

**FORM B**  
**(Pursuant to clause 31(a) of the Listing Agreement)**

1.	Name of the Company:	Pilani Investment & Industries Corporation Limited
2.	Annual financial statements for the period ended	March 31, 2015.
3.	Type of Audit qualification	"Except for"
4.	Frequency of observation	In Stand Alone Financial Statements: For (a)& (b)- Repetitive In Consolidated Financial Statements: For (a), (b), (c)&(d)- Repetitive
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors Report	<p><b><u>Audit Report on Standalone Financial Statements:</u></b></p> <p>a) As indicated in Note 19 to the financial statements, no provision has been made in respect of deposit of Rs. 6,928 thousands 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 the Hon'ble Bombay High Court. Consequently, we are unable to comment on the effect of the above on the financial statements.</p> <p>b) As indicated in Note 29 to the Financial Statements, the investments of the Company has exceeded the limits as per the concentration /investment norms as provided in paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended) for which the Company has applied to the Reserve Bank of India seeking exemption from complying with the aforesaid norms up to 31st March, 2016. Also the Company has made fresh application for its conversion from Non-Banking Financial Company to Core Investment Company. Pending such approval, we are unable to comment on the possible effects of the above on the financial statements.</p>



**Audit Report on Consolidated Financial Statements:**

- a) As indicated in Note 1 (ii)(c) to the Consolidated Financial Statements, difference of Rs.15,38,764 thousands between the Company's investments and share of equity in the 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 / or which is not in 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. 6,928 thousands 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 the Hon'ble High Court of Bombay. Consequently, we are unable to comment on the effect of the above on the consolidated financial statements
- c) As indicated in Note 31 to the Consolidated Financial Statements, the investments of the Holding Company has exceeded the limits as per the concentration /investment norms as provided in paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 (as amended) for which the Holding Company has applied to the Reserve Bank of India seeking exemption from complying with the aforesaid norms up to 31st March, 2016. Also the Holding Company has made application for its conversion from Non-Banking Financial Company to Core



		<p>Investment Company. Pending such approval, we are unable to comment on the possible effects of the above on the financial statements.</p> <p>d) A balance of Rs 21,900 thousands payable to M/s Birla Group Holdings Private Ltd. 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.</p> <p><u>Management Response:</u> The observations made in the Auditors Report as stated above are self explanatory.</p>
6	Additional comments from the board / audit committee chair	Nothing Significant
7.	<p>To be signed by-</p> <ul style="list-style-type: none"> <li>• Mr. R A Makharia Executive Director</li> <li>• Mr. Kamal Agarwal Partner Membership no. 058652</li> </ul> <p>For S. R. Batliboi &amp; Co. LLP Chartered Accountants Firm Registration no. 301003E (Statutory Auditors)</p> <ul style="list-style-type: none"> <li>• Mr. D.K.Mantri Audit Committee Chairman</li> </ul> <p>For Pilani Investment and Industries Corporation Ltd.</p> <p>Ms. N. K. Baluti Chief Financial Officer</p> <p><i>(Signatures and Stamp)</i></p> <p><i>(Circular Stamp: S. R. Batliboi &amp; Co. LLP, Kolkata)</i></p> <p><i>(Signature: D. K. Mantri)</i></p> <p><i>(Signature: N. K. Baluti)</i> Chief Financial Officer</p>	



**PILANI INVESTMENT AND  
INDUSTRIES  
CORPORATION LIMITED**

**68<sup>th</sup>**  
**ANNUAL REPORT  
AND ACCOUNTS  
2014 - 2015**

***DIRECTORS***

SHRI B. K. BIRLA  
SHRI KUMAR MANGALAM BIRLA  
SHRI D. K. MANTRI  
SHRI A. V. JALAN  
SHRI K. K. DAGA  
SMT. SUCHARITA BASU DE  
SHRI R. A. MAKHARIA  
– Executive Director

***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](http://www.pilaniinvestment.com)  
Email : [pilaniinvestment1@gmail.com](mailto:pilaniinvestment1@gmail.com)

Notice for 68th Annual  
General Meeting is being  
sent separately through  
Speed Post/Registered  
Post as required under the  
Companies Act, 2013 and  
Rules made thereunder

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**DIRECTORS' REPORT**

## TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting the 68<sup>th</sup> Annual Report of the Company along with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2015. The Financial Results for the year are shown below :-

**FINANCIAL RESULTS**

	<i>(Amount in ₹ '000)</i>	
	<b>2014-2015</b>	<b>2013-2014</b>
Profit from operations, Dividend, Interest and Rent Income	<b>4,43,593</b>	6,39,441
Less: Depreciation	<b>1,346</b>	1,579
Profit before tax	<b>4,42,247</b>	6,37,862
Less: Provision for taxation	<b>31,000</b>	38,197
Add : MAT credit entitlement	<b>12,493</b>	—
Profit after taxation	<b>4,24,190</b>	5,99,665
Add: Balance brought down	<b>17,38,375</b>	16,89,966
Profit available for appropriation	<b>21,62,565</b>	22,89,631
Appropriations :		
Special Reserve	<b>84,838</b>	1,19,935
Proposed Dividend	<b>1,97,719</b>	1,97,719
Corporate Dividend Tax	<b>40,251</b>	33,602
General Reserve	<b>1,00,000</b>	2,00,000
Balance carried forward	<b>17,39,757</b>	17,38,375
	<b>21,62,565</b>	22,89,631

The profitability of the Company for the year under review appears less, the reason being less dividend received in the current year. International Markets were not favourable and disappointments on macro front locally were the major factors affecting the capital markets. In order to control high inflation, RBI has continued tighter monetary policies resulting in higher interest rates on the borrowings by the various Companies affecting their margins. The economy has grown by about 5% in 2014-2015 and RBI has pegged the GDP growth for the current fiscal year at the same level.

There is no change in the nature of the business of the Company. There were no significant orders passed by regulators neither there were any material changes and commitments effecting the financial position of the company.



## **DIRECTORS' REPORT — (Contd.)**

The company has in place an internal 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, 2015 as against ₹ 25/- (Rupees Twenty Five only) equivalent to 250% (two hundred fifty percent) paid in the previous year on the equity shares of ₹ 10/- each. 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.

### **DIRECTORS**

During the year Shri P. K. Khaitan, Non Executive Independent Director of the Company had resigned with effect from 29th May, 2014 to comply with the provisions of Section 165 of the Companies Act 2013.

The Board of Directors at their meeting held on 13th August, 2014 appointed Smt. Sucharita Basu De as an Additional Director and Independent Non-Executive Director of the Company with effect from 13th August, 2014. Smt. Sucharita Basu De holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment. Details of the proposal for the appointment of Smt. Sucharita Basu De as an Independent Director are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the 68th Annual General Meeting of the Company. Her appointment is appropriate and in the best interest of the Company.

Shri Kumar Mangalam Birla will be retiring at the ensuing Annual General Meeting and being eligible, offers himself for being re-elected.

All the Independent Directors of the Company had a separate meeting on 30th December 2014 to review the performance of the Executive Director and also carried out the collective evaluation of the Board. Further the Board evaluated the performance of the Executive Director, Independent Directors Committees of the Board and of its own. The overall outcome from the evaluation was that the Board and its Independent Directors have performed effectively.

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.

All directors including Independent Directors and Key Managerial Personnel of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the



## **DIRECTORS' REPORT — (Contd.)**

company and the declaration in this regard is made by the Executive Director which forms a part of this report as an Annexure.

The details of numbers and dates of Board Meetings and Committee Meetings including attendance of Directors is given in the attached Corporate Governance Report.

## **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 2.1 of the 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, 2015 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.

## **EXTRACT OF ANNUAL RETURN**

The extract of Annual Return is attached as Annexure - A in the prescribed form MGT - 9, which forms part of this report.

## **KEY MANAGERIAL PERSONNEL**

In compliance of section of 203 of the Companies Act, 2013 Shri N. K. Baheti had been appointed as the Chief Financial Officer of the Company with effect from 29th January 2015.

Remuneration and other details of the key managerial personnel for the year ended 31st March 2015 are mentioned in the Extract of the Annual Return which is attached as Annexure - A and forms a 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. Information on transactions with Related Parties are given in prescribed form

## **DIRECTORS' REPORT — (Contd.)**

AOC - 2 and the same forms part of this report.

### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises of Shri D. K. Mantri, Shri K. K. Daga, Shri A. V. Jalan and Smt. Sucharita Basu De as members. The Company Secretary is acting as the Secretary of the Committee. The Executive Director and the Chief Financial Officer are permanent invitees to the meeting to give clarification 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).

The details of terms of reference of the Audit Committee and other details relating to number of meetings and dates on which held including the attendance of each member are given separately in the attached Corporate Governance Report.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Board comprises of Shri D. K. Mantri, Shri K. K. Daga and Shri A.V. Jalan. 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 of the same is available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com), and is attached as Annexure - B and forms part of this Report.

The details of terms of reference of the Nomination and Remuneration Committee and other details relating to number of meetings and dates on which held including the attendance of each member are given separately in the attached Corporate Governance Report.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee (CSR Committee) of the Board comprises of Shri B. K. Birla, Shri D. K. Mantri and Shri R. A. Makharia. 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 attached as Annexure - C and forms part of this Report.

The details of terms of reference of the Corporate Social Responsibility Committee and other details relating to number of meetings and dates on which held including the attendance of each member are given separately in the attached Corporate Governance Report.

During the year your Company had contributed ₹109.00 lacs 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.

### **SECRETARIAL AUDIT**

In compliance with the provisions of Section 204 of the Companies Act, 2013, a Secretarial Audit was

## **DIRECTORS' REPORT — (Contd.)**

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. There are no qualifications/observations/remarks made by the Secretarial Auditor in his 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 Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

### **SUBSIDIARY COMPANY**

The Audited Accounts and Directors' Report of the subsidiaries are annexed hereto.

### **AUDITORS**

S.R. Batliboi & Co. LLP, the Statutory Auditors of the Company had been reappointed as the Statutory Auditors of the Company for period of three years at the 67th Annual General Meeting held on 29th August 2014. At the ensuing Annual General Meeting the appointment of the Statutory Auditors will be ratified.

### **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 and 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 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, 1998.

### **CONSOLIDATED FINANCIAL STATEMENT**

The Consolidated Financial Statements have not been prepared by the Company due to non-availability of accounts of one of the Associate Companies.

### **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.

## **DIRECTORS' REPORT — (Contd.)**

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 2006-2007 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.

Kolkata  
May 27, 2015

For and on behalf of the Board of Directors  
**R. A. MAKHARIA**      **B. K. BIRLA**      **D. K. MANTRI**  
*Executive Director*      *Director*      *Director*

## **ADDENDUM TO DIRECTOR'S REPORT DATED 27<sup>TH</sup> MAY, 2015**

### **LISTING OF EQUITY SHARES**

The Company has made an application to list its equity shares with The Calcutta Stock Exchange Limited and National Stock Exchange of India Limited since Madhya Pradesh Stock Exchange (MPSE) and Delhi Stock Exchange (DSE) where the equity shares of the company were originally listed have been derecognized by SEBI.

### **DIRECTOR**

The Board of Directors, at their meeting held on 13<sup>th</sup> August, 2014 had appointed Smt. Sucharita Basu De as an Additional Director and Independent Non Executive Director with effect from 13<sup>th</sup> August, 2014. Although Smt. Sucharita Basu De holds office upto the date of the forthcoming Annual General Meeting but she has resigned from the Board of the Company with effect from 14<sup>th</sup> September, 2015.

### **CONSOLIDATED FINANCIAL STATEMENTS**

The Audited Consolidated Financial Statements have been prepared by the Company and the same forms part of the Annual Report.

For and on behalf of the Board of Directors  
  
Kolkata      **R.A. MAKHARIA**      **D.K. MANTRI**  
November 6, 2015      *Executive Director*      *Director*

**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 ₹ '000s )

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	31.03.2015	31.03.2015	31.03.2015
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	720	500	500
5.	Reserves & Surplus	-	4632	9618
6.	Total Assets	-	32060	44988
7.	Total Liabilities	-	32060	44988
8.	Investments	-	4800	44601
9.	Turnover	-	741	4487
10.	Profit before taxation	-	1476	4454
11.	Provision for taxation	-	101	-
12.	Profit after taxation	-	1375	4454
13.	Proposed Dividend	-	-	-
14.	% of shareholding	96.83%	100%	100%

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

- Names of subsidiaries which are yet to commence operations : NIL
- 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 ₹ 000s)

<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>	31.03.2015	31.03.2015
<b>2. Shares of Associate/Joint Ventures held by the company on year end</b>	24.91%	33.71%
No. of Shares	27338750	34220520
Amount of Investment in Associates /Joint Venture	16,82,442	15,85,751
Extend of Holding %	24.91%	33.71%
<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>	The Annual Accounts of the Company for the year 2014-2015 is awaited.	NIL
<b>5. Networth attributable to Shareholding as per latest Audited Balance Sheet</b>	N. A.	18,73,940
<b>6. Profit/Loss for the year</b>		
i. Considered in Consolidation	N. A.	
ii. Not Considered in Consolidation	N. A.	—

- Names of associates or joint ventures which are yet to commence operations - NIL
- 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 27, 2015

**R. A. MAKHARIA**  
Executive Director

**B. K. BIRLA**  
Director

**D. K. MANTRI**  
Director

**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 27, 2015

**R. A. MAKHARIA**  
*Executive Director*

**B. K. BIRLA**  
*Director*

**D. K. MANTRI**  
*Director*



## Form No. MGT - 9

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31<sup>st</sup> March, 2015

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

## I. REGISTRATION AND OTHER DETAILS:

- i) CIN : 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) Madhya Pradesh Stock Exchange Limited  
b) Delhi Stock Exchange 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 -**

S. 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	33.71	2(6)
2	Kesoram Industries Limited Birla Building, 9/1, R. N. Mukherjee Road, Kolkata - 700 001	L17119WB1919PLC003429	Associate	24.91	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....	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>

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	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>19350</b>	<b>450</b>	<b>19800</b>	<b>0.25</b>	<b>19350</b>	<b>450</b>	<b>19800</b>	<b>0.25</b>	<b>0</b>
<b>2.Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	653137	1983087	2636224	33.33	600516	1983087	2583603	32.67	-0.66
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	460340	98482	558822	7.06	478908	91006	569914	7.21	0.14
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	105500	0	105500	1.34	143103	0	143103	1.80	0.46

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	12257	788	13045	0.16	16509	788	17297	0.22	0.06
2. Clearing Mem.	2661	0	2661	0.03	2435	0	2435	0.03	0
3. Trust	21282	0	21282	0.27	21182	0	21182	0.27	0
4. Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2)</b>	<b>1255177</b>	<b>2082357</b>	<b>3337534</b>	<b>42.20</b>	<b>1262653</b>	<b>2074881</b>	<b>3337534</b>	<b>42.20</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>1274527</b>	<b>2082807</b>	<b>3357334</b>	<b>42.45</b>	<b>1282003</b>	<b>2075331</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>5825943</b>	<b>2082807</b>	<b>7908750</b>	<b>100.00</b>	<b>5833419</b>	<b>2075331</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	Parvati Tea Co. Pvt. 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

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	
	<b>For Each of the Top 10 Shareholders</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
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	246500	3.11		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			246500	3.11
4.	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



PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	<b>For Each of the Top 10 Shareholders</b>	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	Hindustan Composites Limited				
	a) At the beginning of the year	124500	1.57		
	b) Changes during the year			Sale/Transfer - 124500	
	c) At the end of the year			0	0
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.	Pavankumar Sanwormal				
	a) At the beginning of the year	0	0		
	b) Changes during the year			Purchase - 50603	
	c) At the end of the year			50603	0.63
9.	Sunil Bhagwatlal Dalal				
	a) At the beginning of the year	40500	0.51		
	b) Changes during the year			Sale/Transfer - 40500	
	c) At the end of the year			0	0
10.	Golu Merchandise Pvt. Ltd.				
	a) At the beginning of the year	35753	0.45		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			35753	0.45
11.	Rajkumar Nevetia				
	a) At the beginning of the year	35000	0.44		
	b) Changes during the year			Purchase - 27500	
	c) At the end of the year			62500	0.79
12.	Man Made Fibres Private Limited				
	a) At the beginning of the year	0	0		
	b) Changes during the year			Purchase - 32750	
	c) At the end of the year			32750	0.41

**(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 B. K. Birla	0	0	0	0
2.	Shri Kumar Mangalam Birla	0	0	0	0
3.	Shri D. K. Mantri	0	0	0	0
4.	Shri K. K. Daga	0	0	0	0
5.	Shri A. V. Jalan	0	0	0	0
6.	Smt. Sucharita Basu De	0	0	0	0
7.	Shri R. A. Makharia	0	0	0	0
8.	Shri N. K. Baheti	0	0	0	0
9.	Shri R. S. Kashyap	0	0	0	0

**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 01.04.2014				
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 31.03.2015				
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 ₹ '000)

**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	Total Amount
1.	Gross Salary		
	(a) Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	7,069	
	(b) Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	540	
	(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	100	7,709
	<b>TOTAL (A)</b>		<b>7,709</b>
	Ceiling as per the Act.		21,209

**B. Remuneration to other directors:**

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

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

Fee for attending Board/Committee meetings	420
Commission	NIL
Others, please specify	NIL
<b>TOTAL (1)</b>	<b>420</b>

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

Fee for attending Board/Committee meetings	300
Commission	NIL
Others, please specify	NIL
<b>TOTAL (2)</b>	<b>300</b>

**Total (B) = (1 + 2)** **720**

Total Managerial Remuneration **720**

Overall ceiling as per the Act 4,242

## 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	1,111	458	1,569
	(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.	95	42	137
<b>TOTAL (A)</b>		<b>1,206</b>	<b>500</b>	<b>1,706</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 - B**

**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 ₹000s

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 and Shri R. A. Makharia

3. Average net profit of the company for the last three financial years : 5,44,372
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : 10,887
5. Details of CSR spent during the financial year;
- (a) Total amount to be spent for the financial year : 10,887
- (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)
S. 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 <b>Sub-heads :</b> (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>5,300</b>
2	Promoting of Home & Hostel for Women & Orphans	Promoting of Home & Hostel for Women & Orphans	-	-	-	-	<b>1,100</b>

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3	Making available safe drinking water	Making available safe drinking water	–	–	–	–	<b>500</b>
4	Enhancing Vocational skills and livelihood enhancement projects	Enhancing Vocational skills and livelihood enhancement projects	–	–	–	–	<b>2,450</b>
5	Animal Welfare	Animal Welfare	–	–	–	–	<b>1,350</b>
6	Upliftment of Socially and economically backward groups	Upliftment of Socially and economically backward groups	–	–	–	–	<b>100</b>
7	Rural Development Projects	Rural Development Projects	–	–	–	–	<b>100</b>
		<b>TOTAL</b>					<b>10,900</b>

\* CSR expenditure made through various trusts.

6. 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.

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

**R. A. Makharja**  
Executive Director

**B. K. Birla**  
(Chairman CSR Committee)

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015*

*[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 me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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, 2015 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, 2015 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 Companies Act and dealing with client.
- (v) RBI – Prudential norms / forms for NBFC - NDSI and the rules made thereunder
- (vi) The Employee's Provident Funds and Miscellaneous Provisions Act, 1952.

We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with Madhya Pradesh Stock Exchange and Delhi stock Exchange Association Ltd. Further, the equity shares of the company are being traded under permitted categories at Bombay Stock Exchange Limited.

We further report that,

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 to schedule the Board Meetings, agenda, and detailed notes on agenda were sent at last seven days 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 applied to the Calcutta Stock Exchange Limited for listing of its equity shares with them through Madhya Pradesh Stock Exchange, which is under process.

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

*Company Secretaries*

*K.C. Dhanuka*

*Proprietor*

*FCS-2204, CP-1247*

Kolkata

May 22, 2015

## ANNEXURE- F

**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;	14.28 : 7.85			
(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 – 14.23% Shri N. K. Baheti, Chief Financial Officer-11.82% Shri R. S. Kashyap, Company Secretary-11.53%			
(iii) The percentage increase in the median remuneration of employees in the financial year	: 9.76%			
(iv) The number of permanent employees on the rolls of company	: 5 employees as on 31.03.2015			
(v) The explanation on the relationship between average increase in remuneration and company performance;	Average increase in remuneration of all employees including Executive Director was 13% which is based on the results of the Company and higher responsibilities.			
(vi) Comparison of the remuneration of the Key Managerial Personnel against the Performance of the company;	The average increase in the remuneration of the Chief Financial Officer and Company Secretary are 11.67%. Increase in the remuneration of Executive Director is higher due to higher and additional responsibilities taken up by him.			
(vii) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year	<table><tr><td>As on 31.03.14 Share Price : 1061</td><td>As on 31.03.15 1307</td><td>% increase 23.19%</td></tr></table>	As on 31.03.14 Share Price : 1061	As on 31.03.15 1307	% increase 23.19%
As on 31.03.14 Share Price : 1061	As on 31.03.15 1307	% increase 23.19%		



and previous financial year and percentage increase over decrease in the market quotations of shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

The Company has not made any public issue or rights issue of securities. So comparison has not been made of current share price with public offer price.

The shares of the Company are listed at Madhya Pradesh and Delhi Stock Exchanges.

- |  |  |
|--|--|
| (viii) 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 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-manual employees is 7.85%  |
|  | 2. Average salary increase of increase in the managerial persons is 11.67%   |
| (ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;   | : same as in (vi) above  |
| (x) The key parameters for any variable component of remuneration availed by the directors;  | :  |
| (xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year   | The Executive Director is the highest paid Director. No employee received remuneration higher than the Executive Director. |
| (xii) Affirmation that the remuneration is as per the remuneration policy of the company.  | Remuneration paid during the Year ended 31 <sup>st</sup> March, 2015 is as per the Remuneration Policy of the Company.     |

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PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

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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	77	NIL	Executive Director/ Head of Company Operation	7,708,762	M.A., B.Com., LLB	57 Years	30.07.1975	President & Chief Executive, Secretary of Jiyajeerao Cotton Mills Ltd. (32 Years.)

**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 as per clause 49 of the Listing Agreement with the Stock Exchanges 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 seven members consisting of six Non-Executive Directors who account for eighty six 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	11	—	—
Shri P. K. Khaitan <sup>@</sup> (DIN : 00004821)	Non-Executive*	NA	NA	NA	NA
Shri D. K. Mantri (DIN : 00075664)	Non-Executive*	3	16	—	—
Shri A. V. Jalan (DIN : 01455782)	Non-Executive	2	11	—	—
Shri K. K. Daga (DIN : 00897823)	Non-Executive*	2	1	—	—
Shri R. A. Makharia (DIN : 00103430)	Executive***	1	—	—	—
Smt. Sucharita Basu De <sup>\$</sup> (DIN : 06921540)	Non Executive*	9	—	—	—

\* Also independent

\*\* Private companies and companies under Section 8 of the Companies Act, 2013.

\*\*\* Shri R. A. Makharia is the Managing Director, designated as Executive Director of the Company.

# Only the two committees viz. the Audit Committee and the Stakeholders Relationship Committee are considered for this purpose.

@ Shri P. K. Khaitan resigned from the Board with effect from 29th May, 2014.

\$ Smt. Sucharita Basu De had been appointed as an Additional Director with effect from 13th August 2014.

– None of the Directors of the Company hold any Equity Shares in the Company.

– 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 2014-2015 Sittings fees for attending Meetings of the Board and/or committee thereof (All figures in ₹)
Shri B. K. Birla		1,20,000
Shri Kumar Mangalam Birla		20,000
Shri P. K. Khaitan		–
Shri D. K. Mantri		2,00,000
Shri A. V. Jalan		1,60,000
Shri K. K. Daga		1,80,000
Shri R. A. Makharia		1,00,000
Smt. Sucharita Basu De		40,000
Executive Director	Remuneration	Benefits and perquisites including ₹ 6,32,210/- being rent
Shri R. A. Makharia		₹ 44,80,128/-
		₹ 32,28,634/-

Note : 1. No commission is paid to any Directors.

2. Smt. Sucharita Basu De is an associate partner in Khaitan & Co. LLP and renders professional services to the Company and a sum of ₹ 7,57,992/- has been paid towards Professional services to Khaitan & Co. LLP during the year 2014-2015.

**(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, 2015.  
These were held on :

(1) 27-05-2014	(2) 13-08-2014	(3) 12-11-2014
(4) 10-12-2014	(5) 29-01-2015	

- b. The attendance record of each of the Directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2015 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	5	No
Shri Kumar Mangalam Birla	1	No
Shri P. K. Khaitan	N.A.	N.A.
Shri D. K. Mantri	4	Yes
Shri A. V. Jalan	4	Yes
Shri K. K. Daga	4	Yes
Shri R. A. Makharia	4	Yes
Smt. Sucharita Basu De	1	Yes

- 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 30th December, 2014 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 2014-2015. 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.V. Jalan (3) Shri K.K. Daga (4) Smt. Sucharita Basu De  
Shri D.K. Mantri, Shri K.K. Daga and Smt. Sucharita Basu De being Independent Non-Executive Directors.
- (ii) Audit Committee meetings were held on 27-05-2014, 13-08-2014, 12-11-2014 and 29-01-2015. 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 P. K. Khaitan	N.A.
Shri D. K. Mantri	4
Shri A. V. Jalan	4
Shri K. K. Daga	4
Smt. Sucharita Basu De	—

- (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 Clause 49 of listing agreement of the Stock Exchanges as prescribed by SEBI 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 recommended / review remuneration of the Managing Director and/or Wholetime Directors as per requirement. However the Company has only one Executive Director.

The Committee comprises of Shri D. K. Mantri, Shri K. K. Daga and Shri A. V. Jalan - Non Executive Directors of the Company.

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Clause 49(IV) of the Revised Listing Agreement with the Stock Exchanges and Section 178 of the Companies Act, 2013.

During the financial year ended on 31st March 2015, one meeting was held on 30th December 2014 and all Committee Members were present at the meeting.

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 and Shri R. A. Makharia. 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 for 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 Boards' 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 31st March, 2015, two meetings were held on 30th December 2014 and 29th January 2015 and all the Committee members were present at both the meetings.

#### **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, 2015, NIL investors complaints/queries were received and as on 31<sup>st</sup> March, 2015 there were no complaints/queries pending reply. There were 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>D a t e</u>	<u>Type</u>	<u>Location</u>	<u>Time</u>
2011-2012	31.08.2012	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.
2012-2013	23.08.2013	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.
2013-2014	29.08.2014	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. 25 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 as per the revised Clause 49 of the Listing Agreement. Some of the non mandatory requirements have also been complied with.
- (iv) The Company has in place Whistle Blower Policy (Vigil Mechanism) which is also available on Company's website [www.pilaniinvestment.com/images/Pilani-Whistle Blower Policy.pdf](http://www.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_Policy.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 CEO and the CFO of the Company had certified to the Board with regard to the compliance made by them in terms of Clause 49 (ix) of the Listing Agreement and 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 : Friday, 18<sup>th</sup> September, 2015  
Venue : Birla Building, 9/1 R.N. Mukherjee  
Road, Kolkata – 700001  
Time : 3.00 P.M.



- (ii) Financial Calendar (tentative) for the year 2015-16 :
- |   |   |  |
|---|---|--|
| First Quarterly Results   | : | On or before 14 <sup>th</sup> August, 2015   |
| Second Quarterly Results  | : | On or before 14 <sup>th</sup> November, 2015 |
| Third Quarterly Results   | : | On or before 14 <sup>th</sup> February, 2016 |
| Fourth Quarterly Results / Audited Yearly Results for the Year ended 31 <sup>st</sup> March, 2016 | : | Before end of May, 2016                      |
- (iii) Date of Book Closure : 12<sup>th</sup> September, 2015 to 18<sup>th</sup> September, 2015 (Both days inclusive)
- (iv) Date of Dividend payment : On or after 28<sup>th</sup> September, 2015
- (v) Information pertaining to the Stock Exchanges :
- (a) The Equity Shares of the Company are listed at the following Stock Exchanges :
- Madhya Pradesh Stock Exchange, 201 Palika Plaza-II, M T H Compound, Indore – 452001 (M.P.) Stock Code No. : N.A.
  - Delhi Stock Exchange Association Ltd., DSE House, 3/1 Asaf Ali Road, New Delhi – 110002. Stock Code No. : DSE 16074
- The equity shares of the Company are being traded under permitted categories at Bombay Stock Exchange Limited.
- Note: Listing fees for the year 2015-2016 have been paid to 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 Pvt. Ltd., D-511, Bagree Market, 71, B.R.B.Basu Road, Kolkata – 700001, Phone Nos. (033) 22357270/22357271, E-mail : 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 Bombay Stock Exchange Ltd. during the financial year 2014-15 are as under :

Month	High ₹	Low ₹	Volume (In Nos.)
April 2014	1350	1100	3749
May 2014	1425	1159	8918
June 2014	1624	1414	12925
July 2014	1575	1361	8128
Aug. 2014	1530	1416	4532
Sept. 2014	1585	1430	11660
Oct. 2014	1500	1400	4158
Nov. 2014	1519	1392	7047
Dec. 2014	1519	1361	7736
Jan. 2015	1496	1351	4936
Feb. 2015	1500	1345	5848
Mar. 2015	1423	1250	9539

(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, 2015

(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	4750	3,72,904	4.71
2.	501 to 1,000	141	1,04,285	1.32
3.	1,001 to 2,000	64	89,989	1.14
4.	2,001 to 3,000	13	33,362	0.42
5.	3,001 to 4,000	9	32,187	0.40
6.	4,001 to 5,000	4	18,499	0.24
7.	5,001 to 10,000	10	71,300	0.90
8.	10,001 to 20,000	9	1,37,136	1.73
9.	20,001 to 50,000	3	98,503	1.25
10.	50,001 to 1,00,000	4	2,34,560	2.97
11.	1,00,001 and above	7	67,16,025	84.92
	<b>Total</b>	<b>5014</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	0.20	45,51,416	57.55
2.	Resident Individuals	4708	93.90	7,13,017	9.02
3.	Private Corporate Bodies	207	4.13	25,83,603	32.67
4.	Financial Institutions/ Nationalised Banks	3	0.05	19,800	0.25
5.	Mutual Funds & Insurance	—	—	—	—
6.	FIIS	—	—	—	—
7.	NRI and OCBs	30	0.60	17,297	0.22
8.	Others	56	1.12	23,617	0.29
	<b>Total</b>	<b>5014</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, 2015, 58,33,419 Company's Equity shares representing 73.76% of the Company's total Equity Shares were held in dematerialized form and balance 20,75,331 Equity Shares representing 26.24% 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 : 033-3057 3700 / 3041 0900 (Extn. 2439)

For and on behalf of the Board of Directors

Kolkata  
May 27, 2015

**R. A. MAKHARIA**  
*Executive Director*

**B. K. BIRLA**  
*Director*

**D. K. MANTRI**  
*Director*

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### **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 2014-15 in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

May 27, 2015

R.A. Makharia  
*Executive Director*

**ADDENDUM TO REPORT ON CORPORATE GOVERNANCE DATED 27<sup>TH</sup> MAY, 2015**

The Company was unable to prepare its Audited Consolidated Financial Statements for the year 2014-2015 due to non availability of the audited accounts of one of its Associate Company and hence the same could not be approved at the Board Meeting held on 27<sup>th</sup> May, 2015. The reason cited above had compelled the Company to make an application with Registrar of Companies, West Bengal seeking extension of time to hold the 68<sup>th</sup> Annual General Meeting of the Company by three months which was kindly granted by the Registrar of Companies, West Bengal. In lieu of that, the information required to be given at Point No. M [(i), (ii), (iii) and (iv)] could not be materialized. However the same information is being annexed as addendum to the Report on Corporate Governance dated 27<sup>th</sup> May, 2015 which reads as follows:-

(i) Annual General Meeting to be held:

Day & Date	: Monday, 21 <sup>st</sup> December, 2015
Venue	: Birla Building, 9/1 R.N. Mukherjee Road, Kolkata – 700001
Time	: 3 P.M.

(ii) Financial Calendar (tentative) for the year 2015-16:

First Quarterly Results	: On or before 14 <sup>th</sup> August, 2015
Second Quarterly Results	: On or before 14 <sup>th</sup> November, 2015
Third Quarterly Results	: On or before 14 <sup>th</sup> February, 2016
Fourth Quarterly Results / Audited Yearly Results for the year ended 31 <sup>st</sup> March, 2016	: Before end of May, 2016

(iii) Date of Book Closure : 15<sup>th</sup> December, 2015 to 21<sup>st</sup> December  
2015 (Both days inclusive)

(iv) Date of Dividend payment : On or after 28<sup>th</sup> December, 2015

For and on behalf of the Board of Directors

Kolkata  
November 6, 2015

**R.A. MAKHARIA**  
Executive Director

**D.K. MANTRI**  
Director

**CEO/CFO CERTIFICATE UNDER CLAUSE 49(IX)**

We hereby certify to the Board that :-

- a. We have reviewed financial statement and the cash flow statement for the financial year 2014-15 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 2014-15 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 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. A. Makharia  
*Executive Director*

Kolkata  
May 27, 2015

## **AUDITORS' CERTIFICATE**

TO THE MEMBERS OF PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

We have examined the compliance of conditions of Corporate Governance by **PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED**, for the year ended 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For **S. R. BATLIBOI & CO. LLP**  
*Chartered Accountants*  
*Firm registration No. 301003E*  
Per **Kamal Agarwal**  
*Partner*  
*Membership No. 058652*

Place : Kolkata  
Dated : May 27, 2015

## **INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying Financial Statements of **PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 2015, 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 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 judgements 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 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 judgement, 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 gives true & 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to

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

provide a basis for our qualified audit opinion.

### **Basis for qualified opinion**

- a) *As indicated in Note 19 to the financial statements, no provision has been made in respect of deposit of ₹ 6928 thousands 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 the Hon'ble Bombay High Court. Consequently, we are unable to comment on the effect of the above on the financial statements.*
- b) *As indicated in Note 29 to the Financial Statements, the investments of the Company has exceeded the limits as per the concentration/investment norms as provided in paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 (as amended) for which the Company has applied to the Reserve Bank of India seeking exemption from complying with the aforesaid norms up to 31st March, 2016. Also the Company is in the process of making fresh application for its conversion from Non - Banking Financial Company to Core Investment Company. Pending such exemption/ approval, we are unable to comment on the possible effects of the above on the financial statements.*

*Our audit opinion on the financial statements for the previous year was also qualified in the 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, *except for the possible effect of the matters stated in the Basis for Qualified Opinion paragraph*, above 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 March 31, 2015, 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, 2015 ("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 obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes 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 the law have been kept by the company so far as appears from our examination of those books;
  - c. The Balance Sheet, the 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



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

paragraph, 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. The matter described in the Basis for Qualified Opinion paragraph, in our opinion, may have an adverse effect on the functioning of the company.
- f. On the basis of written representation received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as director in terms of section 164(2) of the Companies Act, 2013;
- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the 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 and 19 to the 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 no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S. R. BATLIBOI & CO. LLP**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 301003E

Per **Kamal Agarwal**  
Partner  
Membership No. 058652

Place : Kolkata  
Dated : May 27, 2015

## **ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

**(REFERRED TO IN OUR REPORT OF EVEN DATE TO THE MEMBERS OF PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2015)**

- (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 identified on such verification.
- (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 information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of clauses 3(iii) (a) and (b) 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 is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.  
  
The Company has not made any purchase of inventory or sale of goods during the year and hence, this clause is not applicable with respect to the above areas.
- (v) The Company has not accepted any deposit from the public.
- (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 is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax, cess and other material

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

statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues outstanding of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute, are as follows :-

<b><i>Name of the Statute</i></b>	<b><i>Nature of dues</i></b>	<b><i>Amount (₹ in 000s)</i></b>	<b><i>Period to which the amount relates</i></b>	<b><i>Forum where Dispute is pending</i></b>
Income Tax Act, 1961	Income tax on certain disallowances etc.	33,967	2008-09, 2009-10 & 2010-11	CIT (Appeals) Kolkata

- (d) According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) The Company has no outstanding dues in respect of financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the informations and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S. R. BATLIBOI & CO. LLP**  
Chartered Accountants  
Firm Registration Number : 301003E

Per **Kamal Agarwal**  
Partner  
Membership No. 058652

Place : Kolkata  
Date : May 27, 2015

**BALANCE SHEET AS AT 31ST MARCH 2015**

	Notes	31st March, 2015 ₹ in '000s	31st March, 2014 ₹ in '000s
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
SHARE CAPITAL	3	79,088	79,088
RESERVES AND SURPLUS	4	85,50,170	83,63,949
		<u>86,29,258</u>	<u>84,43,037</u>
<b>NON-CURRENT LIABILITIES</b>			
LONG TERM PROVISIONS	5	200	190
		<u>200</u>	<u>190</u>
<b>CURRENT LIABILITIES</b>			
TRADE PAYABLES	6	5,458	599
OTHER CURRENT LIABILITIES	6	5,996	5,996
SHORT TERM PROVISIONS	5	2,54,007	2,50,668
		<u>2,65,461</u>	<u>2,57,263</u>
<b>Total</b>		<u><u>88,94,919</u></u>	<u><u>87,00,490</u></u>
<b>A S S E T S</b>			
<b>NON CURRENT ASSETS</b>			
<b>FIXED ASSETS</b>			
TANGIBLE ASSETS	7	305	421
NON CURRENT INVESTMENTS	8	65,95,793	65,92,231
LONG TERM LOANS AND ADVANCES	9	80,129	88,844
		<u>66,76,227</u>	<u>66,81,496</u>
<b>CURRENT ASSETS</b>			
CURRENT INVESTMENTS	10	14,84,673	13,48,538
TRADE RECEIVABLES	11.1	5,708	3,987
CASH AND BANK BALANCES	12	93,632	66,285
SHORT TERMS LOAN AND ADVANCES	9	6,00,099	6,00,184
OTHER CURRENT ASSETS	11.2	34,580	—
		<u>22,18,692</u>	<u>20,18,994</u>
<b>Total</b>		<u><u>88,94,919</u></u>	<u><u>87,00,490</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

Per **Kamal Agarwal**

Partner

Membership No. 058652

For and on behalf of the Board of Directors

**R. A. MAKHARIA** **B. K. BIRLA** **D. K. MANTRI**

Executive Director Director Director

**N. K. BAHETI**

Chief Financial Officer

**R. S. KASHYAP**

Company Secretary

Place : Kolkata

Dated : May 27, 2015

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015**

	Notes	31st March, 2015 ₹ in '000s	31st March, 2014 ₹ in '000s
<b>INCOME</b>			
Revenue from operations	13	5,05,291	6,39,242
Other Income	14	1,886	28,278
<b>Total Revenue (I)</b>		<b>5,07,177</b>	<b>6,67,520</b>
<b>EXPENSES</b>			
Employee benefits expenses	15	10,531	9,135
Depreciation and amortization expense	17	1,346	1,579
Other expenses	16	53,053	18,944
<b>Total Expenses (II)</b>		<b>64,930</b>	<b>29,658</b>
Profit before tax (I) - (II)		<b>4,42,247</b>	<b>6,37,862</b>
<b>Tax Expense :</b>			
Current Tax		31,000	38,197
MAT Credit Entitlement		(12,943)	—
<b>Total Tax Expenses</b>		<b>18,057</b>	<b>38,197</b>
Profit for the year		<b>4,24,190</b>	<b>5,99,665</b>
Earnings per Equity Shares [ Nominal Value of ₹ 10/- each (₹ 10/-)]			
<b>Basic &amp; Diluted (₹)</b>	24	<b>53.64</b>	<b>75.82</b>

**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  
Per **Kamal Agarwal**

Place : Kolkata  
Dated : May 27, 2015

Partner  
Membership No. 058652

For and on behalf of the Board of Directors  
**R. A. MAKHARIA** **B. K. BIRLA** **D. K. MANTRI**  
Executive Director Director Director

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

	2014 - 2015 ₹ in '000s	2013 - 2014 ₹ in '000s
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before tax</b>	<b>4,42,247</b>	6,37,862
Adjustment for :		
*Depreciation and amortization expenses	1,346	1,579
Provision for diminution in value of current investments no longer required written back	—	(28,054)
Provision for Non-Performing Assets written back	—	(61)
<b>Operating profit before working capital changes :</b>	<b>4,43,593</b>	6,11,326
Increase in Non-current provisions	10	29
(Decrease) / Increase in trade payables	4,859	(875)
Increase / (Decrease) in other current liabilities	(220)	514
Increase in Short-terms provisions	2006	1,822
(Increase) / Decrease in Non-current investments	(4,762)	(16,27,473)
Decrease / (Increase) in Non-current loans and advances	4,317	4,201
Decrease / (Increase) in Current investments	(1,36,135)	9,09,062
Decrease / (Increase) trade receivables	(1,721)	2,137
Decrease / (Increase) in short-term loans and advances	85	3,99,956
Decrease / (Increase) in Other Current Assets	(34,580)	15,879
<b>Cash generated from operations :</b>	<b>2,77,452</b>	3,16,578
Direct tax paid	(30,440)	(32,881)
<b>Net cash flow from operating activities</b>	<b>2,47,012</b>	2,83,697
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital Advance	11,464	8,713
Purchase of Fixed Assets	(28)	—
Fixed Deposit	(50,000)	—
<b>Net cash flow from / (used in) investing activities</b>	<b>(38,564)</b>	8,713

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015

	2014 - 2015 ₹ in '000s	2013 - 2014 ₹ in '000s
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend Paid	(197,499)	(197,171)
Tax on Dividend Paid	(33,602)	(33,602)
<b>Net cash flow from / (used in) Financing activities</b>	<b>(2,31,101)</b>	<b>(230,773)</b>
<b>D. NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS (A+B+C)</b>	<b>(22,653)</b>	<b>61,637</b>
<b>E. CASH &amp; CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>66,285</b>	<b>4,648</b>
<b>F. CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>43,632</b>	<b>66,285</b>
<b>Components of cash and cash equivalents as indicated in Note 12 comprises of :</b>		
Cash on hand	29	18
Balances with scheduled banks on current account*	13,523	4,598
Fixed Deposits with Banks	30,080	61,669
<b>Total</b>	<b>43,632</b>	<b>66,285</b>

\* Includes ₹ 4,012 thousands (31st March, 2014 ₹ 3,729 thousands) lying in Unpaid Dividend Account, not available for use by the Company.

Place : Kolkata	For <b>S. R. BATLIBOI &amp; CO. LLP</b> Chartered Accountants Firm registration No. 301003E Per <b>Kamal Agarwal</b> Partner	For and on behalf of the Board of Directors <b>R. A. MAKHARIA</b> <b>B. K. BIRLA</b> <b>D. K. MANTRI</b> Executive Director Director Director
Dated : May 27, 2015	Membership No. 058652	<b>N. K. BAHETI</b> Chief Financial Officer
		<b>R. S. KASHYAP</b> Company Secretary

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

### 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 Madhya Pradesh Stock Exchange and Delhi Stock Exchange Association limited in India. The company is mainly engaged in investing in group companies and 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 the directives prescribed by the Reserve Bank of India for Non-Banking Financial Companies. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

### 2.1 **Significant Accounting Policies :**

#### **Change in Accounting Policy**

#### **Depreciation on Fixed Assets**

Till the year ended 31st March 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective from 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of fixed assets.

Based on transitional provision given in Schedule II to the Companies Act, 2013, had there been no change in useful lives of fixed assets, the charge to the Statement of Profit & Loss would have been lower by ₹ 318 thousands.

#### (i) **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.

#### (ii) **Revenue Recognition**

##### **a. Dividend**

Dividend income is recognised when the shareholders' right to receive payment is established



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015**

by the balance sheet date. Dividend received from Overseas Companies is accounted for, net of tax deducted at source.

**b. Interest**

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

**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.

**(iii) Provisioning on Standard Assets**

In terms of Notification No. DNBS.223/CGM (US) -2011 dated 17th January 2011 issued by the Reserve Bank of India, contingent provision @0.25% on standard assets are made in the accounts.

**(iv) 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).

**(v) 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.

**(vi) 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.

**(vii) 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

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

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.

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.

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.

### (viii) **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.

### (ix) **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.

### (x) **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.

### (xi) **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

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

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 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 recognize 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.

(xii) **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

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015**

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.

**(xiii) 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.

**(xiv) 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 2015

	31st March, 2015 (₹ in 000s)	31st March, 2014 (₹ in 000s)
<b>3. SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
90,00,000 (90,00,000) Equity Shares of ₹ 10/- each	<b>90,000</b>	90,000
<b>Issued, Subscribed &amp; Fully Paid up Shares</b>		
79,08,750 (79,08,750) Equity Shares of ₹ 10/- each	<b>79,088</b>	79,088
	<b>79,088</b>	79,088

(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 2015, the amount of per share dividend recognised as distributions to shareholders was ₹ 25/- (₹ 25) per share.

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 equity shares held by the shareholders.

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

	31st March 2015		31st March 2014	
	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 2015**

<b>4. Reserve &amp; Surplus</b>	<b>31st March, 2015</b>	<b>31st March, 2014</b>
	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>
<b>Investment Reserve</b>		
Balance as per the last Financial Statements	34,60,082	37,63,998
Less : Transfer to General Reserve	—	3,03,916*
	<b>34,60,082</b>	<b>34,60,082</b>
<b>General Reserve</b>		
Balance as per the last Financial Statements	17,71,331	12,67,415
Add: Transfer from the statement of Profit & Loss	1,00,000	2,00,000
Add: Transfer from Investment Reserve	—	3,03,916*
	<b>18,71,331</b>	<b>17,71,331</b>
<b>Statutory Reserve</b>		
Balance as per the last Financial Statements	13,94,162	12,74,227
Add: Transfer from the statement of Profit & Loss	84,838	1,19,935
	<b>14,79,000</b>	<b>13,94,162</b>
<b>Surplus in the statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statements	17,38,375	16,89,966
Profit for the year	4,24,190	5,99,665
Less : Appropriations		
Proposed Equity Dividend	1,97,719	1,97,719
Tax on Proposed Dividend	40,251	33,602
Transfer to Statutory Reserve	84,838	1,19,935
Transfer to General Reserve	1,00,000	2,00,000
Surplus in the statement of Profit and Loss	<b>17,39,757</b>	<b>17,38,375</b>
<b>Total Reserves &amp; Surplus</b>	<b>85,50,170</b>	<b>83,63,949</b>

\*Represents withdrawal of Investment Reserve in respect of sale of certain investments during the year 2012-13, being the difference between the original cost and revalued amount of such investments.

<b>5. Provisions</b>	<b>Long Term</b>		<b>Short Term</b>	
	<b>31st March 2015</b>	<b>31st March 2014</b>	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>
<b>Provisions for Employee Benefits</b>				
Provision for Gratuity (Note 21)	200	190	9,773	8,188
Provision for Leave Benefits	—	—	3,240	2,819
	<b>200</b>	<b>190</b>	<b>13,013</b>	<b>11,007</b>
<b>Other Provisions</b>				
Provision for tax (net of advance tax & tax deducted at source ₹ 3,51,024 thousands 31st March 2014 ₹ 3,83,904 thousands)	—	—	276	5,592
Proposed Equity Dividend	—	—	1,97,719	1,97,719
Provision for tax on proposed Equity Dividend	—	—	40,251	33,602
Contingent Provisions against Standard Assets	—	—	2,748	2,748
	—	—	2,40,994	2,39,661
	<b>200</b>	<b>190</b>	<b>2,54,007</b>	<b>2,50,668</b>

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015**

	<b>31st March, 2015</b> <b>(₹ in 000s)</b>	<b>31st March, 2014</b> <b>(₹ in 000s)</b>
<b>6. Other Current Liabilities</b>		
Trade Payables (Refer Note 26)	<b>5,548</b>	599
<b>Other Liabilities</b>		
Payable to Employees	<b>972</b>	1,177
Investors Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividend	<b>4,012</b>	3,792
<b>Others</b>		
Security Deposits	<b>679</b>	679
Statutory Dues	<b>22</b>	42
Other-Miscellaneous	<b>311</b>	306
	<b>5,996</b>	5,996
	<b>11,454</b>	6,595

**7. Tangible Assets**

	<b>Furniture &amp; Fixtures</b>	<b>Office Equipments</b>	<b>Vehicles</b>	<b>(₹ in 000s) TOTAL</b>
<b>Cost or Valuation</b>				
<b>As at 1st April 2013</b>	193	8	780	981
<b>As at 31st March 2014</b>	<b>193</b>	<b>8</b>	<b>780</b>	<b>981</b>
Addition	—	28	—	28
<b>As at 31st March 2015</b>	<b>193</b>	<b>36</b>	<b>780</b>	<b>1,009</b>
<b>DEPRECIATION</b>				
<b>As at 1st April 2013</b>	<b>183</b>	<b>8</b>	<b>222</b>	<b>413</b>
Charge for the year	3	—	144	147
<b>As at 31st March 2014</b>	<b>186</b>	<b>8</b>	<b>366</b>	<b>560</b>
Charge for the year	—	7	137	144
<b>As at 31st March 2015</b>	<b>186</b>	<b>15</b>	<b>503</b>	<b>704</b>
<b>Net Block</b>				
<b>As at 31st March 2014</b>	<b>7</b>	<b>—</b>	<b>414</b>	<b>421</b>
<b>As at 31st March 2015</b>	<b>7</b>	<b>21</b>	<b>277</b>	<b>305</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015

			31st March, 2015 (₹ in 000s)	31st March, 2014 (₹ in 000s)
<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			14,032	7,000
Add : Additions during the year			4,764	7,520
Less : Disposals / deductions			—	488
<b>Sub Total (A)</b>			<b>18,796</b>	<b>14,032</b>
Depreciation as at 1st April 2014			6,510	5,523
Less : Disposals / Deductions			—	445
Add : Depreciation for the year			1,202	1,432
<b>Sub Total (B)</b>			<b>7,712</b>	<b>6,510</b>
<b>Net Block (A-B)</b>			<b>11,084</b>	<b>7,522</b>
<b>Non-Trade Investments (valued at cost)</b>				
<b>Unquoted equity instruments (Fully Paid)</b>	No. of shares	Face Value per share		
<b>In Subsidiaries</b>				
PIC Properties Limited	50,002	₹ 10	500	500
PIC Realcon Limited	50,000	₹ 10	500	500
<b>In Other Companies</b>				
Birla Building Limited	15,000	₹ 10	152	152
Birla Consultants Limited	12,000	₹ 10	120	120
Indo Thai Synthetics Co. Limited	207,900	Baht10	1,142	1,142
Indo Phil Textile Mills Inc., Manila	211,248	Pesos10	203	203
The Eastern Economist Limited	400	₹100	40	40
The Industry House Limited	2,812	₹100	189	189
			<b>2,846</b>	<b>2,846</b>
<b>Quoted Equity Instruments (Fully Paid)</b>				
<b>In Associates</b>				
Century Textiles & Industries Limited*	3,42,20,520	₹ 10	15,85,751	15,85,751
Kesoram Industries Limited*	2,73,38,750	₹ 10	16,82,442	16,82,442
<b>In Other Companies</b>				
Aditya Birla Nuvo Limited*	187,098	₹ 10	29,408	29,408
Aditya Birla Chemicals (India) Limited*	390,000	₹ 10	4,095	4,095
Grasim Industries Limited	43,00,293	₹ 10	6,14,777	6,14,777
Hindalco Industries Limited	2,91,85,398	₹ 1	18,36,332	18,36,332



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015**

			31st March, 2015 ( ₹in 000s)	31st March, 2014 ( ₹in 000s)
Jayshree Tea & Industries Limited	2,844	₹5	41	41
Kesoram Textile Mills Limited	2,415,750	₹2	604	604
Mangalam Cement Limited*	1,120,000	₹10	7,560	7,560
Tanfac Industries Limited*	498,000	₹10	5,627	5,627
Ultra Tech Cement Limited	2,457,309	₹10	8,07,328	8,07,328
Umi Special Steels Limited**	1,00,000	₹10	—	—
	(1,00,000)			
Zuari Global Limited	4,34,000	₹10	3,949	3,949
Zuari Agro Chemicals Limited	4,34,000	₹10	3,949	3,949
			<b>65,81,863</b>	65,81,863
			<b>65,95,793</b>	65,92,231
Aggregated Value of Investment Property			11,084	7,522
Aggregated Value of Quoted Investments			65,81,863	65,81,863
Aggregated Value of Unquoted Investments			2,846	2,846
Market Value of Quoted Investments			5,224,473	3,68,46,703
*Refer Note 20				
** net of provision for other than temporary diminution			170	170

**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)</b>		
<b>Equity Shares</b>		
Jiyajeerao Cotton Mills Limited	150	10
Kalyan Sundaram Cement Industries Limited	50,000	10
Saurashtra Chemicals Limited	1,65,874	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 2015

	<u>No. of Shares</u>	<u>Face Value (₹ per share)</u>
<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

**9. Loans and Advances**

	<u>Non-Current Portion</u>		<u>Current Portion</u>	
	<u>31st March 2015 (₹ in 000s)</u>	<u>31st March 2014 (₹ in 000s)</u>	<u>31st March 2015 (₹ in 000s)</u>	<u>31st March 2014 (₹ in 000s)</u>
<b>Capital Advances</b>				
Unsecured, Considered good	—	11,464	—	—
(A)	—	11,464	—	—
<b>Security Deposits</b>				
Unsecured, Considered good	2,549	2,549	—	—
(B)	2,549	2,549	—	—
<b>Loans</b>				
Unsecured, Considered good				
To Subsidiary Company (Interest Free)	39,666	43,984	—	—
To Bodies Corporate	—	—	6,00,000	6,00,000
(C)	39,666	43,984	6,00,000	6,00,000
<b>Advances recoverable in cash or in kind</b>	—	—	76	140
Unsecured, Considered good				
Unsecured, considered doubtful	1,665	1,665	—	—
	1,665	1,665	76	140
Less Provision for doubtful advances	1,665	1,665	—	—
(D)	—	—	76	140
<b>Other Loans and Advances</b>				
Unsecured, Considered good				
Advance income tax, Refund receivable (net of provision for taxation)	30,986	19,312	—	—
₹ 107,779 thousands (31.03.2014 ₹ 56,312 thousands)				

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015**

Prepaid Expenses	—	—	23	35
MAT Credit Entitlement	—	4,607	—	—
Loans to Employees	—	—	—	9
Deposits made against Demand Notice (Refer Note 19)	6,928	6,928	—	—
(E)	37,914	30,847	23	44
(A+B+C+D+E)	80,129	88,844	6,00,099	6,00,184

**10. Current Investments :**
**Trade Investments**
**Investments in Mutual Funds (Unquoted)  
(Valued at Lower of Cost or Fair Value)**

	No. of Units	Face Value per unit	31st March 2015 (₹ in 000s)	31st March, 2014 (₹ in 000s)
Birla Sunlife Cash Manager Fund-Growth	5,09,987 (5,09,987)	₹ 100	1,04,169	1,04,169
Birla Sunlife Saving Fund-Dividend	19,81,239 (18,56,813)	₹ 10	1,98,423	1,85,944
Birla Sunlife Cash Manager Fund - Div.	16,81,352 (12,85,003)	₹ 100	1,68,527	1,28,765
Birla Sunlife Saving Fund-Growth	57,193 (—)	₹ 10	15,000	—
DSP Black Rock Money Manager Fund - Div.	1,28,169 (1,20,799)	₹ 1000	1,28,679	1,21,278
HDFC Cash Managent Fund - Div.	86,37,038 (51,72,498)	₹ 10	86,642	51,888
HDFC Liquid Fund - Dividend	20,80,050 (22,66,187)	₹ 10	21,213	23,111
ICICI Prudential Fixed Maturity Plan Series 68	— (23,50,000)	₹ 10	—	23,500
ICICI Prudential Money Manager Fund-Growth	7,02,811 (7,02,811)	₹ 100	1,24,204	1,24,204
ICICI Prudential Regular Saving Fund - Div.	3,21,424 (3,03,202)	₹ 10	32,215	30,391
Kotak Floater Long Term Fund - Div.	33,01,243 (30,97,754)	₹ 10	33,259	31,225
Reliance Money Manager Fund - Div.	4,20,440 (4,00,663)	₹ 1000	4,20,733	4,01,217
Reliance Fixed Horizon Fund-Growth	— (23,50,000)	₹ 10	—	23,500
Reliance Liquid Fund-Growth	12,749 (12,749)	₹ 10	39,570	39,570
Reliance Money Manager Fund- Growth	14,213 (14,213)	₹ 1000	24,120	24,120
SBI Ultra Short Term Debts Fund-Growth	29,107 (—)	₹ 1000	50,000	—

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015**

	Nos. of Units	Face Value ₹ per unit	31st March 2015 (₹ in 000s)	31st March, 2014 (₹ in 000s)
Tata Treasury Advantage Fund-Div.	21,030 (19,796)	₹ 1000	21,208	19,964
UTI Treasury Advantage Fund - Div.	16,676 (15,659)	₹ 10	16,711	15,692
			<b>14,84,673</b>	<b>13,48,538</b>

**11. Trade Receivables and Other Assets****11.1 Trade Receivables****Unsecured, Considered good**

Outstanding for a period exceeding six months from the due date of payment

Other Debts

<b>Current</b>	
31st March 2015 (₹ in 000s)	31st March 2014 (₹ in 000s)
649	206
5,059	3,781
<b>5,708</b>	<b>3,987</b>

**11.2 Other Assets**

Unsecured, Considered good

Interest Accrued on Loans, Deposits

34,580	—
34,580	—
<b>40,288</b>	<b>3,987</b>

**12. Cash and Bank Balances****Cash and cash equivalents**

Balances with Banks

On Current Accounts

On Unpaid Dividend Account

Cash on Hand

Deposits with original maturity less than 3 months

9,511	806
4,012	3,792
29	18
<b>30,080</b>	<b>61,669</b>
<b>43,632</b>	<b>66,285</b>

**Other Bank Balances**

Deposits with original maturity for more than 12 months

50,000	—
50,000	—
<b>93,632</b>	<b>66,285</b>

**13. Revenue from Operations**

Dividend Income on

– Non Current Investments

– Current Investments

Profit on sale of current investments (Units of Mutual Fund)

3,36,931	3,60,982
66,335	73,919
4,654	90,795

**Interest Income**

– On Loans

– On Fixed Deposit with Banks

72,000	94,683
6,389	487

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015**

	<b>31st March 2015</b> <b>(₹ in 000s)</b>	<b>31st March 2014</b> <b>(₹ in 000s)</b>
<b>Other Operating Revenue</b>		
Rent Income	14,649	14,300
Service Charges	4,333	4,076
	<b>5,05,291</b>	<b>6,39,242</b>
<b>14. Other Income</b>		
Provision for diminution in value of current Investments no longer required written back	—	28,054
Miscellaneous Receipts	1,886	224
	<b>1,886</b>	<b>28,278</b>
<b>15. Employee Benefits Expenses</b>		
Salaries and Bonus	7,343	6,268
Gratuity (Refer Note 21)	1,594	1,462
Contribution to Provident and Other Funds	697	614
Staff Welfare Expenses	897	791
	<b>10,531</b>	<b>9,135</b>
<b>16. Other Expenses</b>		
Director's sitting Fees	921	787
Insurance Charges	9	12
Repairs & Maintenance (others)	17	17
CSR Expenses (as contribution to various trusts/societies)	10,900	—
Building Maintenance & Service Expenses	35,348	12,076
Rates & Taxes (Net)	2,138	2,167
Rent	740	692
Miscellaneous Expenses	2,428	2,667
Payment to Auditors		
As Auditors		
Audit Fee	215	215
Limited Review	129	109
In Other Capacity		
For Certification, etc.	130	135
For Expenses, etc.	78	67
	<b>53,053</b>	<b>18,944</b>
<b>17. Depreciation and Amortization Expense</b>		
Depreciation on Tangible Assets	144	147
Depreciation on Investment Property	1,202	1,432*
	<b>1,346</b>	<b>1,579</b>

\* includes ₹607 thousand in respect of earlier years

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015****18. 1. Capital & Other Commitments :**

- a) Uncalled liability on partly paid Shares held as Investments ₹ 3 thousands (₹ 3 thousands).

**2. Contingent Liabilities :**

Income Tax demands for earlier years aggregating to ₹ 36,149 thousands (₹ 33,642 thousands) disputed by the Company.

19. The Company has disputed the claim for recovery of ₹ 1,544 thousands 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, ₹ 6,928 thousands have been deposited with Debts Recovery Appellate Tribunal pursuant to Hon'ble Bombay High Court Order while admitting the writ petition filed by the Company. Pending the High Court judgment in the above matter, no provision against the above claim has been made in the accounts.

20. The Company has given undertaking to some Banks/Financial Institutions for non-disposal of its share holdings in the following Bodies Corporate without their approval, till the loans given by those banks/institutions are repaid in full by these Bodies Corporate :-

- |   |   |
|---|---|
| (i) Aditya Birla Chemicals (India) Ltd. | (ii) Tanfac Industries Ltd.             |
| (iii) Mangalam Cement Ltd.              | (iv) Century Textiles & Industries Ltd. |
| (v) Kesoram Industries Ltd.             |   |

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

	<b>31st March 2015</b> <b>(₹ in 000s)</b>	<b>31st March 2014</b> <b>(₹ in 000s)</b>
<b>A. Defined Contribution Plan</b>		
Contribution to Provident Fund	<b>646</b>	570

**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 2015</b> <b>(₹ in 000s)</b>	<b>31st March 2014</b> <b>(₹ in 000s)</b>
Current Service Cost	<b>412</b>	362
Interest cost on benefit obligation	<b>754</b>	623
Net actuarial (gain)/loss recognized in the year	<b>428</b>	477
Net benefit expense	<b>1,594</b>	1462

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015**

**Balance Sheet**

<b>Benefit asset / liability</b>	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>
Present value of defined benefit obligation	<b>9,973</b>	8,379
<b>Plan liability / asset</b>	<b>9,973</b>	8,379
<b>Changes in the present value of the defined benefit obligation are as follows :</b>		
Opening defined benefit obligation	<b>8,379</b>	6,917
Current service cost	<b>412</b>	362
Interest cost	<b>754</b>	623
Actuarial (gains)/losses on obligation	<b>428</b>	477
Closing defined benefit obligation	<b>9,973</b>	8,379

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

Discount rate	<b>7.83%</b>	9.00%
Expected rate of return on assets	<b>N. A.</b>	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 : (₹ in 000s)**

<b>Gratuity</b>	<b>31st March 2015</b>	<b>31st March 2014</b>	<b>31st March 2013</b>	<b>31st March 2012</b>	<b>31st March 2011</b>
Defined Benefit					
Obligation	<b>9,973</b>	8,379	6,917	5,536	4,804
Surplus / (Deficit)	<b>(9,973)</b>	(8,379)	(6,917)	(5,536)	(4,804)
Experience adjustments					
on plan liabilities	<b>407</b>	488	617	275	357

- 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 :

<b>Sl. Name of the Company</b>	<b>No. of Equity Shares</b>	<b>Face Value per Share (₹)</b>
(a) Grasim Industries Ltd.	1079	10/-
(b) Hindustan Motors Ltd.	440	10/-
(c) Century Textiles & Industries Ltd	220	10/-
(d) Tungabhadra Industries Ltd.	4	10/-
(e) Hindustan Everest Tools Ltd.	117	10/-

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015****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. Earning Per Share (EPS) :**

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

	<b>31st March 2015</b> (₹ in 000s)	31st March 2014 (₹ in 000s)
Profit after Tax as per statement of Profit & Loss	<b>4,24,190</b>	5,99,665
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>53.64</b>	75.82

**25. 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
<b>Key Management Personnel</b>	Shri R. A. Makharia (Executive Director) Shri N. K. Baheti (CFO) (w.e.f. 29th Jan.'15) Shri R.S.Kashyap (C.S.)(w.e.f. 1st April'14)

**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>2014-2015</b> (₹ in 000s)	2013-2014 (₹ in 000s)
<b>Subsidiary Company</b>		
<b>Loans &amp; Advances received back</b>		
PIC Realcon Limited	<b>4,318</b>	4,201
<b>Loans and advances outstanding</b>		
PIC Properties Limited	<b>4,809</b>	4,809



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2015**

	2014-2015 (₹ in 000s)	2013-2014 (₹ in 000s)
PIC Realcon Limited	34,857	39,175
<b><u>Associate Company</u></b>		
<b>Dividend Income</b>		
Century Textile & Industries Limited	1,88,213	1,88,213
Kesoram Industries Limited	—	2,416
<b><u>Key Management Personnel</u></b>		
Remuneration		
Shri R. A. Makharia	4,877	3,920
Shri N. K. Baheti	148	—
Shri R. S. Kashyap	390	—

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 a 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.

	31st March 2015 (₹ in 000s)	31st March 2014 (₹ in 000s)
Lease Payments made for the year	740	692

**Operating Lease : Company as a Lessor**

The company has leased certain office on operating leases. The lease term is for 1-3 years and renewable thereafter. 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 ₹ 324,958 thousand (after adjusting utilised during the current year ₹ 12,943 thousand), 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 2015**

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

(₹ in 000s)

	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months upto 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>	–	–	–	<b>6,00,000</b>	<b>99</b>	<b>30,986</b>	–	<b>49,143</b>	<b>6,80,228</b>
	(–)	(–)	(–)	(6,00,000)	(11,648)	(30,847)	(–)	(46,533)	(6,89,028)
<b>Investments</b>	–	–	–	–	<b>14,84,673</b>	–	–	<b>65,95,793</b>	<b>80,80,466</b>
	(–)	(–)	(–)	(–)	(13,48,538)	(–)	(–)	(65,92,231)	(79,40,769)

**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 2015**

- 29.** The Investment of the Company has exceeded the limits as per the Concentration of Credit / Investment norms provided in paragraph 18 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies prudential norms (Reserve Bank) Directions, 2007 (as amended) for which the Company has applied to the Reserve Bank of India ("RBI") seeking exemption from complying with the aforesaid norms upto 31st March, 2016. Also the Company has applied to RBI for its conversion from Non-Banking Financial Company to Core Investment Company.
- 30.** Additional disclosure required by NBFC-ND-SI in terms of the notification issued by RBI on August 1, 2008, are as follows:

**(a) Capital to Risks Assets Ratio (CRAR)**

<b>Sl.No.</b>	<b>Particulars</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
(i)	CRAR (%)	<b>73.76</b>	72.04
(ii)	CRAR - Tier I Capital (%)	<b>44.25</b>	41.85
(iii)	CRAR - Tier II Capital (%)	<b>29.50</b>	30.19

**(b)** The Company has no exposure to real estate sector, both direct and indirect

**31. Previous year figures**

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

Place : Kolkata	For <b>S. R. BATLIBOI &amp; CO. LLP</b> Chartered Accountants Firm registration No. 301003E Per <b>Kamal Agarwal</b> Partner	For and on behalf of the Board of Directors <b>R. A. MAKHARIA</b> <b>B. K. BIRLA</b> <b>D. K. MANTRI</b> Executive Director Director Director
Dated : May 27, 2015	Membership No. 058652	<b>N. K. BAHETI</b> <b>R. S. KASHYAP</b> 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, 2015.

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

Items	Year Ended 31st March 2015	Year Ended 31st March 2014
Turnover (incl. Other Income)	7,41,408	7,25,810
<b>Less :</b>		
Employees Cost	7,000	7,000
Operation Expenses	2,15,500	1,75,377
Depreciation	(9,56,770)	41,466
<b>Net Profit / (Loss) for the year before tax</b>	<b>14,75,678</b>	<b>5,01,967</b>
Provision for Taxation	1,00,947	1,00,894
<b>Net Profit / (Loss) after tax</b>	<b>13,74,731</b>	<b>4,01,073</b>
Profit / (Loss) brought forward from previous year	32,29,221	28,28,148
<b>Balance Carried to Balance Sheet</b>	<b>46,03,952</b>	<b>32,29,221</b>

**2. Operational Review :**

During the year under review, the turnover (incl. other income) of the Company was around ₹ 7.41 Lacs. The company is reporting a Net Profit for the year of ₹ 13.75 Lacs (After tax) as compared to a Net Profit of ₹ 4.01 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. N. Neotia 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 four 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, 18th May, 2015

**G. K. Tulsian**  
Director

**S. N. Neotia**  
Director

**ANNEXURE - I****Form No. MGT - 9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March, 2015**

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

**I. REGISTRATION AND OTHER DETAILS :**

- i) CIN : U70109WB1985PLC038472
- ii) Registration Date : 31<sup>st</sup> January, 1985
- iii) Name of the Company : PIC Properties Limited
- iv) Category / Sub-Category of the Company : Company Limited by Shares
- v) Address of the Registered office : 10, Camac Street,  
and contact details Industry House, Kolkata- 700017
- 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	Rental Income	773	100%

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

S. No.	Name And Address of The Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	M/s Pilani Investment and Industries Corporation Limited Birla Building (14th Flr.) 9/1, R.N.Mukherjee 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				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	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	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				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	
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>									
<b>(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
Non Resident Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Overseas 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
Trust	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 and 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.		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>				
	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.		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>				
	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	2,58,09,182	Nil	2,58,09,182
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>2,58,09,182</b>	<b>Nil</b>	<b>2,58,09,182</b>
Change in indebtedness during the Financial Year				
Addition	Nil	9,00,000	Nil	9,00,000
Reduction	Nil	Nil	Nil	Nil
<b>(Net Change)</b>	<b>Nil</b>	<b>9,00,000</b>	<b>Nil</b>	<b>9,00,000</b>
Indebtedness at the end 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>

**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 a % 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
1.	Gross Salary				
	(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
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission – As a % of Profit	NIL	NIL	NIL	NIL
	– Others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify – P. F.	-		-	-
	<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 Standalone Financial Statements**

We have audited the accompanying financial statements of **PIC PROPERTIES LIMITED (the company)** which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit & Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

The Company's Board of Directors 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone 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 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone financial statements.

### **Basis of Qualified Opinion**

A balance of ₹ 219,00,000/- (P.Y. ₹ 210,00,000/-) from M/s. Birla Group Holdings Pvt. Ltd. has been carried in the Balance Sheet under Long Term Borrowings (Interest free). 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 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 31st March, 2015 and 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, 2015 ("the Order") issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 & 4 of the order to the extent Applicable.
- 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. In our opinion, proper books of account as required by the 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 & 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 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.
  - e. On the basis of written representations received from the Directors as on 31st March, 2015 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.

- f. The Matter described in the basis of Qualified opinion paragraph, in our opinion, may not have an adverse effect on the functioning of the company.
- 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 disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note 17)
  - 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.

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

1-B, Old Post Office Street,  
Kolkata.  
Dated, the 18th day of May, 2015

(Anurag Singhi)  
*Partner*  
Membership No. 066274



**The Annexure referred to in paragraph 1 of our audit report on Report on other legal and regulatory requirements of even date to the members of PIC Properties Limited on the accounts of the company for the year ended 31st March 2015.**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of audit, we report that :

- 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 management which in our opinion provides for physical verification of all the Fixed Assets at reasonable interval. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. The Company has not any inventories, therefore, the provisions of clause (ii) of para 3 of the Order is not applicable to the company.
- iii. The Company has not granted any loan secured or unsecured to companies, firm, or other parties, covered in the register maintained under section 189 of of the Companies Act. Accordingly, the requirement of clauses (iii) (a) to (b) of para-3 of the Order are not applicable.
- iv. On the basis of checks carried out during the course of audit and as per informations and explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to sale of services. During the course of our audit, no major weakness has been noticed in the internal control system.
- 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. In our opinion and according to the information and explanations given to us, maintenance of cost records has not been specified by the Central Government under sub-section (I) of the Section 148 of the Companies Act.
- 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 disputed dues as above were outstanding as at 31st March 2015 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, the dues of income tax, sales tax, wealth tax, service tax,

duty of customs, duty of excise, value added tax and cess as at 31st March 2015 which have not been deposited on account of dispute and the forum where the disputes are pending are as under.

Statute	Nature of Dues	Forum where dispute is pending	Amount involved	Period to which relates
The Income Tax Act 1961	Income Tax	CIT Appeal	Rs. 5,590	Assessment Year 2012-2013

- viii) The company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the current financial year and also in immediately preceding financial year.
- ix) According to the information and explanations given to us by the management, the Company has not defaulted in repayment of dues to financial institutions and banks.
- x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi) According to the information and explanations given to us, the Company has not obtained any term loan during the year.
- xii) Based upon the audit procedures performed and on the basis of information and explanations provided by the Management, we report that no fraud, on or by the Company has been noticed or reported during the year.

1-B, Old Post Office Street,  
Kolkata.  
Dated, the 18th day of May, 2015

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

**BALANCE SHEET AS AT 31ST MARCH 2015**

Particulars	Note	As on 31st March 2015 ₹	As on 31st March 2014 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUND</b>			
Share Capital	2	500,020	500,020
Reserves and Surplus	3	4,632,339	3,257,608
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	26,709,182	25,809,182
Other long-term liabilities	5	30,000	30,000
<b>CURRENT LIABILITIES</b>			
Short term borrowings			
Trade payables	6	33,708	25,281
Short term provisions	7	154,438	—
<b>TOTAL</b>		<b>32,059,687</b>	<b>29,622,091</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<i>Fixed assets</i>			
Tangible assets	8	26,566,773	25,610,003
Non-current investments	9	4,800,495	3,800,595
Long term loans and advances	10	168,516	8,100
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	449,674	57,745
Short-term loans and advances	12	74,229	145,648
<b>TOTAL</b>		<b>32,059,687</b>	<b>29,622,091</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 annexed

For SINGHI &amp; CO.

Chartered Accountants

Firm Registration no. 302049E

CA Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata.

Dated, the 18th day of May, 2015

**G. K. TULSIAN****S. N. NEOTIA**

Directors

**Statement of Profit and Loss for the year ended 31st March, 2015**

Particulars	Note	For the year ended 31st March 2015	For the year ended 31st March 2014
		₹	₹
Revenue from operations	13	579,780	579,780
Other Income	14	161,628	146,030
<b>Total Revenue</b>		<b>741,408</b>	<b>725,810</b>
<b>Expenses</b>			
Employee benefit expenses	15	7,000	7,000
Depreciation and amortization exp.	8	(956,770)	41,466
Other expenses	16	215,500	175,377
<b>Total Expenses</b>		<b>734,270</b>	<b>223,843</b>
<b>PROFIT BEFORE TAX AND EXCEPTIONAL ITEM</b>		<b>1,475,678</b>	<b>501,967</b>
Tax expense :			
-Current Tax		208,416	101,000
-MAT Credit Entitlement		(1,06,416)	—
-Income Tax for Earlier Years		(1,053)	(106)
-Deferred Tax		—	—
<b>PROFIT AFTER TAX AND EXCEPTIONAL ITEM</b>		<b>1,374,731</b>	<b>401,073</b>
Earning per equity share			
Basic		27.49	8.02
Diluted		27.49	8.02

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 annexed

For SINGHI & CO.

Chartered Accountants

Firm Registration no. 302049E

CA Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata.

Dated, the 18th day of May, 2015

**G. K. TULSIAN**

**S. N. NEOTIA**

Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

<b>Particulars</b>	<b>For the year ended 31st March 2015</b>	<b>For the year ended 31st March 2014</b>
	₹	₹
<b>Net Profit Before taxation, and Extraordinary Item</b>	<b>1,475,678</b>	501,967
Adjustment for :		
Depreciation	(956,770)	41,466
Profit of Sales of tangible Assets	—	—
Income from Investments	(161,628)	(146,030)
<b>Operating profit before working capital changes</b>	<b>357,280</b>	397,403
Increase / (Decrease) in Trade Payable	8,427	6,180
Decrease / (Increase) in Trade Receivable / Short Term Loans & Advances	72,472	54,030
	<b>438,179</b>	457,613
Income Tax Paid	(107,978)	(105,924)
<b>Net Cash from operations</b>	<b>330,201</b>	351,689
<b>Cash Flow from investing activities</b>		
Non-current investments	(999,900)	(11,585)
Income from Investments	161,628	146,030
	(838,272)	134,445
<b>Net Cash from Investing activities</b>	<b>(838,272)</b>	134,445
<b>Cash Flow from Financing activities</b>		
Advance against equity Received / (Payment)	900,000	(900,000)
Increase in Long term Borrowings		
	391,929	(413,866)
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents</b>	<b>391,929</b>	(413,866)
Cash & Cash equivalents at the beginning of the year	57,745	471,611
<b>Cash &amp; Cash equivalents at the end of the year</b>	<b>449,674</b>	57,745

**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.

Dated, the 18th day of May, 2015

**G. K. TULSIAN**  
**S. N. NEOTIA**  
*Directors*

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015****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) 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.

**iii) Depreciation :**

Depreciation on fixed assets has been provided as per useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

**iv) Investments :**

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

**v) 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, 2015		As at 31st March, 2014	
	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>
<b>Issued, subscribed and fully paid</b>				
Equity Shares of par value ₹ 10/- each	<b>50,002</b>	<b>500,020</b>	<b>50,002</b>	<b>500,020</b>

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 2015**

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 2015 ₹	As at 31st March 2014 ₹
<b>i) Capital Redemption Reserve</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>ii) General Reserve</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>iii) Surplus</b>		
Balance at beginning of the year	3,229,221	2,828,148
Add : Net Profit for the current year	1,374,731	401,073
Balance at the end of the year	<b>4,603,952</b>	<b>3,229,221</b>
	<b>4,632,339</b>	<b>3,257,608</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015****4. LONG-TERM BORROWINGS**

Particulars	As at 31st March 2015 ₹	As at 31st March 2014 ₹
<b>Unsecured</b>		
* Loan from Holding Co. i.e. M/s Pilani Investment & Ind. Corpn. Ltd.	4,809,182	4,809,182
Advance from - M/s Birla Group Holdings Pvt. Ltd.	21,900,000	21,000,000
* Loan from holding company is on long term basis and interest free, As on balance sheet date, the loan is not repayable in next one year		
<b>TOTAL</b>	<b>26,709,182</b>	<b>25,809,182</b>

**5. OTHER LONG-TERM LIABILITIES**

Particulars	As at 31st March 2015 ₹	As at 31st March 2014 ₹
<b>Secured</b>		
Security Deposit against Rent	30,000	30,000
<b>TOTAL</b>	<b>30,000</b>	<b>30,000</b>

**6. TRADE PAYABLE**

Particulars	As at 31st March 2015 ₹	As at 31st March 2014 ₹
<b>Trade Payable</b>		
Audit Fees Payable	33,708	25,281
<b>TOTAL</b>	<b>33,708</b>	<b>25,281</b>

**7. SHORT TERM PROVISIONS**

Particulars	As at 31st March 2015 ₹	As at 31st March 2014 ₹
Provision for Income Tax (net off TDS & Advance Tax)	154,438	—
<b>TOTAL</b>	<b>154,438</b>	<b>—</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

### 8. TANGIBLE ASSETS

	Gross Block				Accumulated Depreciation				Net Block	
Fixed Assets	Balance as at 1 April 2014	Additions	Sales/ Adjustment	Balance as at 31 March 2015	Balance as at 1 April 2014	Depreciation charge for the	Sales / Adjustment	Balance as at 31 March 2015	Balance as at 31 March 2015	Balance as at 31 March 2014
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>a Tangible Assets</b>										
Land	24,822,151	–	–	24,822,151	–	–	–	–	24,822,151	24,822,151
Buildings	3,426,308	–	–	3,426,308	2,638,456	(956,770)	–	1,681,686	1,744,622	787,852
<b>Total</b>	<b>28,248,459</b>	<b>–</b>	<b>–</b>	<b>28,248,459</b>	<b>2,638,456</b>	<b>(956,770)</b>	<b>–</b>	<b>1,681,686</b>	<b>26,566,773</b>	<b>25,610,003</b>
Previous Year	28,248,459	–		28,248,459	2,596,990	41,466		2,638,456	25,610,003	

- 1) In view of Requirement of Schedule II of the Companies Act 2013 ("Act"), depreciation for the year has been provided based on the lives prescribed under the Schedule II. Due to applicability of Schedule II during the year, the depreciation for the year is higher by ₹ 13,369/- (refer Note No. 21)
- 2) The management has charged depreciation during the year on Straight Line Method as against Written Down Value Method followed earlier. As consequences, a sum of Rs. 10,09,532/- representing the excess depreciation charged in earlier years has been credited to Statement of Profit and Loss (refer Note No. 21)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015****9. NON CURRENT INVESTMENTS**

<b>Particulars</b>	<b>As at 31st March 2015 ₹</b>	<b>As at 31st March 2014 ₹</b>
<b>Non Trade Investments (valued at cost unless stated otherwise) :</b>		
Investment in Equity Instruments (Quoted)		
200 (31st March 2014 : 200) Equity Shares of ₹10/- each fully paid in Mangalore Refinery Petrochemicals Ltd.	2,000	2,000
	<b>2,000</b>	<b>2,000</b>
<b>Details of Investments in liquid mutual fund units :</b>	<b>Units</b>	<b>Units</b>
Birla Sunlife Dividend Yied Plus- Div.	18,811.136	18,811.136
Birla Sunlife Midcap - Plan A - Div.	33,472.804	33,472.804
Birla Sunlife MIP - Wealth 25 - Gr.	21,986.716	21,986.716
Birla Sunlife MIP - Wealth 25 - Gr.	36,549.406	36,549.406
Birla Sunlife Dynamic Bond Fund		
- Retail - Growth	22,366.397	22,366.397
Birla Sunlife Opportunity Fund - Growth	16,671.767	16,671.767
Birla Sunlife Medium Term Plan - Growth	50,782.902	50,782.902
Birla Sunlife Medium Term Plan - Growth	58,746.460	999,900
	<b>4,298,495</b>	<b>3,298,595</b>
<b>Details of Investments in Tax Free Bonds :</b>		
Housing and Urban Dev. Crpn. Ltd.	500	500
	<b>500,000</b>	<b>500,000</b>
<b>TOTAL</b>	<b>4,800,495</b>	<b>3,800,595</b>

<b>Particulars</b>	<b>2015</b>	<b>2014</b>
	<b>₹</b>	<b>₹</b>
Aggregate Book Value of quoted investments	<b>4,300,495</b>	3,300,595
Aggregate Book Value of Tax Free Bonds	<b>500,000</b>	500,000
Aggregate NAV of quoted investments	<b>5,943,527</b>	3,924,154

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015****10. LONG-TERM LOANS & ADVANCES**

Particulars	As at 31st March 2015 ₹	As at 31st March 2014 ₹
<b>Unsecured, Considered good</b>		
Deposit with Govt. & Other Authorities	8,100	8,100
MAT Credit Entitlement	160,416	—
<b>Total</b>	<b>168,516</b>	<b>8,100</b>

**11. CASH AND CASH EQUIVALENTS**

Particulars	As at 31st March 2015 ₹	As at 31st March 2014 ₹
Balance with Scheduled Banks : in Current Account	444,757	57,036
Cash in hand (As certified by the Management)	4,917	709
<b>Total</b>	<b>449,674</b>	<b>57,745</b>

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

Particulars	As at 31st March 2015 ₹	As at 31st March 2014 ₹
<b>Unsecured, Considered good</b>		
Prepaid Insurance	16,438	16,438
Advance to Others	27,528	100,000
Advance payment of Income Tax & Tax Deducted at Source (Net of Provision)	—	1,217
Income Tax Refundable	30,263	27,993
<b>Total</b>	<b>74,229</b>	<b>145,648</b>

**13. REVENUE FROM OPERATIONS**

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
<b>Other Operating Revenue</b>		
Rent Income	579,780	579,780
(Tax Deducted At Source ₹ 57,978/- previous year ₹ 57,984/-)		
<b>Total</b>	<b>579,780</b>	<b>579,780</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015****14. OTHER INCOME**

<b>Particulars</b>	<b>For the year ended 31st March, 2015 ₹</b>	<b>For the year ended 31st March, 2014 ₹</b>
<b>Dividends</b>		
From Shares - Long Term	—	68
From Mutual Fund Units - Long Term	120,928	59,615
<b>Interest Income</b>		
Interest on Income Tax Refund	—	—
Interest on Tax Free Bonds	40,700	892
Profit on sales of Investment	—	85,455
<b>Total</b>	<b>161,628</b>	<b>146,030</b>

**15. EMPLOYEE BENEFITS EXPENSES**

<b>Particulars</b>	<b>For the year ended 31st March, 2015 ₹</b>	<b>For the year ended 31st March, 2014 ₹</b>
Salaries and Bonus	7,000	7,000
<b>Total</b>	<b>7,000</b>	<b>7,000</b>

**16. OTHER EXPENSES**

<b>Particulars</b>	<b>For the year ended 31st March, 2015 ₹</b>	<b>For the year ended 31st March, 2014 ₹</b>
Rates and Taxes	120,356	120,356
Insurance Charges	20,833	20,833
Bank Charges	621	1,022
General Expenses	3,152	467
Filing Fees	8,000	1,800
Audit Fees	33,708	25,281
Professional Fees	28,090	5,618
Printing & Stationery	740	—
<b>Total</b>	<b>215,500</b>	<b>175,377</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015****17. CONTINGENT LIABILITIES**

Particulars	For the year ended 31st March, 2015 ₹	For the year ended 31st March, 2014 ₹
<b>Income Tax demand under dispute</b> (A. Y. - 2012-2013)	5,590	—

18. 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.
19. As there is only one segment in the Company, AS-17 is not applicable.
20. 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. 1,06,416/-. Based on projections made by the management and the management and current working trend of the company the management is virtually certain of recovering the MAT credit entitlement.
21. The management has charged depreciation during the year on Straight Line Method as against Written Down Value Method followed earlier. As consequences, a sum of Rs. 10,09,532/- representing the excess depreciation charged in earlier years has been credited to Statement of Profit & Loss. As per requirement of Schedule II of the Companies Act 2013 ("the Act") effective from 1st April 2014, the Company has charged depreciation during the year based on provisions of the said schedule. In view of requirements of Schedule II of the Companies Act 2013 ("the Act"), depreciation for the year has been provided based on the lives prescribed under the Schedule II. Due to applicability of the Schedule II during the year, the depreciation for the year is higher by Rs. 13,369/-.
22. 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 2014-15. ₹ 48,09,182/- being the opening balance (as on 01.04.14) and the year-end balance (as on 31.03.15) in respect of Unsecured Loan (interest free) from M/s Pilani Investments & Industries Corporation Limited to its 100% subsidiary PIC Properties Ltd.
23. 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.

Dated, the 18th day of May, 2015

**G. K. TULSIAN**

**S. N. NEOTIA**

*Directors*

***DIRECTORS***

SHRI ARVIND KUMAR SINGH

SHRI TRIDIB KUMAR DAS

SHRI YASWANT MISHRA (upto 20-05-15)

SHRI GAUTAM GANGULI (w.e.f. 23-04-15)

***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 3<sup>rd</sup> Annual Report and Accounts of the Company for the year ended 31st March, 2015.

### FINANCIAL RESULTS :

(Amount in ₹)

	2014-2015	2013-2014
Gross Profit for the year	44,54,196	41,60,113
Add : Balance brought forward from previous year	51,63,436	10,03,323
	<u>96,17,632</u>	<u>51,63,436</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.

During the year ended 31st March 2015 four Board Meetings were held on 14-05-2014, 25-08-2014, 11-11-2014 and 12-02-2015. All the Board Meetings were attended by Shri Arvind Kumar Singh and Shri Tridib Kumar Das. Shri Yaswant Mishra had attended only one meeting held on 14-05-2014.

Shri Yaswant Mishra 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 Yaswant Mishra ceases to be the Director of the Company with immediate effect.

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 - A and forms part of this Report.

### DIVIDEND

The Board of Directors did not recommend any dividend for the year ended 31st March, 2015.

### DIRECTORS

Shri Arvind Kumar Singh, Director of the Company retire from the office by rotation and being eligible, offers himself for re-appointment.

The Board of Director at their meeting held on 23rd April, 2015 appointed Shri Gautam Ganguli as an Additional Director of the Company with effect from 23rd April, 2015. Shri Gautam Ganguli holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment.

## **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 on 31<sup>st</sup> March, 2015 and the Profit and 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.

## **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.

## **CONSERVATIONS OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO**

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 Board of Directors

**ARVIND KUMAR SINGH**

**TRIDIB KUMAR DAS**

**GAUTAM GANGULI**

*Directors*

Kolkata  
May 20, 2015



**ANNEXURE- A****Form No. MGT - 9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March, 2015**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : 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 -**

S. 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/FI	—	—	—	—	—	—	—	—	—
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				

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>				

**(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 and Pilani Investment and Industries Corporation Ltd.	1	–	1	–
2.	Shri Tridib Kumar Das and Pilani Investment and Industries Corporation Ltd.	1	–	1	–
3.	Shri Yaswant Mishra and Pilani Investment and Industries Corporation Ltd.	1	–	1	–

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

**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 01.04.2014				
i) Principal Amount	Nil	39175303	Nil	39175303
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>39175303</b>	<b>Nil</b>	<b>39175303</b>
Change in indebtedness during the Financial Year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	4318560	Nil	4318560
<b>(Net Change)</b>	<b>Nil</b>	<b>4318560</b>	<b>Nil</b>	<b>4318560</b>
Indebtedness at the end of the Financial Year i. e. on 31.03.2015				
i) Principal Amount	Nil	34856743	Nil	34856743
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>34856743</b>	<b>Nil</b>	<b>34856743</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

(All figures in ₹ '000)

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

Sl. No.	Particulars of Remuneration	Name of the Managing Director MD / WTD / Manager	Total Amount
1.	Gross Salary		
(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.	—	—

**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>	-

**Other Non-Executive Directors :**

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

## INDEPENDENT AUDITORS' REPORT

To

**The Members**

**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 31st March, 2015, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Managements 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 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 judgements 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 disclosures in the financial statements. 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. 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 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.

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015 and its Profit and its cash flows for the year ended on that date.

**Report on Other legal and regulatory requirements**

As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 & 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 purpose 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, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the Books of Account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the Directors as at 31st March, 2015 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as at 31st March, 2015 from being appointed as a Director in terms of Section 164(2) of the Act.
- f. In our opinion, the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls are adequate.
- g. With respect to the other matters to be included in 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 positions;
  - 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 and Protection Fund by the company.

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

Place: Kolkata  
Date: 20th May, 2015

**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) of the Order are not applicable.
- ii. Having regard to the Company's business, the provision of clause (ii)(a), (b), (c) of the Order are 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 or other parties covered in the register maintained under section 189 of the Act and as such clauses (iii) (a) and (b) of the order are not applicable to the Company.
- iv. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business and is being further strengthened.
- v. The Company has not accepted any deposits from the public and as such clause (v) of the Order is not applicable.
- vi. According to information & explanation given to us, the Central Government has not prescribed the maintenance of cost Records u/s 148(1) 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 companies business, the provision of clause (vii) (a) (b) and (c) of the Order are not applicable to the company since the company has no employee and no liability towards statutory dues till date.
- viii. The company has no accumulated losses as at 31st March 2015. The Company has not incurred cash losses during the financial year covered by our audit. The Company has also not incurred cash losses in the immediately preceeding financial year.
- ix. As per books and records maintained by the Company and according to informations and explanations given to us, the company has no dues to financial institutions, banks or debenture holders.
- x. The terms and conditions in respect of guarantee given by the Company for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- xi. To the best of our knowledge and belief and according to the informations and explanations given to us, the Company has not obtained any term loans during the year.
- xii. To the best of our knowledge and belief and according to the informations and explanations given to us, no fraud on or by the Company was noticed or reported during the course of our audit.

Place : Kolkata  
Kolkata, the 20th day of May, 2015

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

**BALANCE SHEET AS AT 31ST MARCH 2015**

	Notes	31st March 2015 ₹	31st March 2014 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	2	500,000	500,000
Reserves and Surplus	3	9,617,632	5,163,436
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	34,856,743	39,175,303
<b>CURRENT LIABILITIES</b>			
Other current liabilities	5	13,483	13,483
<b>TOTAL</b>		<b>44,987,858</b>	<b>44,852,222</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Non-Current Investments	6	44,601,000	44,601,000
Other Non Current Assets	7	23,079	26,376
<b>CURRENT ASSETS</b>			
Cash and Bank Balances	8	363,779	224,846
<b>TOTAL</b>		<b>44,987,858</b>	<b>44,852,222</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: 20th May, 2015

For and on behalf of Board of Directors

**ARVIND KUMAR SINGH**  
**TRIDIB KUMAR DAS**  
**GAUTAM GANGULI**  
Directors

**Statement of Profit and Loss for the year ended 31st March, 2015**

	Notes	31st March 2015 ₹	31st March 2014 ₹
<b>Income</b>			
Revenue from operations	9	4,486,976	4,200,962
<b>Total Revenue (I)</b>		<b>4,486,976</b>	<b>4,200,962</b>
<b>Expenses</b>			
Other expenses	10	32,780	40,849
<b>Total Expenses (II)</b>		<b>32,780</b>	<b>40,849</b>
<b>PROFIT BEFORE TAX (I) - (II)</b>		<b>4,454,196</b>	<b>4,160,113</b>
Tax expense :			
Current Tax		—	—
Deferred Tax		—	—
Total Tax Expenses		—	—
<b>PROFIT AFTER TAX</b>		<b>4,454,196</b>	<b>4,160,113</b>
<b>Earning per Equity Share (Nominal Value of Rs. 10/- each)</b>			
Basic & Diluted	11	89.08	83.20
<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: 20th May, 2015

For and on behalf of Board of Directors

**ARVIND KUMAR SINGH**  
**TRIDIB KUMAR DAS**  
**GAUTAM GANGULI**  
Directors

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
	₹	₹
<b>A. Cash Flow from Operating Activities</b>		
Profit before Tax	4,454,196	4,160,113
Adjustment for :		
Preliminary Expenses - Written Off	3,297	3,297
<b>Operating profit before working capital changes</b>	<u>4,457,493</u>	<u>4,163,410</u>
Increase / (Decrease) in Other Current Liabilities	<u>-</u>	<u>(4,420)</u>
<b>Cash generated from operations</b>	<u>4,457,493</u>	<u>4,158,990</u>
Direct Tax Paid	<u>-</u>	<u>-</u>
<b>Net Cash Flow from Operating Activities</b>	<u>4,457,493</u>	<u>4,158,990</u>
<b>B. Cash Flow from investing activities</b>	<u>-</u>	<u>-</u>
<b>Net Cash Flow from/(used in) investing activities</b>	<u>-</u>	<u>-</u>
<b>C. Cash Flow from Financing activities</b>	<u>-</u>	<u>-</u>
Repayment of Long Term Borrowing	<u>(4,318,560)</u>	<u>(4,200,962)</u>
<b>Net Cash Flow from/(used in) Financing activities</b>	<u>(4,318,560)</u>	<u>(4,200,962)</u>
<b>D. Net Increase in Cash &amp; Cash equivalents (A+B+C)</b>	<u>138,933</u>	<u>(41,972)</u>
<b>E. Cash &amp; Cash equivalents at the beginning of the year</b>	<u>224,846</u>	<u>266,818</u>
<b>F. Cash &amp; Cash equivalents at the end of the year</b>	<u>363,779</u>	<u>224,846</u>
Components of Cash & Cash equivalents as indicated in Note 8 Comprises of :		
Cash in hand	9,216	9,216
Balances with schedule banks on current account	354,563	215,630
Total	<u>363,779</u>	<u>224,846</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: 20th May, 2015

For and on behalf of Board of Directors

**ARVIND KUMAR SINGH**  
**TRIDIB KUMAR DAS**  
**GAUTAM GANGULI**  
Directors

## Notes to financial statements for the year ended 31st March, 2015

### 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 for preparation :

The financial statements have been prepared to comply in all material respect with the applicable 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, 2015****2. SHARE CAPITAL**

	<u>As at 31st March 2015</u>	<u>As at 31st March 2014</u>
Authorised Shares	₹	₹
50,000 Equity Shares of ₹10/- each (P.Y. - 50,000 Equity Shares)	<u>500,000</u>	<u>500,000</u>
<b>Issued, subscribed and fully paid up shares</b>		
50,000 Equity Shares of ₹10/- each (P.Y. - 50,000 Equity Shares)	<u>500,000</u>	<u>500,000</u>
	<u>500,000</u>	<u>500,000</u>

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

	<u>31st March, 2015</u>		<u>31st March, 2014</u>	
	<u>No. of Shares</u>	<u>(₹)</u>	<u>No. of Shares</u>	<u>(₹)</u>
Equity Shares				
At the beginning of the Period	<u>50,000</u>	<u>500,000</u>	<u>—</u>	<u>—</u>
Add: Issued during the period	<u>—</u>	<u>—</u>	<u>50,000</u>	<u>500,000</u>
Outstanding at the end of the period	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>

- (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, 2015</u>		<u>31st March, 2014</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.	<u>50,000</u>	<u>100.00</u>	<u>50,000</u>	<u>100.00</u>

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, 2015</u>	<u>31st March, 2014</u>
	<u>(₹)</u>	<u>(₹)</u>
<b>Surplus in the statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statements	<u>5,163,436</u>	<u>1,003,323</u>
<b>Profit for the year</b>	<u>4,454,196</u>	<u>4,160,113</u>
Less : Appropriations	<u>—</u>	<u>—</u>
Surplus in the statement of Profit & Loss	<u>9,617,632</u>	<u>5,163,436</u>
<b>Total Reserves &amp; Surplus</b>	<u>9,617,632</u>	<u>5,163,436</u>

## Notes to financial statements for the year ended 31st March 2015

4. Long-Term borrowings			31st March 2015 (₹)	31st March 2014 (₹)
<b>Loan from companies</b>				
Unsecured Loan from Holding Company :- <b>Pilani Investment &amp; Industries Corpn. Ltd.</b> (Interest Free Loan)			34,856,743 <u>34,856,743</u>	39,175,303 <u>39,175,303</u>
<b>5. Other Current Liabilities</b>				
Liabilities for Expenses			13,483 <u>13,483</u>	13,483 <u>13,483</u>
<b>6. Non-Current Investments</b>				
<b>NonTrade investments (Valued at cost)</b>	No. Shares	Face Value		
<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 <u>34,428,304</u>	34,209,811 <u>34,428,304</u>
<b>Quoted equity shares (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 <u>10,172,696</u> <u>44,601,000</u>	15,092 <u>10,172,696</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			151,853,616	75,860,576
<b>7. Other Non Current Assets</b>				
<b>Miscellaneous Expenditures</b>				
Preliminary Expenses			23,079 <u>23,079</u>	26,376 <u>26,376</u>
<b>8. Cash and Bank Balances</b>				
<b>Balance with Scheduled Banks</b>				
On Current Accounts			354,563	215,630
<b>Cash on Hand</b>			9,216 <u>363,779</u>	9,216 <u>224,846</u>

## Notes to financial statements for the year ended 31st March 2015

<b>9. Revenue from Operations</b>	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>(₹)</b>	<b>(₹)</b>
<b>Dividend Income on</b>		
– Non Current Investments	<b>4,486,976</b>	4,200,892
Miscellaneous Receipt	–	70
	<b>4,486,976</b>	<b>4,200,962</b>
<b>10. Other Expenses</b>		
Bank Charges	–	674
General Expenses	–	2,601
Professional Charges	<b>9,600</b>	7,250
Demat Charges	–	1,274
Filing Fees	<b>6,400</b>	7,200
Printing & Expenses	–	575
Payment to Auditors		
– As Audit Fee	<b>13,483</b>	13,483
– For Others	–	4,495
<b>Preliminary Expenses -Written Off</b>	<b>3,297</b>	3,297
	<b>32,780</b>	<b>40,849</b>
<b>11. Earning Per Share</b>		
Profit after Tax as per Statement of Profit & Loss	<b>4,454,196</b>	4,160,113
Weighted Average no. of Equity Shares (Nos.)	<b>50,000</b>	50,000
Basic & Diluted Earning Per Share	<b>89.08</b>	83.20

12. During the last financial 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 same in the name of the Company is under process.

13. Figures have been rounded off to nearest Rupee.

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: 20th May, 2015

For and on behalf of Board of Directors

**ARVIND KUMAR SINGH**  
**TRIDIB KUMAR DAS**  
**GAUTAM GANGULI**  
Directors

## 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"), 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, 2015, 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 with 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 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. The respective Board of Directors of the companies included in the Group and of its associates 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 for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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, 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 judgement, 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 but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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 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.15,38,764 thousands 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 / or which is not in 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. 6,928 thousands 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 the Hon'ble Bombay High Court. Consequently, we are unable to comment on the effect of the above on the Consolidated financial statements.
- c) As indicated in Note 30 to the Consolidated Financial Statements, the investments of the Holding Company has exceeded the limits as per the concentration / investment norms as provided in paragraph 18 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions 2007 (as amended) for which the Holding Company has applied to the Reserve Bank of India seeking exemption from complying with the aforesaid norms up to 31st March, 2016. Also the Holding Company has made application for its conversion from Non-Banking Financial Company to Core Investment Company. Pending such approval, we are unable to comment on the possible effects of the above on the consolidated financial statements.
- d) A balance of Rs.2 1,900 thousands from 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, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the 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 the consolidated state of affairs of the Group and its associates as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Emphasis of Matter**

We draw attention to Note No.33 to the consolidated financial statements regarding the transfer of the Automotive Tyre Manufacturing unit at Laskar by an Associate Company to Cavendish Industries Limited (the Subsidiary of said Associate), on a slump sale basis for a consideration of Rs.2,195.00 crores and recognition of excess of net consideration over and above the carrying value of the unit aggregating to Rs.409.20 crores as exceptional income. Subsequently, vide a binding term sheet between the Associate Company, its subsidiary and J K Tyre Group (the acquirer) (together referred as the parties) dated September 12,2015, the Associate Company intends to sell its investments in the subsidiary to the acquirer for a consideration of Rs.2,195.00 crores. The closing date of such transfer is December 31, 2015 and in the eventuality of such transaction not being complete within the aforesaid date, the parties can terminate the term sheet.

Our opinion is not qualified in respect of above matter.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company, its subsidiaries and associate companies incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We and the other auditors whose reports we have relied upon, have sought and except for the matters described in the basis for qualified opinion paragraph have 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 possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion, proper books of account as required by law for preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and 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 of the Group and its associates.

- (d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, 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;
- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
- (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group's companies and its associates companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates — Refer Note 19 to the consolidated financial statements;
  - ii. The Holding Company and its subsidiaries did not have any material foreseeable losses in long-term contracts including derivative contracts. The Associate Companies have made provision as at March 31, 2015, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 associate companies incorporated in India. In case of subsidiary companies, there were no amounts which were required to be transferred to the Investor Education and Protection Fund.

#### **Other Matter**

The accompanying consolidated financial statements include total assets of Rs. 77,048 thousands as at March 31, 2015, and total revenues and net cash outflows of Rs. 5,228 thousands and Rs. 531 thousands for the year ended on that date, in respect of its subsidiaries, which have been audited by other auditors, whose audited 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. 5,91,659 thousands for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of its associates, 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 associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the report(s) of such other auditors.

Our 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.

*For* **S. R. BATLIBOI & CO. LLP**  
*Chartered Accountants*  
ICAI Firm Registration Number : 301003E

Per **Kamal Agarwal**  
Partner

Place of Signature: Kolkata

Date : November 6, 2015

Membership Number: 058652

**ANNEXURE REFERRED TO IN PARAGRAPH 1 OF THE SECTION ON OTHER LEGAL AND  
REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF  
PILANI INVESTMENT & INDUSTRIES CORPORATION LIMITED**

**AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2015**

**(The Holding Company, its subsidiaries and associates incorporated in India have,  
henceforth been referred to as “Covered Entities”)**

Our reporting, hereunder, in so far as it relates to the subsidiaries and associates, is based solely on the reports of the other auditors who audited the financial statements of these subsidiaries and associates)

- (i)
  - (a) The Holding Company and other Covered Entities having fixed assets, have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All fixed assets have not been physically verified by the management of the Holding Company and subsidiaries/associates during the year but there is regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements / financial information of the aforesaid subsidiaries/associates, is reasonable having regard to the size of the of the Holding Company and other Covered Entities and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii)
  - (a) The inventory has been physically verified by the management of the Associate Companies which are required to hold inventory to carry out its business. As reported by the other auditors who audited the financial statements / financial information of the Associate Companies, the frequency of verification is reasonable.
  - (b) As reported by the other auditors, the procedures of physical verification of inventory followed by the management of Associate Companies are reasonable and adequate in relation to the size of such Covered Entities and the nature of their business.
  - (c) As reported by other auditors, Associate Companies are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of other covered entities of the Group, the Holding Company and the Covered entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Covered entities of the Group and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of other covered entities of the Group, there is an adequate internal control system commensurate with the size of the Holding Company and the covered entities of the Group and the nature of their businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entities



of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements / financial information of other covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.

- (v) The Holding Company and certain Covered entities of the Group have not accepted any deposits during the year from the public. In respect of deposits accepted by a covered entity from public prior to commencement of the Act, as reported by the other auditors who audited the financial statements / financial information of such covered entity of the Group, directives issued by the Reserve Bank of India and the provisions of section 74 and 75 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management and by the other auditors that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We report that based on the report of other auditors, they have broadly reviewed the books of account maintained by those certain covered entities of the Group to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same have not been made by us or such other auditors. We further report that to the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of certain other Covered entities of the Group/holding company. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Holding Company and such other Covered entities of the Group.
- (vii)
  - (a) The Covered Entities are regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to respective Covered Entities though there have been slight delays in few cases except in case of a covered entity where undisputed statutory dues including service tax, value added tax have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
  - (b) According to the information and explanations given to us, no undisputed amounts payable by Covered Entities in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added 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.
  - (c) According to the records of the Holding Company and as reported by other auditors who audited the financial statements / financial information of the Covered Entities other than the Holding Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, value added tax & cess on account of any dispute, are as follows:-



Name of the statute	Nature of dues	Amount ( in ₹ 000s)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax on certain disallowances, etc.	33,967	2008-09, 2009-10 & 2010-11	CIT (Appeals) Kolkata
	Income Tax	2,79, 506	2012-13, 1996 to 2015, 2012 to 2016	CIT (Appeals), High Court, Departmental Authorities
Central Excise Act, 1944	Central Excise	23,18,600	1993-94 to 1996-97, 1999-00 to 2002-03, 2001-02, 2002-03, 2005-06, 2003-05, 2004-05, 2003-04, 2001-02, 2002-03, 2003-05, 2003-06, 2004-05, 2005-06, 2006-07, 2006-08, 2006-09, 2006-10, 2007-08, 2007-09, 2008-09, 2009-10, 2010- 11, 2011 -12, 1994 to 2012	Customs, Excise & Service Tax Appellate Tribunal
		50,100	1985-86 to 1989-90, 2000-01 to 2003-04, 2004-06, 2006-08, 2007-11, 2012-13	Commissioner
		73,700	1995-96, 1997-98, 2002-03, 2004-05, 2003-04, 2003-05, 2004-05, 2005-06, 2009-10, 2009-11, 2010-11	Commissioner (Appeals)
		2,61,100	1994-95, 2008-09, 1994 to 2011	High Court
		600	1987-88, 2014-15	Joint Commissioner

		2,100	1979-81, 1982-83, 1996-97, 2012-13,	1980-81, 1995-96, 1999-00, 2014-15	Superintendent of Central Excise
		61,600	1997 to 2007		Supreme Court
		13,500	1987 to 2015		Departmental Authorities
Central Sales Tax Act, 1956	Central Sales Tax	5,19,900	1997-98, 1999-00, 2010-11, 2003-04, 2012-13, 1995-96, 2007-08, 2010-11, 2004-05, 2001-02, 2003-04, 1992-93, 1998-99, 2002-03, 2005-06, 2008-09, 2010-11,	1993-94, 2011-12, 2009-10, 2011-12, 2013-14, 1998-99, 2008-09, 2001-02, 2000-01, 2002-03, 1991-92, 1996-97, 1999-00, 2004-05, 2007-08, 2009-10, 1995-96, 2003-04, 2005-06, 2007-08, 2009-10, 2012-13	Additional Commissioner, Assessing Authority, Commissioner, High Court, Joint Commissioner (Appeals) Revisional Board, Senior Joint Commissioner, Supreme Court, Tribunal, Appellate & Revisional Board, Deputy Commissioner Commercial Taxes, Commercial Tax Officer
UP Trade Tax Act, 1948	Central Sales Tax	100	2005-06,	2006-07	Additional Commissioner (Appeals)

Sales Tax and Entry Tax Acts of various states	Sales Tax and Entry Tax	26,40,400	2003-04, 1987-88, 2002-03, 2004-05, 1991-92, 2004-05, 1995-96, 1998-99, 2002 to 2015, 1999 to 2015, 1994 to 2006, 1986 to 2015	2001-02, 1995-96, 2003-04, 1999-00, 1992-93, 2006-07, 1997-98, 1999-00,	Appellate and Revisional Board, High Court, Tribunal, Assessing Authority, Assistant Commissioner Commercial Taxes, High Court, Additional Commissioner (Appeals), Senior Joint Commissioner, Additional Commissioner, Sales Tax, Supreme Court, Departmental Authorities
Finance Act, 1994	Service Tax	30,300	2007-09, 2008-09, 2010-11, 2008-09 to 2009-10, 2012-13, 2003-05, 2010-12, 2009-12, 2005 to 2010, 2005 to 2015, 2005 to 2011	2007-08, 2009-10, 2012-13, 2010-12,	Additional Commissioner of Central Excise, Customs, Excise & Service Tax, Appellate Tribunal, Commissioner, Commissioner (Appeals), Assistant Commissioner, High Court, CESTAT, Departmental Authorities
Customs Act, 1962	Custom Duty	1,97,000	2000-01, 1996 to 2015, 1987 to 2013		High Court, Tribunal (CESTAT), Departmental Authorities
VAT Act of various states	VAT Act	3,35,400	2006-07, 2008-09, 2012-13, 2009-10, 2013-14	2007-08, 2010-11, 2005-06, 2011-12,	Sales Tax Appellate Tribunal, Tribunal, Joint Commissioner (Appeals) Commissioner of Commercial Taxes, Deputy Commissioner, Commissioner, CTC Tribunal, High Court, Additional Commissioner (Appeals), High Court, Revisional Board, Senior Joint Commissioner, Additional Commissioner, Commercial Taxes

- (d) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements / financial information of covered entities, of the Group, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time to the extent applicable to the covered entities.
- (viii) The Holding Company and the Covered entities of the Group have no accumulated losses at the end of the financial year and have not incurred cash losses in the current and immediately preceding financial year except in case of a covered entity where it has accumulated losses exceeding fifty percent of its net worth as at the end of the financial year and it has also incurred cash losses in the current and in the immediately preceding financial year.
- (ix) As reported by the other auditors who audited the financial statements / financial information of other covered entities, other Covered entities of the Group have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Holding Company and the Covered entities of the Group have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) As reported by other auditors who audited the financial statements / financial information of Associate Companies, term loans were applied for the purpose for which the loans were obtained by Associate Companies.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements / financial information of other Covered Entities, which we have relied upon, we report that no fraud on or by the other Covered Entities have been noticed or reported during the year.

For **S. R. BATLIBOI & CO. LLP**  
*Chartered Accountants*  
ICAI Firm Registration Number : 301003E

Place of Signature: Kolkata  
Date : November 06, 2015

Per **Kamal Agarwal**  
Partner  
Membership Number: 058652

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2015**

	Notes	31st March, 2015 ₹ in '000s	31st March, 2014 ₹ in '000s
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	3	79,088	79,088
Reserves and Surplus	4	1,18,96,662	1,25,17,913
		<b>1,19,75,750</b>	<b>1,25,97,001</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	21,900	21,000
Long Term Provisions	6	200	190
		<b>22,100</b>	<b>21,190</b>
<b>Current Liabilities</b>			
Trade Payables	7	5,505	624
Other Current Liabilities	7	6,026	6,041
Short Term Provisions	6	2,54,161	2,50,668
		<b>2,65,692</b>	<b>2,57,333</b>
<b>TOTAL</b>		<b>1,22,63,542</b>	<b>1,28,75,524</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed assets</b>			
Tangible Assets	8	26,872	26,031
Non-Current Investments	9	99,76,440	1,07,85,179
Long Term Loans and Advances	10	40,661	44,868
Other Non Current Assets	12	23	26
		<b>1,00,43,996</b>	<b>1,08,56,104</b>
<b>Current Assets</b>			
Current Investments	11	14,84,673	13,48,538
Trade Receivables	12	5,707	3,987
Cash and Bank Balances	13	94,446	66,568
Short Term Loans and advances	10	6,00,140	6,00,327
Other Current Assets	12	34,580	—
		<b>22,19,546</b>	<b>20,19,420</b>
<b>TOTAL</b>		<b>1,22,63,542</b>	<b>1,28,75,524</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**

Registration No. 301003E

Chartered Accountants

Per **Kamal Agarwal**

Partner

Membership No. 058652

For and on behalf of the Board of Directors

**R. A. MAKHARIA**

Executive Director

**D. K. MANTRI**

Director

**N. K. BAHETI**

Chief Financial Officer

**R. S. KASHYAP**

Company Secretary

Place : Kolkata

Dated : Nov. 6, 2015

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015**

	Notes	For the year ended 31st March, 2015 ₹ in '000s	For the year ended 31st March, 2014 ₹ in '000s
<b>INCOME</b>			
Revenue from operations	14	<b>3,22,307</b>	4,53,538
Other Income	15	<b>1,886</b>	28,278
<b>Total Revenue (I)</b>		<b>3,24,193</b>	4,81,816
<b>EXPENSES</b>			
Employee benefits expenses	16	<b>10,538</b>	9,142
Depreciation and amortization expense	18	<b>389</b>	1,621
Other expenses	17	<b>53,101</b>	19,160
<b>Total Expenses (II)</b>		<b>64,228</b>	29,923
Profit before tax (I) - (II)		<b>2,59,965</b>	4,51,893
<b>Tax Expense :</b>			
Current Tax		<b>31,207</b>	38,298
MAT Credit Entitlement		<b>(13,049)</b>	—
<b>Total Tax Expenses</b>		<b>18,158</b>	38,298
Profit for the year (A)		<b>2,41,807</b>	4,13,595
Share of (Loss) in Associate Companies (Net) (B)		<b>(5,91,569)</b>	(10,25,380)
Profit / (Loss) for the year (A - B)		<b>(3,49,852)</b>	(6,11,786)
Earnings per Equity Shares [ Nominal Value of ₹ 10/- each (₹ 10/-)]			
<b>Basic &amp; Diluted (₹)</b>	25	<b>(44.24)</b>	(77.36)

**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 <b>S. R. BATLIBOI &amp; CO. LLP</b> Registration No. 301003E Chartered Accountants Per <b>Kamal Agarwal</b> Partner Membership No. 058652	For and on behalf of the Board of Directors  <b>R. A. MAKHARIA</b> Executive Director  <b>D. K. MANTRI</b> Director  <b>N. K. BAHETI</b> Chief Financial Officer  <b>R. S. KASHYAP</b> Company Secretary
Place : Kolkata		
Dated : Nov. 6, 2015		

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

	2014-15 ₹ in '000s	2013-14 ₹ in '000s
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit before Tax</b>	<b>2,59,965</b>	4,51,893
Adjustment for :		
Depreciation and amortisation expense	<b>389</b>	1,621
Provision for diminution in value of current investments no longer required written back	—	(28,054)
Provision for Non-performing Assets written back	—	(61)
<b>Operating Profit before working capital changes :</b>	<b>2,60,354</b>	4,25,399
Increase in Long Term provisions	<b>10</b>	29
Increase / (Decrease) in Trade Payables	<b>4,881</b>	(869)
Increase / (Decrease) in other current liabilities	<b>(235)</b>	419
Increase in Short-term provisions	<b>2,006</b>	1,911
(Increase) / Decrease in Non Current Investments	<b>1,82,421</b>	(14,36,854)
Decrease in other Non Current Assets	<b>3</b>	4
(Increase) / Decrease in Current Investments	<b>(1,36,135)</b>	9,09,063
(Increase) / Decrease in Trade Receivables	<b>(1,720)</b>	2,137
Decrease in short-terms loans and advances	<b>187</b>	3,99,935
(Increase) / Decrease in Other Current Assets	<b>(34,580)</b>	15,879
<b>Cash Generated from operations :</b>	<b>2,77,192</b>	3,17,053
Direct Tax paid	<b>(30,548)</b>	(32,911)
<b>Net cash flow from operating activities</b>	<b>2,46,644</b>	2,84,142
<b>B. Cash Flow from Investing Activities</b>		
Decrease in Capital Advance	<b>11,464</b>	8,712
Purchase of Fixed Asset	<b>(28)</b>	-
Fixed Deposits	<b>(50,000)</b>	-
<b>Net cash flow from/(used in) investing activities</b>	<b>(38,564)</b>	8,712

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

	2014-15 ₹ in '000s	2013-14 ₹ in '000s
<b>C. Cash Flows from Financing Activities</b>		
Dividend Paid	(197,499)	(197,171)
Tax on Dividend Paid	(33,602)	(33,602)
Loans Taken	900	-
Refund of Loans Taken	-	(900)
<b>Net cash flow used in financing activities</b>	<b>(2,30,201)</b>	<b>(2,31,673)</b>
<b>D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(22,122)</b>	<b>61,181</b>
<b>E. Cash and Cash equivalents at the beginning of the year</b>	<b>66,568</b>	<b>5,387</b>
<b>F. Cash and Cash equivalents at the end of the year</b>	<b>44,446</b>	<b>66,568</b>
<b>Components of Cash &amp; Cash Equivalents:</b>		
Cash on hand	43	28
Balances with scheduled banks on current account*	14,323	4,871
Fixed Deposits with Banks	30,080	61,669
<b>Total</b>	<b>44,446</b>	<b>66,568</b>

\* Includes ₹ 4,012 thousands (31st March, 2014 ₹ 3,792 thousands)  
lying in Unpaid Dividend Account, not available for use by the Company.

As per our report of even date.

Place : Kolkata Dated : Nov. 6, 2015	<b>For S. R. BATLIBOI &amp; CO. LLP</b> <i>Registration No. 301003E</i> <i>Chartered Accountants</i> <b>Per Kamal Agarwal</b> <i>Partner</i> <i>Membership No. 058652</i>	For and on behalf of the Board of Directors  <b>R. A. MAKHARIA</b> <i>Executive Director</i>  <b>N. K. BAHETI</b> <i>Chief Financial Officer</i>	 <b>D. K. MANTRI</b> <i>Director</i>  <b>R. S. KASHYAP</b> <i>Company Secretary</i>
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## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

### 1. Principles of consolidation of financial statements

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 above 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	33.71* (36.78)
Kesoram Industries Limited	India	24.91 (24.91)

\* till March 30, 2015, it was 36.78%

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

- c) The difference of ₹15,38,764 thousands between the cost of company's investments in its Associate Company namely Century Textile & 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, ₹1,16,774 thousands 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 as on the date of the investment has been identified as Goodwill & included in the carrying value of the investments.
- d) The difference of ₹ 5,19,801 thousands 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 the directives prescribed by the Reserve Bank of India for Non-Banking Financial Companies. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

#### 2.1 Significant Accounting Policies

##### (i) Change in Accounting Policy

##### Depreciation on Fixed Assets

Till the year ended 31st March 2014, Schedule XIV to the Companies Act, 1956 prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. Effective from 1st April, 2014, the Company has provided depreciation on fixed assets based on useful lives as provided in Schedule II of the Companies Act, 2013 or as re-assessed by the Company. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual value of fixed assets.

Based on transitional provision given in Schedule II to the Companies Act, 2013, had there been no change in useful lives of fixed assets, the charge to the Statement of Profit & Loss would have been lower by ₹ 331 thousands.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

**(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. Dividend received from Overseas Companies is accounted for, net of tax deducted at source.

**b. Interest**

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

**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 Notification No. DNBS.223/CGM (US) -2011 dated 17th January 2011 issued by the Reserve Bank of India, contingent provision @0.25% 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).

**(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 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.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

### (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.

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

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

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 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 recognize 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

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

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) 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.

### (xiv) 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.

### (xv) 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 2015**
**3. Share Capital**

	<b>31st March, 2015</b> (₹ in 000s)	31st March, 2014 (₹ in 000s)
<b>Authorised Shares</b>		
90,00,000 (90,00,000) Equity Shares of ₹ 10/- each	<b>90,000</b>	90,000
<b>Issued, Subscribed &amp; Fully Paid up Shares</b>		
79,08,750 (79,08,750) Equity Shares of ₹ 10/- each	<b>79,088</b>	79,088
	<b>79,088</b>	79,088

(a) There is no change in number of shares in 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 2015, the amount of per share dividend recognised as distribution to shareholders was ₹ 25 (₹ 25) per share.

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 to equity shareholders 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**

	<b>31st March 2015</b>		<b>31st March 2014</b>	
	<b>No. of Shares</b>	<b>% of Holding</b>	No. of Shares	% of Holding
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 2015****4. Reserves & Surplus**

	<b>31st March, 2015</b> (₹ in 000s)	<b>31st March, 2014</b> (₹ in 000s)
<b>Investment Reserve</b>		
Balance as per the last Financial Statements	34,60,082	37,63,998
Less : Transfer to General Reserve	—	3,03,916*
	<b>34,60,082</b>	<b>34,60,082</b>
<b>Revaluation Reserve</b>		
Proportionate share in associate company	5,929	5,929
<b>General Reserve</b>		
As per last Balance Sheet	23,55,447	18,51,531
Add: Transfer from Statement of Profit & Loss	1,00,000	2,00,000
Add : Transfer from Investment Reserve	—	3,03,916*
	<b>24,55,447</b>	<b>23,55,447</b>
<b>Statutory Reserve</b>		
As per the last Financial Statements	13,94,442	12,74,507
Add: Transfer from Statement of Profit & Loss	84,838	1,19,935
	<b>14,79,281</b>	<b>13,94,442</b>
<b>Surplus in the Statement of Profit &amp; Loss</b>		
Balance as per the last Financial Statements	53,02,014	64,97,524
Profit / (Loss) for the year	(3,49,852)	(6,11,785)
Less: Appropriations		
Dividend Tax on profit of associate	33,431	32,469
Proposed Dividend	1,97,719	1,97,719
Tax on Proposed Dividend	40,251	33,602
Transfer to Statutory Reserve	84,838	1,19,935
Transfer to General Reserve	1,00,000	2,00,000
Surplus in the Statement of Profit and Loss	<b>44,95,923</b>	<b>53,02,014</b>
<b>Total Reserves &amp; Surplus</b>	<b>1,18,96,662</b>	<b>1,25,17,913</b>

\* Represents withdrawal of Investment Reserve in respect of sale of certain investments during the year 2012-13, being the difference between the original cost and revalued amount of such investments.

**5. Long-Term borrowings**

5. Long-Term borrowings	Non-Current	
	31st March 2015 (₹ in 000s)	31st March 2014 (₹ in 000s)
<b>Unsecured</b>		
From - M/s Birla Group Holdings Pvt. Ltd.	21,900	21,000
	<b>21,900</b>	<b>21,000</b>



**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015**

**6. Provisions**

	<b>Long Term</b>		<b>Short Term</b>	
	<b>31st March 2015</b>	31st March 2014	<b>31st March 2015</b>	31st March 2014
	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>
<b>Provisions for Employee Benefits</b>				
Provision for Gratuity (Note 22)	<b>200</b>	190	<b>9,773</b>	8,189
Provision for Leave Benefits	—	—	<b>3,240</b>	2,818
	<b>200</b>	190	<b>13,013</b>	11,007
<b>Other Provisions</b>				
Provision for tax (net of advance tax & tax deducted at source ₹ 3,51,024 thousands (31st March 2014 ₹ 3,83,904 thousands))	—	—	<b>430</b>	5,592
Proposed Equity Dividend	—	—	<b>1,97,719</b>	1,97,719
Provision for tax on proposed Equity Dividend	—	—	<b>40,251</b>	33,602
Contingent Provisions against Standard Assets	—	—	<b>2,748</b>	2,748
	—	—	<b>2,41,148</b>	2,39,661
	<b>200</b>	190	<b>2,54,161</b>	2,50,668

**7. Other Current Liabilities**

	<b>31st March, 2015</b>	31st March, 2014
	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>
Trade Payables (Refer Note 27)	<b>5,505</b>	624
<b>Other Liabilities</b>		
Payable to Employees	<b>972</b>	1,178
Investors Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Dividend	<b>4,012</b>	3,792
<b>Others</b>		
Security Deposits	<b>709</b>	709
Statutory Dues	<b>32</b>	42
Miscellaneous	<b>311</b>	320
	<b>6,026</b>	6,041
	<b>11,531</b>	6,665

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015****8. Tangible Assets**

(₹ in 000s)

	Land	Buildings	Furnitures & Fixtures	Office Equipments	Vehicles	TOTAL
<b>Cost or Valuation</b>						
As at 31st March 2013	24,822	3,426	193	8	780	29,229
<b>As at 31st March 2014</b>	<b>24,822</b>	<b>3,426</b>	<b>193</b>	<b>8</b>	<b>780</b>	<b>29,229</b>
Addition	—	—	—	28	—	28
<b>As at 31st March 2015</b>	<b>24,822</b>	<b>3,426</b>	<b>193</b>	<b>36</b>	<b>780</b>	<b>29,257</b>
<b>Depreciation</b>						
As at 31st March 2013	—	2,597	183	8	222	3,010
Charge for the year	—	41	3	—	144	188
<b>As at 31st March 2014</b>	<b>—</b>	<b>2,638</b>	<b>186</b>	<b>8</b>	<b>366</b>	<b>3,198</b>
Charge for the year	—	(957)*	—	7	137	(813)
<b>As at 31st March 2015</b>	<b>—</b>	<b>1,681</b>	<b>186</b>	<b>15</b>	<b>503</b>	<b>2,385</b>
<b>Net Block</b>						
<b>As at 31st March 2014</b>	<b>24,822</b>	<b>788</b>	<b>7</b>	<b>—</b>	<b>414</b>	<b>26,031</b>
<b>As at 31st March 2015</b>	<b>24,822</b>	<b>1,745</b>	<b>7</b>	<b>21</b>	<b>277</b>	<b>26,872</b>

**Note :**

\*During the year, a subsidiary of the Company, has changed method of providing depreciation from written down value method to Straight Line Method. Due to above change, a sum of Rs. 1010 thousands representing the excess depreciation charged in earlier years has been credited to the Statement of Profit & Loss.

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015**

			<b>31st March, 2015</b>	<b>31st March, 2014</b>
			<b>(₹ in 000s)</b>	<b>(₹ in 000s)</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>14,032</b>	7,000
Add : Additions during the year			<b>4,764</b>	7,520
Less : Disposals / deductions			<b>—</b>	488
<b>Sub Total (A)</b>			<b>18,796</b>	14,032
Depreciation as at 1st April 2014			<b>6,510</b>	5,523
Less : Disposal / Deductions			<b>—</b>	445
Add : Depreciation for the year			<b>1,202</b>	1,432
<b>Sub Total (B)</b>			<b>7,712</b>	6,510
<b>Net Block (A-B)</b>			<b>11,084</b>	7,522
<b>Non-Trade Investments (valued at cost)</b>				
	No. of shares / Units	Face Value per share		
<b>Unquoted Equity Instruments (Fully Paid)</b>				
<b>In Other Companies</b>				
Birla Buildings Limited	15,000	₹ 10	<b>152</b>	152
Birla Consultants Limited	12,000	₹ 10	<b>120</b>	120
Indo Thai Synthetics Co. Limited	207,900	Baht10	<b>1,142</b>	1,142
Indo Phil Textile Mills Inc., Manila	211,248	Pesos10	<b>203</b>	203
The Eastern Economist Limited	400	₹100	<b>40</b>	40
The Hindusthan Times Ltd.	192000	₹10	<b>218</b>	218
The Industry House Limited	2,812	₹100	<b>189</b>	189
Gmmco Limited	68,249	₹ 10	<b>34,210</b>	34,210
			<b>36,274</b>	36,274
<b>Unquoted Mutual Funds (Fully Paid)</b>				
Birla Sunlife Dividend Yield Plus-Dividend	18,811		<b>250</b>	250
Birla Sunlife Midcap Fund-Dividend	33,473		<b>800</b>	800
Birla Sunlife Mip - Wealth25-Growth	21,987		<b>317</b>	317
Birla Sunlife Mip-Wealth 25-Growth	36,549		<b>509</b>	509
Birla Sunlife Dynamic Bond Fund-Retail-Growth	22,366		<b>400</b>	400
Birla Sunlife Opportunity Fund-Growth	16,672		<b>311</b>	311
Birla Medium Term Plan-Growth	50,783		<b>712</b>	712
Birla Sunlife Medium Term Plan-Growth	58,746		<b>1000</b>	—
			<b>4,299</b>	3,299

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015**

	No. of shares	Face Value per share	31st March, 2015 (₹ in 000s)	31st March, 2014 (₹ in 000s)
<b>Quoted Equity Investments (Fully Paid)</b>				
<b>In Associates</b>				
Century Textiles & Industries Limited*	34,220,520	₹ 10	15,85,751	# 15,85,751
Add : Proportionate Share of Accumulated Profit of the associate company upto 31st March 2015			50,14,686	51,79,361
			<b>66,00,437</b>	<b>67,65,112</b>
# includes Goodwill ₹ 1,16,774 thousands arisen on acquisition of shares [Refer Note : 2.(ii).(c)]				
Kesoram Industries Limited*	2,73,38,750	₹ 10	16,82,442	# 16,82,442
Add : Proportionate Share of Accumulated Loss of the associate company upto 31st March 2015 to the extent of carrying value of investments			(16,82,442)	(10,33,814)
			<b>—</b>	<b>6,48,628</b>
# Net of Capital Reserve ₹ 5,19,801 thousands arisen on acquisition of shares [Refer Note : 2.(ii).(d)]				
<b>In Other Companies</b>				
Aditya Birla Nuvo Limited	187,098	₹ 10	29,408	29,408
Aditya Birla Chemicals (India) Limited*	390,000	₹ 10	4,095	4,095
Cimmco Limited	70,780	₹ 10	504	504
Grasim Industries Limited	43,00,293	₹ 10	6,14,777	6,14,777
Hindalco Industries Limited	2,91,85,398	₹ 1	18,36,332	18,36,332
Hindustan Everest Tools Limited	52,175	₹ 10	446	446
Jayshree Tea & Industries Limited	2,844	₹ 5	41	41
KDDL Limited	35,000	₹ 10	306	306
Kesoram Textile Mills Limited	2,415,750	₹ 2	604	604
Mangalam Cement Limited*	1,120,000	₹ 10	7,560	7,560
Mangalore Refineries Petro Chemicals Limited	200	₹ 10	2	2
Orient Cement Limited	1,74,206	₹ 1	2,558	2,558
Orient Paper & Industries Limited	2,51,054	₹ 1	1,859	1,859

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015**

	No. of shares	Face Value per share	31st March, 2015 (₹ in 000s)	31st March, 2014 (₹ in 000s)
Sutlej Textile & Industries Limited	1,71,463	₹ 10	2,471	2,471
SIL Investment Limited	1,14,309	₹ 10	2,014	2,014
Tanfac Industries Limited*	498,000	₹ 10	5,627	5,627
Ultra Tech Cement Limited	2,457,309	₹ 10	8,07,328	8,07,328
Umi Special Steels Limited**	1,00,000	₹ 10	—	—
Zenith Birla Limited	3,432	₹ 10	15	15
Zuari Global Limited	4,34,000	₹ 10	3,949	3,949
Zuari Agro Chemicals Limited	4,34,000	₹ 10	3,949	3,949
			<b>33,23,845</b>	<b>33,23,845</b>
<b>Investment in Tax Free Bond</b>				
Housing & Urban Development Corporation	500	₹1000	500	500
			<b>500</b>	<b>500</b>
			<b>99,76,440</b>	<b>1,07,85,179</b>
Aggregated Value of Investment Property			<b>11,084</b>	7,522
Aggregated Value of Quoted Investments			<b>99,24,283</b>	1,07,37,585
Aggregated Value of Unquoted Investments			<b>41,073</b>	40,073
Market Value of Quoted Investments			<b>5,22,49,486</b>	3,69,22,564
*Refer Note 21				
** net of provision for other than temporary diminution				
			<b>170</b>	170

**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)</b>		
<b>Equity Shares</b>		
Jiyajeerao Cotton Mills Limited	150	10
Kalyan Sundaram Cement Industries Limited	50,000	10
Saurashtra Chemicals Limited	1,65,874	10
Tungbhadra Industries Limited	1,865	10

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015**

	<b>No. of Shares</b>	<b>Face Value (₹ per share)</b>
<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**

	<b>Non-Current Portion</b>		<b>Current Portion</b>	
	<b>31st March 2015 (₹ in 000s)</b>	<b>31st March 2014 (₹ in 000s)</b>	<b>31st March 2015 (₹ in 000s)</b>	<b>31st March 2014 (₹ in 000s)</b>
<b>Capital Advances</b>				
Unsecured, Considered good	—	11,464	—	—
(A)	—	11,464	—	—
<b>Security Deposits</b>				
Unsecured, Considered good	2,557	2,557	—	—
(B)	2,557	2,557	—	—
<b>Loans</b>				
Unsecured, Considered good				
To a Bodies Corporate	—	—	6,00,000	6,00,000
(C)	—	—	6,00,000	6,00,000

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015**

**Advances recoverable in cash or in kind**

Unsecured, Considered good	—	—	101	240
Unsecured, considered doubtful	1,665	1,665	—	—
	<b>1,665</b>	<b>1,665</b>	<b>101</b>	<b>240</b>
Less Provision for doubtful advances	1,665	1,665	—	—
(D)	—	—	<b>101</b>	<b>240</b>

**Other Loans and Advances**

Unsecured, Considered good				
Advance income tax, Refund receivable (net of provision for taxation ₹ 1,07,779 thousands)	31,016	19,312	—	29
(31st March 2014 ₹ 56,312 thousands)				
Prepaid Expenses	—	—	39	49
MAT Credit Entitlement	160	4,607	—	—
Loans to Employees	—	—	—	9
Deposits made against Demand Notice (Refer Note 20)	6,928	6,928	—	—
(E)	<b>38,104</b>	<b>30,847</b>	<b>39</b>	<b>87</b>
(A+B+C+D+E)	<b>40,661</b>	<b>44,868</b>	<b>6,00,140</b>	<b>6,00,327</b>

**11. Current Investments :**

**Trade Investments**

**Investments in Mutual Funds (Unquoted)**  
**(Valued at Lower of Cost or Fair Value)**

	No. of Units	Face Value (₹ per unit)	31st March 2015 (₹ in 000s)	31st March, 2014 (₹ in 000s)
Birla Sunlife Cash Manager Fund - Gr.	5,09,987	100	1,04,169	1,04,169
Birla Sunlife Saving Fund - Div.	19,81,239	10	1,98,423	1,85,944
	(18,56,813)			
Birla Sunlife Cash Manager Fund - Div.	16,81,352	100	1,68,527	1,28,765
	(12,85,003)			
Birla Sunlife Saving Fund - Growth	57,193	10	15,000	—
DSP Black Rock Money Manager Fund - Dividend	1,28,169	1000	1,28,679	1,21,278
	(1,20,799)			
HDFC Cash Manager Fund-Dividend	86,37,038	10	86,642	51,888
	(51,72,498)			
HDFC Liquid Fund - Dividend	20,80,050	10	21,213	23,111
	(22,66,187)			

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015**

ICICI Prudential Fixed Maturity Plan Series 68	—	10	—	23,500
	(23,50,000)			
ICICI Prudential Money Manager Fund-Gr.	7,02,811	100	<b>1,24,204</b>	1,24,204
ICICI Prudential Regular Saving Fund-Div.	3,21,424	10	<b>32,215</b>	30,391
	(3,03,202)			
Kotak Floater Long Term Fund-Div.	33,01,243	10	<b>33,259</b>	31,225
	(30,97,754)			
Reliance Money Manager Fund-Div.	4,20,440	1000	<b>4,20,733</b>	4,01,217
	(4,00,663)			
Reliance Fixed Horizon Fund - Growth	—	10	—	23,500
	(23,50,000)			
Reliance Liquid Fund - Growth	12,749	10	<b>39,570</b>	39,570
Reliance Money Manager Fund - Growth	14,213	1000	<b>24,120</b>	24,120
SBI Untra Short Term Debts Fund-Growth	29,107	1000	<b>50,000</b>	—
	(—)			
Tata Treasury Advantage Fund - Dividend	21,030	1000	<b>21,208</b>	19,964
	(19,796)			
UTI Treasury Advantage Fund - Dividend	16,676	10	<b>16,711</b>	15,692
	(15,659)			
			<b>14,84,673</b>	<b>13,48,538</b>

**12. Trade Receivables and Other Assets**

<b>12.1 Trade Receivables</b>	<b>Non-Current Portion</b>		<b>Current Portion</b>	
	<b>31st March 2015</b>	<b>31st March 2014</b>	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>

**Unsecured, Considered good**

Outstanding for a period exceeding six months from due date of payment

	—	—	<b>649</b>	206
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Other Debts	—	—	<b>5,058</b>	3,781
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	—	—	<b>5,707</b>	3,987
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**12.2 Other Assets**

Unsecured, Considered good

Interest Accrued on Loans	—	—	<b>34,580</b>	—
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Preliminary Expenses	<b>23</b>	26	—	—
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	<b>23</b>	26	<b>34,580</b>	—
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	<b>23</b>	26	<b>40,287</b>	3,987
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## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

### 13. Cash and Bank Balances

	<b>Current</b>	
	<b>31st March 2015</b>	<b>31st March 2014</b>
	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>
<b>Cash &amp; cash equivalents</b>		
Balances with Banks		
On Current Accounts	10,311	1,079
On Unpaid Dividend Account	4,012	3,792
Cash on Hand	43	28
Deposits with original maturity for more than 3 months	30,080	61,669
	<b>44,446</b>	<b>66,568</b>
<b>Other Bank Balances</b>		
Deposits with original maturity for more than 12 months	50,000	—
	<b>50,000</b>	<b>—</b>
	<b>94,446</b>	<b>66,568</b>

### 14. Revenue from Operations

	<b>For the Year ended 31st March 2015</b>	<b>For the Year ended 31st March 2014</b>
	<b>(₹ in 000s)</b>	<b>(₹ in 000s)</b>
<b>Dividend Income on</b>		
– Non Current Investments	1,53,326	1,74,554
– Current Investments	66,335	73,978
Profit on sale of Current Investments (Units of Mutual Fund)	4,654	90,880
<b>Interest Income</b>		
– On Loans	72,000	94,683
– On Fixed Deposit with Banks	6,389	486
– On Bonds	41	1
<b>Other Operating Revenue</b>		
Rent Income	15,229	14,880
Service Charges	4,333	4,076
	<b>3,22,307</b>	<b>4,53,538</b>

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015****15. Other Income**

	<b>For the Year ended 31st March 2015 ( ₹ in 000s)</b>	<b>For the Year ended 31st March 2014 ( ₹ in 000s)</b>
Provision for diminution in value of Current Investments no longer required written back	—	28,054
Miscellaneous Receipts	1,886	163
Provision for Non-Performing Assets written back	—	61
	<b>1,886</b>	<b>28,278</b>

**16. Employee Benefits Expenses**

Salaries and Bonus	7,350	6,275
Gratuity (Refer Note 22)	1,594	1,462
Contribution to Provident and Other Funds	697	614
Staff Welfare Expenses	897	791
	<b>10,538</b>	<b>9,142</b>

**17. Other Expenses**

Director's Sitting Fees	921	787
Insurance Charges	30	33
Repairs & Maintenance (others)	17	17
CSR Expenses (as contribution to various trusts / societies)	10,900	—
Building Maintenance & Service Expenses	35,348	12,076
Rates & Taxes (Net)	2,258	2,287
Rent	740	692
Miscellaneous Expenses	2,488	2,699
Payment to Auditors		
As Auditors		
Audit Fee*	262	254
Limited Review	129	109
In Other Capacity		
For Certification, etc.	130	139
For Expenses, etc.	78	67
	<b>53,301</b>	<b>19,160</b>

**18. Depreciation and Amortization Expenses**

Depreciation on Tangible Assets	(813)#	189
Depreciation on Investment Property	1,202*	1,432*
	<b>389</b>	<b>1,621</b>

# refer Note 8

\* includes ₹ 607 thousands in respect of earlier years.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

### 19. 1. Capital & Other Commitments :

- a) Uncalled liability on partly paid Shares held as Investments ₹ 3 thousands (₹ 3 thousands).

### 19.2. Contingent Liabilities :

Income Tax demands for earlier years aggregating to ₹ 36,149 thousands (₹ 33,642 thousands) disputed by the Holding Company.

### 19.3 Company's Share in outstanding Capital Commitment & Contingent Liabilities of associates :

- a) Outstanding Capital and other Commitment

₹ 1,13,73,063 thousands (₹ 1,35,18,224 thousands)

- b) Contingent Liabilities

	2014-15 (₹ in 000s)	2013-14 (₹ in 000s)
<b>Guarantees given</b>		
i. by banks on behalf of Company	1,39,272	3,24,059
ii. to excise authorities	299	299
<b>Claims against the Company not acknowledged as debts</b>		
i. Rates, taxes & duties demanded by various authorities	28,24,087	28,60,284
ii. Amount demanded by Provident fund authorities which is sub-judice.	2,167	2,167
iii. Others	73,050	76,646
For Income Tax matters	1,20,508	98,261
Penalty imposed by Competition Commission of India(CCI)	9,23,721	10,07,796

20. The Company has disputed the claim for recovery of ₹ 1,544 thousands 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, ₹ 6,928 thousands have been deposited with Debts Recovery Appellate Tribunal pursuant to Hon'ble Bombay High Court Order while admitting the writ petition filed by the Company. Pending the High Court judgment in the above matter, no provision against the above claim has been made in the accounts.
21. The Company has given undertaking to some Banks/Financial Institutions for non-disposal of its share holdings in the following Bodies Corporate without their approval, till the loans given by those banks/institutions are repaid in full by these Bodies Corporate :-

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

- (i) Aditya Birla Chemicals (India) Ltd.
- (ii) Tanfac Industries Ltd.
- (iii) Mangalam Cement Ltd.
- (iv) Century Textiles & Industries Ltd.
- (v) Kesoram Industries Ltd.

### 22. Disclosure under Accounting Standard - 15 (Revised) on 'Employee Benefits'.

(₹ in 000s)

A. Defined Contribution Plan	31st March 2015	31st March 2014
Contribution to Provident Fund	646	570

### 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 :

	31st March 2015 (₹ in 000s)	31st March 2014 (₹ in 000s)
Current Service Cost	412	362
Interest cost on benefit obligation	754	623
Expected return on plan assets	—	—
Net actuarial (gain)/loss recognized in the year	428	447
Net benefit expense	1,594	1,462

#### Balance Sheet

Benefit asset/liability	31st March 2015 (₹ in 000s)	31st March 2014 (₹ in 000s)
Present value of defined benefit obligation	9,973	8,379
Fair value of plan assets	—	—
Plan asset/(liability)	9,973	8,379

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

Opening defined benefit obligation	8,379	6,917
Current Service Cost	412	362
Interest Cost	754	623
Benefits paid	—	—
Actuarial (gains) / losses on Obligation	428	477
Closing defined benefit obligation	9,973	8,379

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

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

	<u>31st March 2015</u>	<u>31st March 2014</u>
Discount rate	7.83%	9.00%
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 factors, such as supply and demand in the employment market.

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

	<u>31st March 2015</u>	<u>31st March 2014</u>	<u>31st March 2013</u>	<u>31st March 2012</u>	<u>31st March 2011</u>
	(₹ in 000s)	(₹ in 000s)	(₹ in 000s)	(₹ in 000s)	(₹ in 000s)
Defined Benefit Obligation	9,973	8,379	6,917	5,536	4,804
Surplus / (Deficit)	(9,973)	(8,379)	(6,917)	(5,536)	(4,804)
Experience adjustments on plan liabilities	407	488	617	275	357

23. 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.	1079	10/-
(b) Hindustan Motors Ltd.	440	10/-
(c) Century Textiles & Industries Ltd.	220	10/-
(d) Tungabhadra Industries Ltd.	4	10/-
(e) Hindustan Everest Tools Ltd.	117	10/-

### 24. 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.

### 25. Earnings Per Share (EPS) :

The following reflects the profit and share data used in the basis and deluted EPS computations :

	<u>31st March 2015</u>	<u>31st March 2014</u>
	(₹ in 000s)	(₹ in 000s)
Profit/(Loss) after Tax as per statement of Profit & Loss	(3,49,852)	(6,11,786)
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)	(44.24)	(77.36)

**Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015****26. Related Party Disclosures****a. Names of related parties & related party relationship :****Key Management Personnel**

Shri R. A. Makharia (Executive Director)  
 Shri N. K. Baheti (CFO)  
 (w.e.f. 29th January, 2015)  
 Shri R. S. Kashyap (Company Secretary)  
 (w.e.f. 1st April, 2014)

**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>2014 - 15</b> <b>(₹ in 000s)</b>	<b>2013 - 14</b> <b>( ₹ in 000s)</b>
<b>Key Management Personnel</b>		
<b>Remuneration</b>		
Shri R.A.Makharia	4,877	3,920
Shri N.K.Baheti	148	-
Shri R.S.Kashyap	390	-
<b>27.</b> 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.		
<b>28. Leases :</b>		
<b>Operating Lease : Company as 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 clauses in the lease agreements. There are no restrictions imposed by lease arrangements. The leases are cancellable.		
	<b>31st March 2015</b> <b>(₹ in 000s)</b>	<b>31st March 2014</b> <b>(₹ in 000s)</b>
Lease Payments made for the year	<b>740</b>	<b>692</b>

**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.

- 29.** During the last financial year, the Holding Company had transferred investments worth ₹ 44601 thousands to one of its subsidiary. However, the transfer of the same in the name of the subsidiary is still under process as on the Balance Sheet date.

## Notes to Consolidated Financial Statements as at and for the year ended 31st March 2015

30. Minimum Alternative Tax (MAT) Credit entitlement of ₹ 324,958 thousand (after adjusting utilised during the current year ₹ 12,943 thousand), has not been recognized by the Holding Company in the absence of convincing evidence to claim the above tax credit in future years.
31. The Investment of the Holding Company has exceeded the limits as per the Concentration of Credit / Investment norms provided in paragraph 18 of Non-Banking Financial (Non Deposit Accepting or Holding) Companies prudential norms (Reserve Bank) Directions, 2007 (as amended) for which the Company has applied to the Reserve Bank of India ("RBI") seeking exemption from complying with the aforesaid norms upto 31st March, 2016. Also the Holding Company has applied to RBI for its conversion from Non-Banking Financial Company to Core Investment Company.
32. 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 000s)

Name of the Entity	Net Assets		Share in Profit or (Loss)	
	As % of Consolidated Net	Amount	As % of Consolidated Profit or (Loss)	Amount
<b>Parent</b>				
Pilani Investments & Industries Corporation Limited	45.55%	55,86,287	67.45%	2,35,978
<b>Subsidiaries</b>				
PIC Properties Limited	0.26%	31,842	0.39%	1,375
PIC Realcon Limited	0.37%	44,976	1.27%	4,454
<b>Associates</b>				
Century Textiles & Industries Limited	53.82%	66,00,437	16.28%	56,969
Kesoram Industries Limited	0.00%	—	—185.40%	(6,48,628)
	<b>100%</b>	<b>1,22,63,542</b>	<b>100%</b>	<b>(3,49,852)</b>

33. Kesoram Industries Limited, an Associate Company has transferred its Automotive Tyre Manufacturing unit at Laskar to Cavendish Industries Limited (the Subsidiary of said Associate),

on a slump sale basis for a consideration of ₹ 2,195.00 crores and reckoned excess of net consideration over and above the carrying value of the unit aggregating to ₹ 409.20 crores as exceptional income. Subsequently, vide a binding term sheet between the Associate Company, its subsidiary and J K Tyre Group (the acquirer) (together referred as the parties) dated September 12, 2015, the Associate Company intends to sell its investments in the subsidiary to the acquirer for a consideration of ₹ 2195.00 crores. The closing date of such transfer is December 31, 2015 and in the eventuality of such transaction not being complete within the aforesaid date, the parties can terminate the term sheet.

34. 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.

	<b>For S. R. BATLIBOI &amp; CO. LLP</b>	For and on behalf of the Board of Directors	
	<i>Registration No. 301003E</i>	<b>R. A. MAKHARIA</b>	<b>D. K. MANTRI</b>
	<i>Chartered Accountants</i>	<i>Executive Director</i>	<i>Director</i>
	<b>Per Kamal Agarwal</b>		
	<i>Partner</i>	<b>N. K. BAHETI</b>	<b>R. S. KASHYAP</b>
Place : Kolkata		<i>Chief Financial Officer</i>	<i>Company Secretary</i>
Dated : Nov. 6, 2015	<i>Membership No. 058652</i>		