have been regrouped/ re- arranged where necessary to confirm to the current year's figures.

As per our report of even date.

**For S. R. Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No.: 301003E/E300005

**Per Sanjay Kumar Agarwal**

*Partner*

*Membership No. 060352*

Place : Kolkata

Dated : 30th May, 2017

For and on behalf of the Board of Directors

**D. K. MANTRI**

*Director*

(DIN:00075664)

**A. K. KOTHARI**

*Director*

(DIN:00051900)

**R. P. PANSARI**

*Chief Executive Officer*

**N. K. BAHETI**

**R. S. KASHYAP**

*Chief Financial Officer Company Secretary*



Notes :

Notes :