PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

72nd

ANNUAL REPORT
AND ACCOUNTS
2018 - 2019

Respected Syt. Basant Kumar Birla
A True Karmayogi

DIRECTORS
(as on 14.08.2019)
Smt. Rajashree Birla – Non- Executive Chairperson
Shri D. K. Mantri
Shri A. K. Kothari
Shri A. V. Jalan
Shri Giriraj Maheswari
Shri Yazdi P. Dandiwala
Smt. Vanita Bhargava

CHIEF EXECUTIVE OFFICER
Shri R. P. Pansari

CHIEF FINANCIAL OFFICER
Shri N. K. Baheti

COMPANY SECRETARY
Shri R. S. Kashyap

STATUTORY AUDITORS
M/s. Vidyarthi & Sons
Chartered Accountants
L-3, 1st Floor, "Madhuvan"
Gandhi Nagar, Gwalior – 474002

REGISTRAR AND SHARE TRANSFER AGENTS
M/s Niche Technologies Pvt. Ltd.
3A, Auckland Place, 7th Floor,
Room No. 7A & 7B, Kolkata – 700017
Phone: (033) 2280 6616 / 6617
Email : nichetechpl@nichetechpl.com

Notice for 72nd Annual General Meeting is being sent separately through Speed Post / Registered Post / e-mail as required under the Companies Act, 2013 and Rules made thereunder.

REGISTERED OFFICE
Birla Building
9/1, R. N. Mukherjee Road
Kolkata- 700001
Phone: (033) 4082 3700 / 2220 0600
CIN: L24131WB1948PLC095302
Website : www.pilaniinvestment.com
Email :pilaniinvestment1@gmail.com

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Boards' Report

Dear Shareholders

Your Directors are pleased to present the 72nd Annual Report of the Company alongwith the Audited Financial Statements for the year ended 31st March, 2019. The Financial Results for the year are shown below :-

(₹ in Lakhs)

Particulars	**Consolidated**		**Standalone**	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Total Income	**2,517.99**	3,055.02	**4,852.34**	4,847.08
Less: Total expenses	**2,266.19**	496.52	**2,253.66**	451.77
Less: Exceptional Items	**-**	262.80	**-**	-
Profit before tax	**251.80**	2,295.70	**2,598.68**	4,395.31
Add / (Less): Tax expense	**(740.82)**	285.74	**(740.79)**	284.96
Profit after tax	**992.62**	2,009.96	**3,339.47**	4,110.35
Add: Share in profit of associate company Net profit after tax and share in profit of associate company	**22,137.00**	11,387.00	**-**	-
Profit for the year	**23,129.62**	13,396.96	**3,339.47**	4,110.35
Add / (Less): Actuarial gain on defined benefit plan (gratuity) Net of Income Tax	**(0.77)**	0.77	**(0.77)**	0.77
Realised gain on equity share	**10,625.86**	-	**10,625.86**	-
Less: Current tax on realised gain	**2,290.00**	-	**2,290.00**	-
Less: Other Adjustment relating to OCI	**285.00**	283.00	**-**	-
Add: Balance brought forward from previous year	**31,385.12**	21,371.30	**22,105.16**	21,094.95
Balance Available	**62,564.83**	34,486.03	**33,779.72**	25,206.07
Appropriations				
Dividend paid	**1,977.19**	1,977.18	**1,977.19**	1,977.18
Additional tax on dividend paid	**406.42**	402.47	**406.42**	402.47
Transfer to Reserve u/s. 45-1C of Reserve Bank of India Act, 1934	**2,335.07**	721.26	**2,335.07**	721.26
Closing Balance of retained earnings	**57,846.15**	31,385.12	**29,061.04**	22,105.16

DIRECTORS' REPORT — *(Contd.)*

INDIAN ACCOUNTING STANDARDS (IND AS)

The Ministry of Corporate Affairs vide its notification dated 16.02.2015 notified the Companies (Indian Accounting Standard) Rules, 2015 applicable to certain classes of companies. In pursuance to the said notification read with the Companies (Indian Accounting Standard) (Amendment) Rules, 2016, Ind AS became applicable to your Company with effect from 1st April, 2018. Accordingly, the Standalone and Consolidated Financial Statements for the year ended 31st March, 2019, have been prepared in accordance with Ind AS, and consequently, the Financial Statements for the previous year have been restated to conform to the provisions of the Ind AS.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

SHARE CAPITAL

During the year under review, there has been no change in the Share Capital of the Company.

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 31st March, 2019 as against ₹ 25/- (Rupees Twenty Five only) per equity share 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 approved 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 to about 20.555 % of the dividend amount so distributed.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to the General Reserves for the financial year ended 31st March, 2019.

DIRECTORS

Sad demise of Shri B. K. Birla - Chairman Emeritus, of the Company

It is a matter of profound grief and sorrow, that our respected Shri B. K. Birla, Chairman Emeritus of the Company left for heavenly abode on 3rd July, 2019. Late Shri Birla was an industrialist of great repute, a philanthropist, an avid educationist and a true karmayogi for whom work was worship. The Company has lost an inspiring leader and a visionary and our country has also lost an entrepreneur and a philanthropist. He was not only one of the foremost pioneers of India's industrialization but such was his multifaceted personality and so were his contributions in various spheres of life that he was an Institution by himself and became a legend in his own life time.

Late Shri B. K. Birla who was appointed as a Director on the Company's Board in 1986 stepped down as Director of the Company with effect from 1st April, 2019 and the Board of Directors of the Company

DIRECTORS' REPORT — *(Contd.)*

in recognition of late Shri Birla's great contribution to the Company appointed him as the "Chairman Emeritus" with effect from 1st April, 2019.

The Board of Directors of the Company express their deep condolences and pay tribute to late Shri B. K. Birla, a great visionary leader.

Appointment of Smt. Rajashree Birla as Chairperson of the Company

Smt. Rajashree Birla on the recommendations of the Nomination and Remuneration Committee have been appointed as the Non- Executive Chairperson of the Company with effect from 1st April, 2019 for a period of three years.

Changes in Directorate

Shri Kumar Mangalam Birla resigned from the Directorship of the Company with effect from 7th August, 2018. The Board appreciated and placed on record the valuable services, able guidance and support provided by Shri Birla during his tenure as a Director of the Company.

Smt. Surbhi Singhi ceased to be a Director of the Company with effect from 14th November, 2018 pursuant to the provisions of Section 167 (1)(b) of the Companies Act, 2013. The Board appreciated and placed on record the valuable services rendered by Smt. Singhi during her tenure as a Director of the Company.

Shri A. V. Jalan (DIN: 01455782) will be retiring at the ensuing 72nd Annual General Meeting of the Company and being eligible, offers himself for being re-elected.

Shri D. K. Mantri (DIN: 00075664), will complete his first term of appointment on 28th August, 2019 as an Independent Director. He has been re-appointed on the recommendation of the Nomination and Remuneration Committee for another term of five consecutive years by the Board with effect from 29th August, 2019, subject to the approval of the shareholders by Special Resolution at the ensuing Annual General Meeting. Details of the proposal for the re-appointment of Shri Mantri as an Independent Director of the Company are mentioned in the Notice convening the 72nd Annual General Meeting of the Company alongwith the Explanatory Statement as required under Section 102 of the Companies Act, 2013. The aforesaid appointment is appropriate and in the best interest of the Company.

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors have appointed Shri Giriraj Maheswari (DIN:00796252) and Shri Yazdi P. Dandiwala (DIN: 01055000) on 17th April, 2019 and Smt. Vanita Bhargava (DIN: 07156852) on 10th July, 2019 as the Additional Independent Directors of the Company. Shri Maheswari, Shri Dandiwala and Smt. Bhargava hold office up to the date of the ensuing Annual General Meeting of the Company and are eligible for appointment at the said Annual General Meeting of the Company. Details of the proposal for the appointment of Shri Maheswari, Shri Dandiwala and Smt. Bhargava as Independent Directors of the Company are mentioned in the Notice convening the 72nd Annual General Meeting of the Company along with the Explanatory Statement as required under Section 102 of the Companies Act, 2013. The aforesaid appointments are appropriate and in the best interest of the Company.

DIRECTORS' REPORT — *(Contd.)*

PERFORMANCE EVALUATION

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for evaluating the performance of Individual Directors, Committees of the Board and the Board as a whole.

The Nomination and Remuneration Committee of the Company also evaluated the performance of all the individual Directors on various parameters such as level of participation of the Directors, preparing themselves well in advance to take active participation at the meeting(s), level of knowledge and expertise etc.

All the Independent Directors of the Company also had a separate meeting on 31st December, 2018 to review the performance and evaluation of Non- Independent Directors and the Board as a whole.

The Board after taking into consideration the evaluation as done by the Nomination and Remuneration Committee and by the Independent Directors, carried out an annual evaluation of its own performance and that of its Committees and individual Directors. The overall outcome of such evaluation is that the Board, its Committees and individual Directors have performed effectively and satisfactorily.

DECLARATION BY INDEPENDENT DIRECTORS

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as clause (b) of sub-regulation (1) of Regulation 16 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and wihout any external influence.

CODE OF CONDUCT

All the Board Members and Key Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to the Board Members and Employees of the Company for the year 2018-19 and a declaration in this regard has been made by the Chief Executive Officer which forms a part of this Report as an Annexure.

BOARD AND COMMITTEE MEETINGS

The details of number and dates of Board Meetings and Committee Meetings including attendance of

Directors for the year 2018-19, is given in the attached Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013

DIRECTORS' RESPONSIBILITY STATEMENT

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

DIRECTORS' REPORT — *(Contd.)*

(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 had selected such Accounting Policies 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 31st March, 2019 and of the Profit of the Company for that period;

(iii) the Directors had taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting and other 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 Directors had 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 are operating effectively; and

(vi) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system is adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE

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

SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/ TRIBUNALS

There were no significant material orders passed by the Regulators/Courts/Tribunals impacting the going concern status of the Company and its future operations.

INTERNAL FINANCIAL CONTROL

The Company believes that a strong internal control framework is an important pillar of Corporate Governance. The Company has in place adequate internal financial control system which ensures orderly and efficient conduct of its business, safeguarding of its assets and accuracy and completeness of accounting records, timely preparation of reliable financial information and various regulatory and statutory compliances.

CEO/CFO CERTIFICATION

As required by Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the CEO and CFO certificate for the financial year 2018-19 has been submitted to the Board and a copy thereof is contained in the Annual Report.

LISTING OF EQUITY SHARES

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

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March, 2019 is attached as **Annexure - A** in the prescribed

DIRECTORS' REPORT — *(Contd.)*

form MGT- 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, which forms part of this Report.

KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Shri R. P. Pansari, Chief Executive Officer, Shri N. K. Baheti, Chief Financial Officer and Shri R. S. Kashyap, Company Secretary.

Remuneration and other details of the Key Managerial Personnel for the year ended 31st March, 2019 are mentioned in the Extract of the Annual Return which is attached as **Annexure - A** and forms part of this Report.

TRANSACTIONS WITH RELATED PARTIES

None of the transactions with Related Parties falls under the scope of Section 188 (1) of the Companies Act, 2013 for the year ended 31st March, 2019. However, the NIL disclosure in prescribed form AOC-2 as on 31st March, 2019 is attached and the same forms part of this Report.

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. The Company Secretary is acting as the Secretary of the Committee. The Chief Executive Officer and the Chief Financial Officer are permanent invitees to the Audit Committee Meetings to give clarifications on accounts and related issues. The Board has 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.

Other details relating to number of meetings, dates of such meetings and the attendance of each member etc. have been given separately in the attached Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

The composition and terms of reference of the Nomination and Remuneration Committee have been furnished in the Corporate Governance Report forming part of this Annual Report. The Company Secretary is acting as the Secretary of this Committee. The Committee had devised a policy named as "Nomination and Remuneration Policy" which has been duly approved by the Board and a copy of the same is available on the Company's website www.pilaniinvestment.com and is also attached as

DIRECTORS' REPORT — *(Contd.)*

Annexure - B hereto and forms part of this Report.

Other details relating to number of meetings, dates of such meetings and attendance of each member etc. have been given separately in the attached Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The composition and terms of reference of the Corporate Social Responsibility Committee (CSR Committee) have been given in the Corporate Governance Report forming part of this Annual Report. The said Committee has devised a policy named as "Corporate Social Responsibility Policy" which has been duly approved by the Board and a copy of the same is available on the Company's website www.pilaniinvestment.com and is also attached as **Annexure - C** hereto and forms a part of this report.

Other details relating to number of meetings, dates of such meetings and attendance of each member etc.have been given separately in the attached Corporate Governance Report.

During the year your Company had contributed ₹ 7 Lakhs to various Trusts/Institutions working in the areas which are in consonance with the CSR policy of the Company.

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

SUBSIDIARIES / ASSOCIATE COMPANIES

The Company has two Subsidiaries and one Associate as on 31st March, 2019. Pursuant to the provisions of Section129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's Subsidiaries/Associate in Form AOC -1 is attached with this Report.

RISK MANAGEMENT

The Company has is place a proper and efficient Risk Assessment and Management Policy which identifies, evaluates and mitigates the potential business risks.

SECRETARIAL AUDIT

In compliance with the provisions of Section 204 of the Companies Act, 2013, a Secretarial Audit was conducted for the financial year 2018-19 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.

AUDITORS

M/s Vidyarthi & Sons, Chartered Accountants (ICAI Firm Registration No: 000112C) were appointed as the Statutory Auditors of the Company for a term of 5 years at the 70th Annual General Meeting (AGM) from the conclusion of the said meeting until the conclusion of the 75th AGM (subject to ratification of their appointment by the members at every AGM) at a remuneration to be fixed by the Board of Directors.

DIRECTORS' REPORT — *(Contd.)*

The Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 have since been amended vide Notification dated 7th May, 2018 of the Ministry of Corporate Affairs and the requirement of ratification of appointment of Statutory Auditors by the members at every AGM has been done away with. Accordingly, no ratification of appointment of M/s Vidyarthi & Sons, Chartered Accountants as the Statutory Auditors of the Company, by the members is being sought at the ensuing AGM.

During the year, the Statutory Auditors have confirmed that they satisfy the independence criteria required under the Companies Act. 2013 and Code of Ethics issued by the Institute of Chartered Accountants of India.

AUDITORS' REPORT / SECRETARIAL AUDITORS' REPORT

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

EMPLOYEES

Information required under Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as per

Annexure - F attached hereto and which forms part of this Report.

DEPOSITS

The Company has not accepted / accessed any public deposit during the year. Hence, no information is required to be appended to this report in terms of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.

LOANS, GUARANTEES AND INVESTMENTS

The Company has not given loans, directly or indirectly, to any person or other body corporate or given any guarantee or provided any security in connection with a loan to any other body corporate or person during the year under review.

CONSOLIDATED FINANCIAL STATEMENTS

As stipulated by Regulation 33 of the Listing Regulations, the Consolidated Financial Statements have been prepared by the company in accordance with the applicable Accounting Standards. The audited Consolidated Financial Statements, together with Auditors' Report, form part of this Annual Report.

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

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

DIRECTORS' REPORT — *(Contd.)*

No particulars with regard to Foreign Exchange Earnings and Outgo are required as the Company has no such transactions.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

During the year under review, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, unpaid / unclaimed dividend for the Financial Year 2010-2011 has been transferred to the Investor Education and Protection Fund in compliance with the provisions of Section 124 and 125 of the Companies Act, 2013. In compliance with these provisions read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, your Company also transferred 528 equity shares to the Demat Account of the IEPF Authority, in respect of which dividend had remained unpaid / unclaimed for a consecutive period of 7 years.

APPRECIATION

The Board of Directors would like to express their sincere appreciation for the assistance and cooperation received from the Financial Institutions, Banks, Government Authorities and members during the year under review. The Board of Directors also wish to place on record their deep appreciation for the committed services rendered by the employees of your Company.

For and on behalf of the Board of Directors

Rajashree Birla	**Giriraj Maheswari**	**Yazdi P. Dandiwala**
Chairperson	Director	Director
(DIN: 00022995)	(DIN: 00796252)	(DIN: 01055000)

Mumbai
August 14, 2019

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 ₹ in Lakhs)

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	31.03.2019	31.03.2019	31.03.2019
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	7.20	5.00	5.00
5.	Reserves & surplus	-	(221.40)	1936.24
6.	Total assets	-	384.23	2250.14
7.	Total Liabilities	-	384.23	2250.14
8.	Investments	-	48.67	2246.93
9.	Turnover	-	8.75	70.47
10.	Profit before taxation	-	(13.91)	69.86
11.	Provision for taxation	-	0.03	-
12.	Profit after taxation	-	(13.88)	69.86
13.	Proposed Dividend	-	-	-
14.	% of shareholding	96.83%	100%	100%

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

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

Part : "B" : Associates and Joint Ventures

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

(All figures in ₹ Lakhs)

Name of Associates / Joint Ventures	**Century Textiles and Industries Limited**
1. Latest Audited Balance Sheet Date	31.03.2019
2. Shares of Associate/Joint Ventures held by the company on year end	33.11%
No of Shares	3,69,78,570
Amount of Investment in Associates /Joint Venture	41,589.36
Extend of Holding %	33.11%
3. Description of how there is significant influence.	No significant influence except investment
4. Reason why the associate/joint venture is not consolidated	NIL
5. Networth attributable to Shareholding as per latest Audited Balance Sheet	3,30,555.00
6. Profit/Loss for the year	
i. Considered in Consolidation	22,137.00
ii. Not Considered in Consolidation	N. A.

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

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

For and on behalf of the Board of Directors

Rajashree Birla	**Giriraj Maheswari**	**Yazdi P. Dandiwala**
Chairperson	Director	Director
(DIN: 00022995)	(DIN: 00796252)	(DIN: 01055000)

Mumbai
May 30, 2019

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

	Rajashree Birla	**Giriraj Maheswari**	**Yazdi P. Dandiwala**
	Chairperson	Director	Director
Mumbai	(DIN: 00022995)	(DIN: 00796252)	(DIN: 01055000)
May 30, 2019			

ANNEXURE- A

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[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	:	9th 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 and contact details	:	Birla Building, 14th Floor 9/1, R. N. Mukherjee Road, Kolkata- 700001 Phone : 033 4082 3700 / 2220 0600 E-mail : pilaniinvestment1@gmail.com Website : www.pilaniinvestment.com
vi)	Whether listed company	:	Yes a) National Stock Exchange of India Limited b) BSE Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s Niche Technologies Pvt. Ltd. 3A, Auckland Place, 7th Floor, Room No. 7A & 7B Kolkata- 700017 Phone: 033 2280 6616 / 6617 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	91.28

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of The Company	CIN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Century Textiles and Industries Limited Dr. Annie Besant Road, Worli, Mumbai - 400 030	L17120MH1897PLC000163	Associate	33.11	2(6)
2	PIC Properties Limited 10, Camac Street, Kolkata - 700 017	U70109WB1985PLC038472	Subsidiary	100	2(87)(ii)
3	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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	4179109	0	4179109	52.84	4179109	0	4179109	52.84	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other									
Trusts	372307	0	372307	4.71	372307	0	372307	4.71	0
Sub-Total (A) (1):-	**4551416**	**0**	**4551416**	**57.55**	**4551416**	**0**	**4551416**	**57.55**	**0**
(2) Foreign									
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
Sub-Total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**4551416**	**0**	**4551416**	**57.55**	**4551416**	**0**	**4551416**	**57.55**	**0**

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	Phy-sical	Total	% of Total Shares	Demat	Phy-sical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	87843	0	87843	1.11	90000	0	90000	1.14	0.03
b) Banks/FI	19300	400	19700	0.25	19570	400	19970	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) FIIs	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) FPI-Corporate Cat-II	12449	0	12449	0.16	9250	0	9250	0.12	-0.04
Sub-total (B)(1)	**119592**	**400**	**119992**	**1.52**	**118820**	**400**	**119220**	**1.51**	**-0.01**
2.Non-Institutions									
a) Bodies Corp.									
i) Indian	422458	1982606	2405064	30.41	2392615	21749	2414364	30.53	0.12
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	510371	64930	575301	7.27	530739	46251	576990	7.29	0.02
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	132989	0	132989	1.68	122562	0	122562	1.55	-0.13

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	Phy-sical	Total	% of Total Shares	Demat	Phy-sical	Total	% of Total Shares	
C) Others(Specify)									
1. NRI / OCB	20539	0	20539	0.26	21737	0	21737	0.27	0.01
2. Clearing Mem.	73195	0	73195	0.92	76029	0	76029	0.96	0.04
3. Trust	15500	0	15500	0.20	11150	0	11150	0.14	-0.06
4. IEPF Authority	14754	0	14754	0.19	15282	0	15282	0.19	0
Sub-total (B)(2)	**1189806**	**2047536**	**3237342**	**40.93**	**3170114**	**68000**	**3238114**	**40.94**	**0**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**1309398**	**2047936**	**3357334**	**42.45**	**3288934**	**68400**	**3357334**	**42.45**	**0**
C. Shares held by Custodian for GDRs & ADRS	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**5860814**	**2047936**	**7908750**	**100.00**	**7840350**	**68400**	**7908750**	**100.00**	**0**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
1	Aditya Marketing & Manufacturing Ltd.	2735494	34.59	Nil	2744194	34.70	Nil	0.11
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	0	0	Nil	-0.11
6	Padmavati Investment Limited	1406986	17.80	Nil	1406986	17.80	Nil	Nil
7	Jayantika Investment & Finance Ltd.	6700	0.09	Nil	6700	0.09	Nil	Nil
8	Prakash Educational Society	355807	4.49	Nil	355807	4.49	Nil	Nil
9	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.				
	1. 29.09.2018 Transfer *	(8,700)	0.11	45,42,916	57.43
	2. 05.10.2018 Transfer #	8,700	0.11	45,51,416	57.55
	At the End of the year			**4551416**	**57.55**

* Shares sold by Manav Investment and Trading Company Limited
# Shares purchased by Aditya Marketing & Manufacturing Limited

(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	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	The Punjab Produce & Trading Co. Pvt. 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. Pvt. 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	62000	0.78		
	b) Changes during the year				
	10.08.2018 - Transfer	(4100)	0.05	57900	0.73
	17.08.2018 - Transfer	(42400)	0.53	15500	0.20
	24.08.2018 - Transfer	(10000)	0.13	5500	0.07
	c) At the end of the year			5500	0.07

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	Comfort Intech Limited				
	a) At the beginning of the year	62500	0.79		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			62500	0.79
5.	Shri Venkateshwara Educational Institute				
	a) At the beginning of the year	112847	1.42		
	b) Changes during the year				
	25.05.2018 - Transfer	(10000)	0.12	102847	1.30
	c) At the end of the year			102847	1.30
6.	Baroda Agents & Trading Co. Pvt. 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.	Hitesh Satishchandra Doshi				
	a) At the beginning of the year	65571	0.83		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			65571	0.83
9.	ICICI Lombard General Insurance Company				
	a) At the beginning of the year	78000	0.99		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			78000	0.99
10.	Resham Resha Private Ltd.				
	a) At the beginning of the year	69952	0.88		
	b) Changes during the year				
	13.04.2018 - Transfer	48	0.00	70000	0.88
	17.08.2018 - Transfer	(19354)	0.24	50646	0.64
	08.02.2019 - Transfer	94	0.00	50740	0.64
	c) At the end of the year			50740	0.64
11.	SBI Small and Midcap Fund				
	a) At the beginning of the year	87843	1.11		
	b) Changes during the year				
	18.05.2018 - Transfer	2157	0.03	90000	1.14
	c) At the end of the year			90000	1.14

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors & KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri B. K. Birla	0	0	0	0
2.	Smt. Rajashree Birla (w.e.f 27.08.2018)	0	0	0	0
3.	Shri Kumar Mangalam Birla (upto 06.08.2018)	0	0	0	0
4.	Shri D. K. Mantri	100	0	100	0
5.	Shri A. K. Kothari	70	0	70	0
6.	Shri A. V. Jalan	0	0	0	0
7.	Smt. Surbhi Singhi (upto 13.11.2018)	0	0	0	0
8.	Shri R. P. Pansari	0	0	0	0
9.	Shri N. K. Baheti	0	0	0	0
10.	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 **(₹ in Lakhs)**
Indebtedness at the beginning of the Financial Year i. e. on 01.04.2018				
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
Total (i+ ii + iii)	**Nil**	**Nil**	**Nil**	**Nil**
Change in indebtedness during the Financial Year				
Addition	Nil	32000	Nil	Nil
Reduction	Nil	(75)	Nil	Nil
(Net Change)	**Nil**	**24500**	**Nil**	**Nil**
Indebtedness at the end of the Financial Year i. e. on 31.03.2019				
i) Principal Amount	Nil	24500	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	**Nil**	**24500**	**Nil**	**Nil**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL **(₹ in Lakhs)**

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

Sl. No.	Particulars of Remuneration	Name of the Managing Director / Whole Time Director / 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	-	
5.	Others, please specify	-	
	TOTAL (A)		
	Ceiling as per the Act.	-	

B. Remuneration to other directors: **(₹ in Lakhs)**

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

Independent Directors : Please refer to Corporate Governance Report for details	
Fee for attending Board / Committee meetings	5.20
Commission	NIL
Others, please specify	NIL
TOTAL (1)	**5.20**
Other Non-Executive Directors : Please refer to Corporate Governance Report for details	
Fee for attending Board / Committee meetings	2.80
Commission	NIL
Others, please specify	NIL
TOTAL (2)	**2.80**
Total (B) = (1 + 2)	**8.00**
Total Managerial Remuneration	**8.00**
Overall ceiling as per the Act	Remuneration is within limits of provisions of Law

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		Shri R. P. Pansari CEO	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	84.62	24.41	8.66	117.69
	(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				
5.	Others, please specify – P. F.	7.20	2.03	0.75	9.98
	TOTAL (A)	**91.82**	**26.44**	**9.41**	**127.67**

VII. 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)
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		

For and on behalf of the Board of Directors

Rajashree Birla	**Giriraj Maheswari**	**Yazdi P. Dandiwala**
Chairperson	Director	Director
(DIN: 00022995)	(DIN: 00796252)	(DIN: 01055000)

Mumbai
May 30, 2019

ANNEXURE - B

NOMINATION AND REMUNERATION POLICY

1. Preamble

The Nomination & Remuneration Policy ("**Policy**") of Pilani Investment and Industries Corporation Limited (hereinafter referred to as the "**Company**") is formulated under the requirements of applicable laws, including the Companies Act, 2013 (hereinafter referred to as the "**Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**Listing Regulations**").

The Policy is intended to set out criteria to pay equitable remuneration to the Directors, Key Managerial Personnel (hereinafter referred to as "KMPs"), senior management (as defined below) (hereinafter referred to as "SMPs") and other employees of the Company and to harmonise the aspirations of human resources with the goals of the Company.

2. Objectives

In line with the requirements of the Act and the Listing Regulations, the objectives and purpose of the Policy are as follows:

- ❖ To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ❖ To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Board, KMPs and SMPs of the Company to run the Company efficiently and successfully;
- ❖ To ensure that the relationship of remuneration to performance is clear and meets appropriate benchmarks;
- ❖ To ensure that remuneration to Directors, KMPs and SMPs of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- ❖ 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, KMPs and SMPs.

3. Applicability

The Policy shall be applicable to **:**

a. All Directors of the Company.

b. Key Managerial Personnel, which means.

i. Managing Director/Whole Time Director/Manager.

ii. Chief Executive Officer.

iii. Company Secretary.

iv. Chief Financial Officer.

c. Such other person as may be prescribed (Senior Management Personnel).

4. Role of the Nomination and Remuneration 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 (Senior Management).

(iii) To carry out evaluation of every Director's performance. The Company has a separate Board Performance Evaluation Policy.
(iv) Devising a policy on Board diversity. The Company have separate Policy on Board Diversity.
(v) Recommend to the Board, appointment and removal of Director, Key Managerial Personnel and other Senior Management personnel.
(vi) Any other matter as the Board may decide from time to time.

5. Duties of the 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 the Act, 2013;
(iii) Determining the appropriate size, diversity and composition of the Board as per the provisions of the Act.
(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;

Criterias for appointment of Directors, Key Managerial Personnel and Senior Management Personnel

❖ **Directors**

The Committee shall identify potential candidates with appropriate qualification, knowledge, expertise and experience.

A person, to be appointed as Director should possess impeccable reputation, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board Members amongst other attributes.

The Committee shall ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director and recommend to the Board his appointment. The Board after being satisfied with the recommendations of the Committee, may appoint such person as a Director in accordance with the procedure prescribed under the provisions of the Act and the Listing Regulations for the time being in force.

Factors like eligibility criteria, independence, term and tenure of a Director shall be in accordance with the provisions under the Act and the Listing Regulations for the time being in force.

The Committee may recommend with reasons, removal of a Director subject to and in accordance with the provisions of the Act and the Listing Regulations.

- **Key Management Personnel/Senior Management Personnel**

  The Committee shall identify suitable candidates for appointment as Managing Director/ Executive Director/Whole Time Director/ Chief Executive Officer/Chief Financial Officer/ Company Secretary of the Company and designate them as Key Management Personnel or Senior Management Personnel of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position.

  Further, the appointment or removal of the aforesaid persons/Key Management Personnel/ Senior Management Personnel shall be made by the Board based on the recommendations of the Committee in accordance with the provisions of the Act and the Listing Regulations for the time being in force.

(B) Remuneration matters includes **:**

(i) Consideration and determination of the Remuneration based on the principles of (i) pay for responsibilities; (ii) pay for performance and potential; and (iii) pay for growth to ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the members.

(ii) Taking into account financial position of the Company, trend in the Industry, appointee's qualification, experience, past performance and past remuneration, etc. while determining / fixing the proposed remuneration package.

(iii) Bringing about objectivity in determining the remuneration package while striking a balance between the interests of the Company and the Stakeholders.

(iv) Other factors as the Committee may deem fit and appropriate for consideration of different elements of the remuneration and ensure compliance of provisions of the Act and other applicable laws.

(v) Consideration of any other matters as may be requested by the Board.

<u>Criterias for remuneration of Directors, Key Managerial Personnel and Senior Management Personnel</u>

- **Remuneration to Non - Executive Directors including Independent Directors**

  The Non - Executive Directors including Independent Directors of the Company may be paid sitting fees for attending the Meetings of the Board of Directors or its Committees thereof, as may be determined by the Board from time to time, within the limit prescribed under the Act. Besides the sitting fees, the Non - Executive Directors including Independent Directors shall also be entitled to reimbursement of expenses as may be incurred by the them while performing their role as a Director of the Company.

  An Independent Director shall not be entitled to any stock option of the Company.

- **Remuneration to Executive Directors**

  The remuneration to be paid to Executive Directors including the Managing Director and/or the Whole -Time Director shall be governed by the applicable provisions of the Act and the Listing Regulations. The remuneration including annual increments shall be recommended by the Nomination and Remuneration Committee and approved by the Board and the Shareholders of the Company, as may be required under the provisions of the Act and the Listing Regulations.

  The Executive Directors may also be paid commission in accordance with the provisions of the Act and the Listing Regulations, if authorised by the Shareholders of the Company. The

Commission payable shall be determined by the Board of Directors of the Company from time to time based on the recommendations of the Nomination and Remuneration Committee. The Executive Directors shall not / be paid any fees for attending the Meetings of the Board and the Committees thereof.

Any increase in the remuneration, if authorised by the Shareholders of the Company, shall be approved by the Board and/or any Committee thereof as may be authorised in this regard and shall be within the overall limits approved by the Shareholders and prescribed under the Act and the Listing Regulations.

- **Remuneration to Key Management Personnel and Senior Management Personnel**

  The remuneration to be paid to Key Management Personnel and Senior Management Personnel shall be recommended by the Nomination and Remuneration Committee and approved by the Board. Any increments to the remuneration shall also be recommended by the said Committee and approved by the Board.

6. Minutes of Committee Meeting

Proceedings of all meetings of the Committee 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 the Committee meetings for approval/confirmation and/or record purposes.

7. Amendments

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference shall be made to the 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 by the Government and/or the Regulatory Authority, from time to time.

The Nomination and Remuneration Committee shall have a right to modify, add, or amend any of the provisions of this Policy with the approval of the Board.

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

ANNEXURE - C

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

(₹ in Lakhs)

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 programs/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.

2. The Composition of the CSR Committee.

   The CSR Committee of the Company comprises of Smt. Rajashree Birla, Shri D. K. Mantri, Shri A. V. Jalan, Shri A. K. Kothari and Shri Giriraj Maheswari.

3. Average net profit of the company for the last three financial years : 703.50
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : 14.07
5. Details of CSR spent during the financial year;

   (a) Total amount to be spent for the financial year : 14.07

   (b) Amount unspent, if any : 7.07

   (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was under-taken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads : (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
1	Enhancing Vocational skills and livelihood enhancement projects	Enhancing Vocational skills and livelihood enhancement projects	–	–	–	–	**5.00**
2	Women Empowerment	Women Empowerment	-	-	-	-	**2.00**
			TOTAL				**7.00**

* CSR expenditure made through various trusts.

6. In case the company has failed to spend the two pecent 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 : The CSR obligation can be carried out by the Company directly or through a trust. For the purpose of carrying out CSR activities, the Company was in touch with prospective beneficiaries for selection and implementation of projects, which could not be materialised by 31st March, 2019 and hence it was decided to carry forward the unspent amount of Rs.7.07 Lakhs to the next financial year spending.

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

For and on behalf of the Board of Directors

R. P. Pansari
Chief Executive Officer

Rajashree Birla
Chairperson
(DIN: 00022995)

Mumbai
May 30, 2019

ANNEXURE - E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

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

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

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

Based on our verification of the company's books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 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, 2019 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 Regulations 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, 2015;
  c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client:
  e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(v) RBI – Prudential norms / forms for NBFC - NDSI and the rules made thereunder

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

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

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

We further report that

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

The Board of Directors of the Company is duly constituted with proper balance of, Non-Executive Directors and Independent Directors. Except delayed appointment of one Independent Director. 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 except mentioned above.

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

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

We further report that:

i. Sri Kumar Mangalam Birla, Non-Executive Director resigned from the Directorship w.e.f.7th August, 2018 and Smt. Rajashree Birla appointed as a Non-Executive Director w.e.f. 27thAugust, 2018.

ii Smt. Surbhi Singhi, Independent Director ceased from the Directorship w.e.f. 14th November,2018.

iii The Company had applied to the Reserve Bank of India ("RBI") for its conversion from Non-Banking Financial Company to Core Investment Company and the approval from RBI is awaited.

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

For K. C. Dhanuka & Co.
Company Secretaries
K. C. Dhanuka
Proprietor
FCS-2204, C.P.-1247

Place : Kolkata
Date : 22.05.2019

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.

	Requirements of Rule 5(1)		Details
(i)	The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;		It is not possible to determine the ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2018-19 as because the Company does not have any Whole Time Director and the Non- Executive Directors of the Company were being paid for only the sitting fees.
(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. P. Pansari, Chief Executive Officer- 13.09% Shri N. K. Baheti, Chief Financial Officer-24.72% Shri R. S. Kashyap, Company Secretary-26.82% (The remuneration includes payment of LTA for 2017-18 and 2018-19)
(iii)	The percentage increase in the median remuneration of employees in the financial year	:	26.81%
(iv)	The number of permanent employees on the rolls of company	:	5 employees as on 31.03.2019
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	:	1. Average salary increase of Non-managerial employees is 36.25% 2. Average salary increase of Managerial Persons is 21.54%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	:	Remuneration paid during the Year ended 31st March, 2019 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

	Rajashree Birla	Giriraj Maheswari	Yazdi P. Dandiwala
	Chairperson	Director	Director
Mumbai	(DIN: 00022995)	(DIN: 00796252)	(DIN: 01055000)
May 30, 2019			

REPORT ON CORPORATE GOVERNANCE

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

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

A. Company's philosophy on Corporate Governance

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

B. Board of Directors

(i) Composition of the Board :

The Board of Directors comprises of six members consisting of six Non-Executive Directors who account for hundred percent of the Board strength as against minimum requirement of fifty percent as per the listing agreement. The Non-Executive Directors are eminent professionals drawn from amongst persons with experience in business and industry, finance and law. The composition of the Board and other particulars are 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	N.A.	N.A.	N.A.	N.A.
Smt. Rajshree Birla @@ (DIN : 00022995)	Non-Executive	6	10	–	–
Shri Kumar Mangalam Birla^ (DIN : 00012813)	Non-Executive	N.A.	N.A.	N.A.	N.A.
Shri D. K. Mantri (DIN : 00075664)	Non-Executive*	3	16	–	–
Smt. A. K. Kothari (DIN : 00051900)	Non Executive*	4	1	4	–
Shri A. V. Jalan (DIN : 01455782)	Non-Executive	2	10	–	–

Shri Giriraj Maheswari$ (DIN : 00796252)	Non-Executive*	N.A.	N.A.	N.A.	N.A.
Shri Yazdi P. Dandiwala$ (DIN : 01055000)	Non-Executive*	N.A.	N.A.	N.A.	N.A.
Smt. Surbhi Singhi^^ (DIN : 03275338)	Non Executive*	N.A.	N.A.	N.A.	N.A.

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

* Also independent.

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

@ Shri B. K. Birla stepped down as Director of the Company w.e.f 1st April, 2019.

@@ Smt. Rajashree Birla have been appointed as Director of the Company w.e.f 27th August, 2018.

^ Shri Kumar Mangalam Birla resigned from the Board w.e.f 7th August, 2018.

^^ Smt. Surbhi Singhi ceased to be a Director of the Company w.e.f 14th November, 2018 due to the provisions of the Companies Act, 2013.

$ Shri Giriraj Maheswari and Shri Yazdi P. Dandiwala have been appointed as the Additional Directors of the Company w.e.f 17th April, 2019.

– None of the Directors of the Company hold any Equity Shares in the Company except Shri D. K. Mantri – 100 Equity Shares and Shri A. K. Kothari – 70 Equity Shares.

– The Non-Executive Directors have no material pecuniary relationship or transactions with the Company in their personal capacity.

(ii) Details of sittings fees paid to Directors :

Name of the Directors	Sittings fees paid for attending Meetings of the Board and/or Committee thereof (All figures in ₹)
Shri B.K. Birla (upto 31.03.2019)	20,000
Smt. Rajashree Birla (w.e.f 27.08.2018)	40,000
Shri Kumar Mangalam Birla (upto 06.08.2018)	-
Shri D.K. Mantri	2,60,000
Shri A. K. Kothari	2,60,000
Shri A.V. Jalan	2,20,000
Shri Giriraj Maheswari (w.e.f. 17.04.2019)	-

Shri Yazdi P. Dandiwala (w.e.f 17.04.2019)	-
Smt. Surbhi Singhi (upto 13.11.2018)	-

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

2. Smt. Surbhi Singhi (upto 13.11.2018) is an Associate Partner in Khaitan & Co. which renders professional services to the Company and a sum of ₹ 2,53,131/- has been paid towards Professional services to Khaitan and Co./ Khaitan & Co. LLP during the year 2018-2019.

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

(a) 8 meetings of the Board of Directors were held during the year ended 31st March, 2019. These were held on :

(1) 17-05-2018	(2) 29-05-2018	(3) 27-08-2018
(4) 12-09-2018	(5) 05-11-2018	(6) 13-12-2018
(7) 11-02-2019	(8) 31-03-2019	

(b) The attendance record of each of the Directors at the Board Meetings during the year ended on 31st March, 2019 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 (upto 31.03.2019)	1	No
Smt. Rajashree Birla (w.e.f 27.08.2018)	2	No
Shri Kumar Mangalam Birla (upto 06.08.2018)	0	N.A.
Shri D. K. Mantri	7	Yes
Shri A. K. Kothari	7	Yes
Shri A. V. Jalan	6	Yes
Shri Giriraj Maheswari (w.e.f. 17.04.2019)	N.A.	N.A.
Shri Yazdi P. Dandiwala (w.e.f. 17.04.2019)	N.A.	N.A.
Smt. Surbhi Singhi (upto 13.11.2018)	0	No

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

(d) Skills/Expertise/Competencies of the Board of Directors

The following is the list of core skills identified by the Board as required in the context of the Company's business and that the said skills are available with the Board Members:

i. Knowledge – understand the Company's business, policies and culture, major risks/ threats and potential opportunities and knowledge of the industry in which the Company operates,
ii. Behavioral Skills – attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company,
iii. Strategic thinking and decisions making,
iv. Financial and Management skills,
v. Professional skills and specialized knowledge in relation to Company's business.

(e) A separate meeting of the Independent Directors of the Company was held on 31st December, 2018 and all the Independent Directors as on the date of the meeting were present at the said meeting. The Board confirms that the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are independent of the management.

Smt. Surbhi Singhi an Independent Director on the Board of the Company ceased to be a Director of the Company pursuant to the provisions of Section 167 (1)(b) of the Companies Act, 2013 with effect from 14th November, 2018.

(f) Name of other listed entities where Directors of the Company are Directors and the category of Directorship :

Sl. No.	Name of Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
1.	Shri B. K. Birla (upto 31.03.2019)	-	-
2.	Smt. Rajashree Birla (w.e.f. 27.08.2018)	Grasim Industries Limited Hindalco Industries Limited Ultratech Cement Limited Century Enka Limited Century Textiles and Industries Ltd.	Non- Executive Non-Independent Non- Executive Non-Independent Non- Executive Non-Independent Non- Executive Non-Independent Non- Executive Non-Independent
3.	Shri Kumar Mangalam Birla (upto 06.08.2018)	-	-
4.	Shri D. K. Mantri	-	-
5.	Shri A. K. Kothari	Albert David Limited Gillanders Arbuthnot & Co. Ltd.	Executive Chairman Non Executive Chairman
6.	Shri A. V. Jalan	Mangalam Cement Limited	Executive Director
7.	Shri Giriraj Maheswari (w.e.f. 17.04.2019)	-	-
8.	Shri Yazdi P. Dandiwala (w.e.f. 17.04.2019)	-	-
9.	Smt. Surbhi Singhi (upto 13.11.2018)	-	-

C. Code of Conduct

The Company has laid down a Code of Conduct for all the members of 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 declarations affirming compliance with Code of Conduct for the year 2018-2019. 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 - Chairman (2) Shri A. K. Kothari (3) Shri A. V. Jalan
(4) Smt. Surbhi Singhi (upto 13.11.2018)
Shri D.K. Mantri and Shri A. K. Kothari being Independent Non-Executive Directors.

(ii) Audit Committee meetings were held on 29-05-2018, 12-09-2018, 13-12-2018 and 11-02-2019. The attendance record of the Audit Committee Members is as under :-

Name of the Audit Committee Members	No. of Meetings Attended
Shri D. K. Mantri	4
Shri A. K. Kothari	4
Shri A. V. Jalan	4
Smt. Surbhi Singhi (upto 13.11.2018)	0

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

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

E. Nomination and Remuneration Committee

In continuation of the practices of good Corporate Governance, the Board has constituted Nomination and Remuneration Committee of Directors of the Company.

The Committee comprises of Shri D. K. Mantri, Shri A. K. Kothari, Shri A. V. Jalan and Smt. Surbhi Singhi (upto 13.11.2018) – Non Executive Directors of the Company.

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

Nomination and Remuneration Committee Meetings were held on 27-07-2018 and 14-08-2018, 27.08.2018, 11.02.2019 and 31.03.2019. The attendance of the members of Nomination and Remuneration Committee are as under:

Name of the Nomination and Remuneration Committee Members	No. of meeting attended
Shri D.K. Mantri	5
Shri A. K. Kothari	5
Shri A.V. Jalan	3
Smt. Surbhi Singhi (up to 13.11.2018)	0

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.

Pursuant to the provisions of the Companies Act, 2013 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Performance evaluation was carried out for the financial year 2018-2019 by the Board in respect of its own performance, the Directors individually including Independent Directors as well as the evaluation of the working of all the Committees of the Company. The Directors expressed their satisfaction with the evaluation process.

F. Corporate Social Responsibility Committee (CSR Committee)

The Company has constituted a Corporate Social Responsibility Committee (CSR Committee) comprising of Shri B. K. Birla (upto 31.03.2019), Smt. Rajashree Birla (w.e.f. 30.05.2019), Shri D. K. Mantri, Shri A. V. Jalan, Shri A. K. Kothari and Shri Giriraj Maheswari (w.e.f. 30.05.2019). The said committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring and implementation of the framework of the CSR policy and recommending the amount to be spent on CSR activities. The Corporate Social Responsibility Policy as recommended by the CSR Committee has been accepted by the Board of Directors. The Corporate Social Responsibility Policy is attached as Annexure C to the Boards' Report and is available on the Company website www.pilaniinvestment.com/images/Pilani CSR Policy.pdf. The details of CSR Expenditure is attached as Annexure D to the Board's Report.

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

During the financial year ended on 31st March, 2019, only one meeting was held on 11thFebruary, 2019 and three Committee members viz. Shri D. K. Mantri, Shri A. K. Kothari and Shri A. V. Jalan were present at the aforesaid meeting.

G. Stakeholders Relationship Committee

The Company has constituted a Stakeholders Relationship Committee headed by Shri D. K. Mantri, a Non-Executive and Independent Director. Shri R. S. Kashyap, Company Secretary has been designated as the Compliance Officer. During the year ended 31st March, 2019, 4 investor complaint/query was received and as on 31st March, 2019 there were no complaints/queries pending reply. There was no share transfer pending for registration for more than 30 days as on the said date.

H. Other Committees

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

I. General Body Meetings

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

Year	Date	Type	Location	Time
2015-2016	15.09.2016	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.
2016-2017	24.08.2017	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.
2017-2018	14.09.2018	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.

Whether any special resolutions passed in the previous three AGMs ?	No
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 Note No. 39 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 except imposing a fine by NSE and BSE for non compliance of provision pertaining to the Composition of Board.

(iii) The Company has adopted and complied with mandatory requirements relating to Corporate Governance norms as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(iv) The Company has in place Whistle Blower Policy (Vigil Mechanism) which is also available on the Company's website http://pilaniinvestment.com/images/Pilani-Whistle Blower Policy.pdf . No personnel have been denied access to the Audit Committee to lodge their grievances, if any.

(v) Policy 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. and 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.

(vii) The Company has nothing to report as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

(viii) Details of Familiarization/ Training program of Independent Director is available on the Company's website www.pilaniinvestment.com/images/Familarisation Programme to Independent Directors.pdf.

(ix) The Company has nothing to report with respect to commodity price risks and commodity hedging activities.

(x) A certificate from a Company Secretary in practice have been obtained and annexed with this Report confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority.

(xi) During the financial year 2018-2019, the Board has accepted all the recommendations of its Committees.

(xii) Details with respect to demat suspense account / unclaimed suspense account: Not applicable.

(xiii) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part is given below:

	Rs. In Lakhs
Payment to Statutory Auditors	FY 2018-2019
Audit Fees	4.03
For Quarterly Review	1.95
Other Services	1.50
Reimbursement of expenses	1.34
Total	**8.82**

(xiv) The Chief Executive Officer and the Chief Financial Officer of the Company had certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the Certificate forms part of Annual Report.

K. Means of Communication

(i)	Quarterly results : Which newspaper normally published in	:	The Financial Express, Kolkata and Dainik Statesman, Kolkata
(ii)	Half-yearly report sent to each household of Shareholders	:	No
(iii)	Any website, where displayed	:	Yes - www.pilaniinvestment.com
(iv)	Whether Management Discussion & Analysis is a part of the 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	:	Wednesday, 25th September, 2019
Venue	:	Birla Building, 9/1 R.N. Mukherjee Road, Kolkata – 700001
Time	:	3.00 P.M.

(ii) Financial Calendar (tentative) for the year 2019-20 :

First Quarterly Results	:	On or before 14th August, 2019
Second Quarterly Results	:	On or before 14th November, 2019
Third Quarterly Results	:	On or before 14th February, 2020
Fourth Quarterly Results / Audited Yearly Results for the Year ended 31st March, 2020	:	Before end of May, 2020

(iii) Date of Book Closure : 19th September, 2019 to 25th September, 2019 (Both days inclusive)

(iv) Date of Dividend payment : On or after 1st October, 2019

(v) Information pertaining to the Stock Exchanges :

(a) The Equity Shares of the Company are listed at the following Stock Exchanges :

(i) National Stock Exchange of India Limited,
Exchange Plaza,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400051
(Scrip Code: PILANIINVS)

(ii) BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
(Scrip Code: 539883)

Note : Listing fees for the year 2019-2020 have been paid to both the Stock Exchanges.

(b) ISIN No. for the Company's ordinary shares in Demat Form: INE 417C01014

(c) Depository Connectivity : NSDL and CDSL

(d) Registrar and Transfer Agent :

Niche Technologies Private Limited.,
3A, Auckland Place, 7th Floor,
Room No. 7A & 7B, Kolkata – 700017
Phone Nos. (033) 2280 6616/6617
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 National Stock Exchange of India Limited and BSE Limited. during the financial year 2018-19 are as under :

Quotation at National Stock Exchange of India Limited

Month	High ₹	Low ₹	Volume (In Nos.)
April 2018	2780	2625	6649
May 2018	2740	2442	13016
June 2018	2565	2145	9039
July 2018	2430	2188	5243
Aug. 2018	2600	2281	46818
Sept. 2018	2600	2215	17721
Oct. 2018	2390	1825	4150
Nov. 2018	2325	1875	7611
Dec. 2018	2210	2060	11455
Jan. 2019	2174	1818	7691
Feb. 2019	2165	1851	5291
Mar. 2019	2240	1995	47016

Quotation at BSE Limited:

Month	High ₹	Low ₹	Volume (In Nos.)
April 2018	2790	2562	4496
May 2018	2747	2455	6355
June 2018	2516	2162	2530
July 2018	2505	2171	2850
Aug. 2018	2600	2275	37383
Sept. 2018	2600	2230	2112
Oct. 2018	2395	1818	4026
Nov. 2018	2325	1810	3420
Dec. 2018	2220	2055	2178
Jan. 2019	2160	1883	2672
Feb. 2019	2165	1805	2821
Mar. 2019	2279	2050	30938

(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. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective 1st April, 2019, transfer of shares in physical form has ceased. Request for transmission of shares and dematerialization of shares will continue to be accepted.

(vi) Distribution of Shareholding :

Distribution of shareholding as on 31st March, 2019

(a) According to Number of Equity Shares

Sl.No.	No. of Equity Shares held	No. of Folios	No. of Shares	% of Share-holding
1.	Upto 500	5823	3,58,471	4.54
2.	501 to 1,000	116	87,327	1.10
3.	1,001 to 2,000	56	81,010	1.02
4.	2,001 to 3,000	17	42,772	0.54
5.	3,001 to 4,000	8	27,853	0.35
6.	4,001 to 5,000	5	22,368	0.29
7.	5,001 to 10,000	13	95,213	1.20
8.	10,001 to 20,000	7	1,01,393	1.29
9.	20,001 to 50,000	5	1,74,850	2.21
10.	50,001 to 1,00,000	7	4,68,268	5.92
11.	1,00,001 and above	6	64,49,225	81.54
	Total	**6063**	**79,08,750**	**100.00**

(b) Categories of Shareholding :

Sl. No.	Category	No. of Folios	% of Folios	No. of Shares held	% of share holding
1.	Promoters	8	0.13	45,51,416	57.55
2.	Resident Individuals	5772	95.20	6,99,552	8.84
3.	Private Corporate Bodies	157	2.60	24,14,364	30.53
4.	Financial Institutions/ Nationalised Banks	4	0.07	19,970	0.25
5.	Mutual Funds & Insurance	1	0.01	90,000	1.14
6.	FIIS / FPIS	1	0.01	9,250	0.12
7.	NRI and OCBs	58	0.96	21,737	0.28
8.	Others	60	0.99	87,179	1.10
9.	IPF Authority	2	0.03	15,282	0.19
	Total	**6074**	**100.00**	**79,08,750**	**100.00**

(vii) Dematerialisation of shareholding and liquidity :

As per SEBI's guidelines, the company's shares are compulsorily traded in Dematerialized Form for all the investors with effect from 27th November, 2001. As on 31st March, 2019, 78,40,350 Company's Equity shares representing 99.13% of the Company's total Equity Shares were held in dematerialized form and balance 68,400 Equity Shares representing 0.87% were held in physical form.

(viii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: NIL

(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 R. S. Kashyap, Pilani Investment and Industries Corporation Limited, Birla Building, 14th Floor, 9/1 R. N. Mukherjee Road, Kolkata - 700 001. Phone:- 033- 4082 3700 / 2220 0600 (Extn. 2439).

For and on behalf of the Board of Directors

	Rajashree Birla	Giriraj Maheswari	Yazdi P. Dandiwala
	Chairperson	Director	Director
Mumbai	(DIN: 00022995)	(DIN: 00796252)	(DIN: 01055000)
May 30, 2019			

To,
The Members,
Pilani Investment And Industries Corporation Limited
Birla Building, 9/1, R. N. Mukherjee Road,
Kolkata – 700001

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and management, we certify that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority.

K. C. Dhanuka & Co.
Company Secretaries
K. C. Dhanuka
Proprietor
FCS-2204, CP-1247

May 22, 2019
Kolkata

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 2018 -2019 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

R.P. PANSARI
Chief Executive Officer

May 30, 2019

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

We hereby certify to the Board that :-

a. We have reviewed Financial Statements and the Cash Flow Statement for the financial year 2018-19 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 2018-19 which are fraudulent, illegal or violative of the Company's code of conduct.

c. We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee

   i. there have not been significant changes in internal control over financial reporting during the said financial year;

   ii. there have not been significant changes in accounting policies during the said financial year and that the same have been disclosed in the notes to the financial statements ; and

   iii. there has not been instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

N. K. Baheti	**R. P. Pansari**
Chief Financial Officer	Chief Executive Officer

Mumbai
May 30, 2019

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

To
The Members of Pilani Investment and Industries Corporation Limited,
9/1, R N Mukherjee Road,
Kolkata - 700001

1. The Corporate Governance Report prepared by Pilani Investment and Industries Corporation Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock Exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
   i) Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
   ii) Obtained and verified that the composition of the Board of Directors w.r.t executive and non- executive directors has been met throughout the reporting period.

iii) Obtained and read the Directors Register as on March 31, 2019 and verified that at least one women director was on the Board during the year;

iv) Obtained and read the minutes of the following meetings held between April 01, 2018 to March 31, 2019:
   a) Board of Directors meetings;
   b) Audit Committee meetings;
   c) Annual General meeting;
   d) Nomination and Remuneration Committee meetings; and
   e) Independent Directors meeting;

v) Obtained necessary representations and declarations from directors of the Company including the independent directors; and

vi) Performed necessary inquiries with the management and obtained necessary specific representations from management.

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

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019 referred to in paragraph 1 above except in case of composition of board of directors as at March 31, 2019, where there was a delay in appointment of an Independent Director, who was subsequently appointed on April 17, 2019.

Other matters and restriction on use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For Vidyarthi & Sons
CharteredAccountants
Firm Reg. No.000112C

Amit S. Vidyarthi
Partner
Membership No.F-078296

Kolkata, May 30,2019
UDIN : 19078296AAAAAA8860

INDEPENDENT AUDITOR'S REPORT

To The Members of Pilani Investment and Industries Corporation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Pilani Investment and Industries Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equityfor the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules,2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019,and its profit, total comprehensive income,its cash flows and the changes in equityfor the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilty for the Audit of the Standalone FinancialStatementssection of our report. We are independent of the Company in accordance with the Code of Ethicsissued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Actand the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on

these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

<table>
<tr><th>Key Audit Matter</th><th>Auditor’s Response</th></tr>
<tr><td>Transition date accounting policies

Refer to the accounting policies in the standalone financial statements: Significant Accounting Policies – ‘Basis of preparation’ and Note to the standalone financial statements: ‘Explanation of transition to Ind AS’</td><td></td></tr>
<tr><td>Effective 1st April2018, the Company has adopted the Indian Accounting Standards (‘Ind AS’) notified by the Ministry of Corporate Affairs with the transition date of 1st April2017.

The following are the major impact areas for the Company upon transition:
• Business model assessment.
• Classification and measurement of financial assets and financial liabilities.
• Accounting for actuarial gain / loss on post -employment benefit.

Migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.

We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.</td><td>Our key audit procedures included:
Design / controls
• Assessing the design, implementation and operating effectiveness of key internal controls over management’s evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101.
• We have also confirmed the approval of Audit Committee for the choices and exemptions made by the Company for compliance / acceptability under Ind AS 101.
Substantive tests
• Evaluated management’s transition date choices and exemptions for compliance / acceptability under Ind AS 101.
• Understood the methodology implemented by management to give impact on the transition and tested the computation.
• Assessed areas of significant estimates and management judgment in line with principles under Ind AS.
• Evaluated the adequacy of the disclosure required by Ind AS 101.</td></tr>
<tr><td>Classification and measurement of financial assets -Business model assessment
Ind AS 109, Financial Instruments, contains three principal measurement categories for financial assets i.e. :
• Amortised cost;</td><td>Our key audit procedures included:
Design / controls
Assessing the design, implementation and operating effectiveness of key internal controls over management’s intent of purchasing a financial asset and the approval mechanism for</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

• Fair Value through Other Comprehensive • Income ('FVTOCI'); and • Fair Value through Profit and Loss ('FVTPL'). A financial asset is classified into a measurement category at inception and is reclassified only in rare circumstances. The assessment as to how an asset should be classified is made on the basis of both the Company's business model for managing the financial asset and the contractual cashflow characteristics of the financial asset. The term 'business model' refers to the way in which the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Amortised cost classification and measurement category is met if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. FVTOCI classification and measurement category is met if the financial asset is held in a business model in which assets are managed both in order to collect contractual cash flows and for sale. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income. FVTPL classification and measurement category is met if the financial asset does not meet the criteria for classification and measurement at amortised cost or at FVTOCI. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss.	such stated· intent and classification of such financial assets on the basis of management's intent (business model). • For financial assets classified at amortised cost, we tested controls over the classification of such assets and subsequent measurement of assets at amortised cost. Further, we tested key internal controls over monitoring of such financialassets to check whether there have been any subsequent sales of financial assets classified at amortised cost. • For financial assets classified at FVTOCI, we tested controls over the classification of such assets and subsequent measurement of assets at fair value. Substantive tests • Test of details over classification and measurement of financial assets in accordance with management's intent (business model). • We selected a sample of financial assets to test whether their classification as at the balance sheet date is in accordance with management's intent. • We selected a sample (based on quantitative thresholds) of financial assets sold during the year to check whether there have been any sales of financial assets classified at amortised cost. • We have also checked that there have been no reclassifications of assets in the current period.

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

We identified business model assessment as a key audit matter because of the management judgement involved in determining the intent for purchasing and holding a financial asset which could lead to different classification and measurement outcomes of the financial assets and its significance to the standalone financial statements of the Company.	

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Board Report, Report on Corporate Governance, Management Discussion and Analysis Report, Business Responsibility Report, etc., but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of thesestandalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtainan understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The previously issued comparative financial information of the Company for the year ended March 31, 2018 included in this standalone financial statement has been prepared after adjusting the impact of applying recognition and measurement principles of Ind-AS to the previously issued statutory standalone financial statement which was prepared in accordance Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. These adjustments have been audited by us.

The previously issued comparative financial information of the Company for the transition date opening balance sheet as at 1st April 2017 are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report for the year ended 31st March2017 dated May 30, 2017 expressed a modified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income,the Statement of Cash Flowsand the Statement of Changes in Equity dealt with by

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

this Report are in agreement with the relevant books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March 2019taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch 2019 from being appointed as a director in terms of Section 164(2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “AnnexureA”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness on the Company’s internal financial control over financial reporting.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197of the Act.

(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, as amended,in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note to the standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “Annexure B”, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Vidyarthi & Sons
Chartered Accountants
Firm RegistrationNo.000112C

Amit S. Vidyarthi
Partner
Membership No.F-078296

Kolkata, May 30, 2019

ANNEXURE – ‘A’ TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ sectionof our Report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Controls Over FinancialReporting of Pilani Investment and Industries Corporation Limited (“the Company”) as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes Internal Financial Controls Over Financial Reporting.

Management’s responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No. 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296

Kolkata, May 30, 2019

Annexure 'B'to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED as at and for the year ended March 31, 2019.)

1) In respect of the Company's fixed assets, we report that:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. Fixed Assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

   c. According to the information and explanation given to us by the management, and on the basis of our examination of records of the company, the title deeds of immovable properties are held in the name of the Company.

2) The Company's business does not involve inventories and accordingly, the requirements under clause (ii) of paragraph 3 of the Order are not applicable to the company.

3) According to the information and explanations given to us and on the basis of our examination of the books of account, the company has, during the year, not granted any loans, secured or unsecured to Companies, Limited liability partnerships, Firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b) and (c) of paragraph 3 of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

5) The company has not accepted any deposits from the public covered under Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

6) To the best of our knowledge and as per information and explanation given to us by the management, the Company is not in the business of sale of any goods. Therefore, in our opinion, maintenance of cost records as prescribed by the Central Government under sub-section (1) of Section 148 of the Act is not applicable to the company. Hence clause (vi) of paragraph 3 of the Order is not applicable to the company.

7)

a. According to the information and explanation given to us and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Goods and Service Tax, Cess and any other statutory dues applicable to it. The provisions relating to Employees' State Insurance, Sales Tax, Value Added Tax, Duty of Customs and Duty of Excise are not applicable to the Company.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Goods and Service Tax, Cess and other material statutory dues were outstanding as at the year end for a period of more than six months from the date they became payable. The provisions relating to Employees' State Insurance, Value Added Tax, Sales Tax, Duty of Customs and Duty of Excise are not applicable to the Company.

c. According to the information and explanations given to us and the records of the Company examined by us, there are no dues in respect of Service Tax, Goods and Service Tax, Cess which have not been deposited on account of any dispute. The provisions relating to Employees' State Insurance, Value Added Tax, Sales Tax, Duty of Customs and Duty of Excise are not applicable to the Company. The particulars of dues of Income Tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows :

Name of the Statue	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where Dispute is pending
Income Tax Act, 1961	Income tax on certain disallowances, etc.	59.15 61.25	2007-08 2010-11	Deputy Commissioner Income Tax Appellate Tribunal, Kolkata

8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

9) According to the information and explanation given to us by the management, the company has not raised any money by way of initial public offer or further public offer including debt instruments and term loans. Hence clause (ix) of paragraph 3 of the Order is not applicable to the Company and is not commented upon.

10) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

11) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12) In our opinion, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Hence clause (xii) of paragraph 3 of the Order is not applicable and is not commented upon.

13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act 2013, where applicable and details of such transactions have been disclosed in the notes to Standalone Financial Statements as required by the applicable accounting standards.

14) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company and is not commented upon.

15) According to the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with the directors or persons connected with him as referred to in Section 192 of the Companies Act, 2013. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.

16) According to the information and explanations given to us, we report that the Company is registered as required, under Section 45-IA of the Reserve Bank of India Act, 1934.

For VIDYARTHI & SONS
Chartered Accountants
Firm Registration No. 000112C

AMIT S. VIDYARTHI
Partner
Membership No. F-078296

Kolkata, May 30, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As At 31.03.2019	As At 31.03.2018	As At 31.03.2017
Assets :				
Financial assets				
Cash & cash equivalents	2	**34.02**	8.30	23.40
Bank balances other than cash and equivalents	3	**45.60**	42.71	42.40
Receivables	4			
(I) Trade receivables		**51.56**	24.55	27.30
(II) Other receivables		**-**	-	-
Loans	5	**108.14**	225.03	298.40
Investments	6	**4,66,541.36**	5,18,400.70	4,53,299.20
Other financial assets	7	**-**	-	278.50
		4,66,780.68	5,18,701.29	4,53,969.20
Non-financial assets				
Current tax assets (net)	8	-	402.47	351.46
Deferred tax assets (net)	9	**640.16**	-	-
Investment property	10	**193.87**	239.82	293.69
Property, plant and equipment	11	**0.90**	0.46	0.10
Other non-financial assets	12	**57.18**	54.17	32.40
		892.11	696.92	677.65
TOTAL ASSETS		**4,67,672.79**	5,19,398.21	4,54,646.85
LIABILITIES AND EQUITY :				
Liabilities				
Financial liabilities				
Paybles	13			
(I) Trade Paybles				
(i) Total outstanding dues of micro enterprises and small enterprises		**-**	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**15.66**	60.00	44.60
(II) Other Payables				
(i) Total outstanding dues of micro enterprises and small enterprises		**-**	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		**-**	-	-
Borrowings (other than debt securities)	14	**24,500.00**	-	-
Other financial liabilities	15	**54.04**	58.91	50.40
		24,569.70	118.91	95.00

BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As At 31.03.2019	As At 31.03.2018	As At 31.03.2017
Non-financial liabilities :				
Current tax liabilities (net)	**16**	**1,255.51**	-	-
Provisions	**17**	**185.52**	179.51	168.14
Deferred tax liabilities (net)	**18**	**-**	426.23	152.77
Other non financial liabilities	**19**	**45.47**	16.35	4.60
		1,486.50	622.09	325.51
Equity				
Equity share capital	**20**	**790.88**	790.88	790.88
Other equity	**21**	**4,40,825.71**	5,17,866.33	4,53,435.46
		4,41,616.59	5,18,657.21	4,54,226.34
TOTAL LIABILITIES AND EQUITY		**4,67,672.79**	5,19,398.21	4,54,646.85
Summery of significant accounting policies	**1**			
See accompanying notes forming part of the financial statements	**2 to 56**			

As per report of our even date

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296
Place : Kolkata
Dated : 30th May, 2019

Rajashree Birla
Chairperson
(DIN:00022995)

Giriraj Maheswari
Director
(DIN:00796252)

Yazdi P Dandiwala
Director
(DIN:01055000)

R. P. Pansari
Chief Executive Officer

N. K. Baheti
Chief Financial Officer

R. S. Kashyap
Company Secretary

Place : Mumbai
Dated: 30th May 2019

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	**For the year ended on 31.03.2019**	For the year ended on 31.03.2018
Revenue from operations			
Interest Income	22	**16.35**	14.83
Dividend Income	23	**4,429.36**	3,921.31
Net gain on fair value changes	24	**233.76**	720.25
Others	25	**172.09**	190.39
Total Revenue from operations		**4,851.56**	4,846.78
Other Income	26	**0.78**	0.30
Total Income		**4,852.34**	4,847.08
EXPENSES			
Finance costs	27	**1,886.25**	-
Employee benefits expense	28	**135.18**	138.43
Depreciation and amortization expense	29	**46.20**	54.11
Other expenses	30	**186.03**	259.23
Total Expenses		**2,253.66**	451.77
Profit(loss) before exaptional items and tax		**2,598.68**	4,395.31
Exceptional Items		**-**	-
Profit(loss) before tax		**2,598.68**	4,395.31
Tax expenses :	31		
1) Current tax		**(322.00)**	55.00
2) MAT credit entitlement		**-**	(43.08)
3) Deferred tax		**(418.79)**	273.04
		(740.79)	284.96
Profit /(Loss) for the year		**3,339.47**	4,110.35
Other comprehensive income	32		
Items that will not be reclassified to profit or loss		**(76,354.07)**	62,700.59
Income tax relating to items that will not be reclassified to profit or loss		**(647.59)**	0.42
		(75,706.48)	62,700.17
Total comprehensive income for the year (comprising profit (loss) and other comprehensive income for the year)		**(72,367.01)**	66,810.52

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended on 31.03.2019	For the year ended on 31.03.2018
Earnings per equity share (FV ₹ 10/-)	33		
1) Basic (₹)		**42.22**	51.97
2) Diluted (₹)		**42.22**	51.97
Summary of Significant Accounting Policies	1		
See accompanying notes formig part of the financial statements	**2 to 56**		

As per report of our even date

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296
Place : Kolkata
Dated : 30th May, 2019

Rajashree Birla
Chairperson
(DIN:00022995)

Giriraj Maheswari
Director
(DIN:00796252)

Yazdi P Dandiwala
Director
(DIN:01055000)

R. P. Pansari
Chief Executive Officer

N. K. Baheti
Chief Financial Officer

R. S. Kashyap
Company Secretary

Place : Mumbai
Dated: 30th May 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	For year ended 31st March, 2019	For year ended 31st March, 2018
A. Cash flow from operating activities		
Net Profit before tax	2,598.68	4,395.31
Adjustment for :		
Depreciation	46.20	54.11
Net (gain) / loss on fair valuation of Investments	(16.86)	(775.61)
Finance Cost	1,886.25	-
Operating profit before working capital changes :	**4,514.27**	3,673.81
Changes in working capital :		
Trade receivables	(27.01)	2.75
Loans and other advances	113.88	330.10
Trade and other payables	(19.25)	47.90
	4,581.89	**4,054.56**
Direct Tax Paid	(956.11)	(62.92)
Net Cash Flow From/(Used In) Operating Activities	**3,625.78**	**3,991.64**
B. Cash flow from investment activities		
Bank deposits other than cash and cash equivalents	(2.89)	(0.31)
Purchase of Investments	(23,829.51)	(1,626.49)
Purchase of property, plant and equipments	(0.69)	(0.60)
Net cash flow from/(used in) Investment Activities	**(23,833.09)**	**(1,627.40)**
C. Cash flow from financing activities		
Borrowings (net)	24,500.00	-
Payment of dividend	(1,974.30)	(1976.87)
Payment of dividend tax	(406.42)	(402.47)
Finance cost	(1,86.25)	-
Net Cash Flow From/(used in) Financing activities	**20,233.03**	**(2,379.34)**
NET increased/(decreased) in cash equivalents (A+B+C)	25.72	(15.10)
Operating cash and cash equivalents	8.30	23.40
Closing cash and cash equivalents	34.02	8.30

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Notes :

Cash and bank balances at the end of the year comprises :

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Cash on hand	**0.06**	0.05
Balances with banks		
- In current accounts	**33.96**	8.25
Total	**34.02**	**8.30**

2. Since the Company is an investment company, purchase and sale of investments have been considered as part of "Cash flow from investment activities" and interest earned of Rs. 16.35 lakhs (Previous year Rs. 14.83 Lakhs) and dividend earned of Rs. 4,429.36 lakhs (Previous year Rs. 3,921.31 lakhs) have been considered as part of "Cash flow from operating activities".

3. Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

As per report of our even date

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296
Place : Kolkata
Dated : 30th May, 2019

Rajashree Birla
Chairperson
(DIN:00022995)

Giriraj Maheswari
Director
(DIN:00796252)

Yazdi P Dandiwala
Director
(DIN:01055000)

R. P. Pansari
Chief Executive Officer

N. K. Baheti
Chief Financial Officer

R. S. Kashyap
Company Secretary

Place : Mumbai
Dated: 30th May 2019

Statement of Changes in Equity for the year ended 31st March, 2019

A Equity share capital

(₹ in Lakhs)

Particulars	No. of Equity Shares of ₹10 each	Balance at the begining of the reporting year	Changes in equity share capital dutring the year	Balance at the end of the reporting year
Issued, paid-up and subscribed				
As on 01.04.2017	79,08,750	790.88	-	790.88
As on 31.03.2018	79,08,750	790.88	-	790.88
As on 31.03.2019	79,08,750	790.88	-	790.88

B Other equity

(₹ in Lakhs)

Particulars	Reserve and surplus			Equity instruments through other comprehensive income	Total
	Statutory reserve	General reserve	Retained earnings		
Balance at the beginning of the reporting year 01.04.2017	16,487.09	19,713.33	20,806.28	396,140.09	453,146.79
Changes in accounting policy / prior period errors	-	-	288.67	-	288.67
Restated balance at the beginning of the reporting year 01.04.2017	16,487.09	19,713.33	21,094.95	396,140.09	453,435.46
Total comprehensive income for the year	-	-	4,110.35	62,699.40	66,809.75
Add/(Less): Remeasurement of net defined benefit throughOCI net of tax		0.77		0.77	
Dividend Paid during the year	-	-	(1,977.18)	-	(1,977.18)
Tax on dividend			(402.47)		(402.47)
Transfer to retained earnings	-	-	-	-	-
Transfer to statutory reserve	721.26		(721.26)		-
Balance at the end of the reporting year 31.03.2018	17,208.35	19,713.33	22,105.16	458,839.49	517,866.33
Total comprehensive Income for the year	-	-	3,339.47	(75,705.71)	(72,366.24)
Add/(Less): Remeasurement of net defined benefit throughOCI net of tax	-	-	(0.77)	-	(0.77)
Add: Realised gain/(loss) on Equity Shares FVTOCI transferred from Equity Instruments through Other Comprehensive Income	-	-	10,625.86	(10,625.86)	-
Less: Current Tax on Realised gain/(loss) on Equity Shares FVTOCI transferred from Equity Instruments through Other Comprehensive Income	-	-	(2,290.00)	-	(2,290.00)
Dividend paid during the Year	-	-	(1,977.19)	-	(1,977.19)
Tax on dividend	-		(406.42)	-	(406.42)
Transfer to statutory reserve	2,335.07		(2,335.07)		-
Balance at the end of the reporting year 31.03.2019	19,543.42	19,713.33	29,061.04	372,507.92	440,825.71

As per report of our even date

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296

Place : Kolkata
Dated : 30th May, 2019

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

Rajashree Birla
Chairperson
(DIN:00022995)

Yazdi P Dandiwala
Director
(DIN:01055000)

N. K. BAHETI
Chief Financial Officer

Place : Mumbai
Dated: 30th May 2019

Giriraj Maheswari
Director
(DIN:00796252)

R. P. PANSARI
Chief Executive Officer

R. S. KASHYAP
Company Secretary

Notes forming part of the Financial Statements

CORPORATE INFORMATION

Pilani Investment and Industries Corporation Limited is a limited company incorporated and domiciled in India. The registered office of the company is at “Birla Building”, 9/1, R. N. Mukherjee Road, Kolkata – 700001, West Bengal, India.

The Company is registered with the Reserve Bank of India (“RBI”) as a Systemically Important Non-Deposit Accepting Company (“NBFC”). As an NBFC, the Company is holding investments in its subsidiaries, other group companies, mutual funds and carries out only such activities as are permitted under the guidelines issued by RBI for NBFC.

Its shares are listed on the Bombay Stock Exchange (BSE), India, and the National Stock Exchange (NSE), India.

1. Statement of Compliance

These standalone financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under section 133 read with sub-section (1) of section 210 A the Companies Act, 2013, the relevant provisions of the Companies Act, 2013 (“the Act”) and guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2019 of the Company is the first financial statements prepared in compliance with Ind AS.

The date of transition to Ind AS is April 1, 2017. The financial statements up to the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability. Refer Note 54 for the details of first-time adoption exemptions availed by the Company.

1.1. Basis of Preparation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date.

Notes forming part of the Financial Statements

- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities.

1.2. Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

1.3. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

i) **Interest and Dividend Income**

Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR).

The calculation of the EIR includes all fees and points paid or received between partiesto the contract that are incremental and directly attributable to the specific lendingarrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

Notes forming part of the Financial Statements

ii) **Net Gain or Fair Value Changes**

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in “Net gains or fair value changes” under revenue from operations and if there is a net loss the same is disclosed “Expenses”, in the statement of profit and loss.

iii) **Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

iv) **Other Operational Revenue**

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.4. Properties, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to the acquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Company’s accounting policy.

For transition to Ind AS, the Company has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 1, 2017. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

Land and buildings held for use are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

PPE not ready for the intended use on the date ofthe Balance Sheet are disclosed as “capital work in progress”.

Depreciation is recognised using reducing balance method so as to write off the cost of the assets(other than freehold land)) less their residual valuesover their useful lives specified in Schedule II to theCompanies Act, 2013, or in case of assets where theuseful life was determined by technical evaluation,over the useful life so determined. Depreciation method is reviewed at each financial year end toreflect expected pattern of consumption of thefuture economic benefits embodied in the asset.The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis.

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Depreciation for additions to/deductions from, owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets held under finance leases are depreciated over the shorter of lease term and their useful life on the same basis as owned assets. However, when there is no reasonable certainty that the Company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Company for similar assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

1.5. Investment Property

Investment properties are properties (including those under construction) held to earn rentals and / or capital appreciation are classified as investment property and are measured and reported at cost including transaction costs.

For transition to Ind AS, the group has elected to adopt as deemed cost, the carrying value of investment property as per previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 01, 2017. In respect of revalued assets, the value asdetermined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

Depreciation is recognised using reducing balance method so as to write off the cost of the investment property less their residual values over their useful lives speciefied in schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life / residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

As investment property is derecognised upon disposal or when the investment property is permanently withdrawnfrom use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

1.6. Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and

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other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

1.7. Impairment of Tangible and Intangible Assets other than Goodwill

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

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

Recoverable amount is determined:

i) in the case of an individual asset, at the higher of the net selling price and the value in use; and

ii) in the case of a cash generating unit (the smallest identifiable Company of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and therisks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cashgenerating unit) is estimated to be less thanits carrying amount, such deficit is recognised immediately in the Statement of Profit and Lossas impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated tosuch cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses,the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating

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unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

1.8. Employee Benefits

i) Short Term Employee Benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

ii) Post-employment benefits:

a) Defined contribution plans: TheCompany's superannuation scheme,state governed provident fund scheme,employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognisedduring the period in which the employeerenders the related service.

b) Defined benefit plans: The obligation in respect of defined benefit plans, which cover Gratuity are provided for on the basis of an actuarial valuation at the end of each financial year using project unit credit method. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of the year. Actuarial losses/gains are recognised in the Other Comprehensive Income in the year in which they arise.

Re-measurement, comprising actuarial gains and losses, is reflected immediately in the Balance Sheet with a charge or credit recognised in the Other Comprehensive Income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings, and will not be reclassified to profit or loss. Defined benefit costs are categorised as follows:

i) Service cost (including current service cost, past service cost, as well as gain and losses on curtailments and settlements);

ii) Net interest expense or income; and

iii) Re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation, recognized in the Balance Sheet, represents the Company's liability based on actuarial valuation.

iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made

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by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is acceptedor when the Company recognises the related restructuring costs whichever is earlier.

1.9. Leases

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

i) Finance leases:

A. Leases where the Company has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets under finance lease are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.

Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the periodof the lease so as to yield a constant rate of return on the net investment in the lease.

ii) Operating leases:

The leases which are not classified as financelease are operating leases.

A. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

B. Assets leased out under operating leases are continued to be shown under there spective class of assets. Rental income is recognised on a straight-line basis over the term of the relevant lease.

1.10. Financial Instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it

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is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

1) Financial Assets

a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

c) Debt instruments at amortised cost or at FVTOCI

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Company's business model for managing the asset.

For an asset to be classified and measured at amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at FVTOCI, the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has more than one business model for managing its financial instruments which reflect how the Company manages its financial assets in order to generate cash flows. The Company's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Company considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Company does not reasonably expect to occur,such as so-called 'worst case' or 'stresscase' scenarios. The Company takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity'skey management personnel;

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- the risks that affect the performanceof the business model (and thefinancial assets held within thatbusiness model) and, in particular,the way in which those risks aremanaged; and
- how managers of the business arecompensated (e.g. whether thecompensation is based on the fairvalue of the assets managed or onthe contractual cash flows collected).

The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. Forthe current and prior reporting period theCompany has not identified a change inits business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI isreclassified from equity to profit or loss.

In contrast, for an equity investment designated as measured at FVTOCI, thecumulative gain/loss previously recognisedin OCI is not subsequently reclassified toprofit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

e) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risksand rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that theCompany has retained.

2) Financial liabilities

a) Financial liabilities, including derivatives,which are designated for measurement at FVTPL are subsequently measured at fair value. Financial guarantee contracts aresubsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

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All other financial liabilities including loans and borrowings are measured at amortised cost using Effective InterestRate (EIR) method.

b) A financial liability is derecognisedwhen the related obligation expires or isdischarged or cancelled.

1.11. Write Off

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

1.12. Impairment

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or

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FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower’s financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment.

For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

Significant increase in credit risk

The Company monitors all financial assets and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Company’s historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset not being a corporate loans becomes 30 days past due, the Company considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of all retail assets. In respect of the corporate loan assets, shifting to Stage 2 has been rebutted using historical evidence from own portfolio to a threshold of 60 days past due, which is reviewed annually.

Purchased or originated credit-impaired (POCI) financial assets

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition.For these assets, the Company recognises all changes in lifetime ECL since

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initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 dayson any material credit obligation to theCompany; or
- the borrower is unlikely to pay its creditobligations to the Company in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counter party are key inputs in this analysis. The Company uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument. With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

  A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

  ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset’s EIR.

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- for financial guarantee contracts, the ECLis the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The Company measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

1.13. Modification and derecognition of financial assets

A modification of a financial asset occurs whenthe contractual terms governing the cash flowsof a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cashflows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cashflows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Company renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan,changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Company assesses whether this modification results in derecognition. In accordance with the Company's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Company considers the following:

- Qualitative factors, such as contractual cashflows after modification are no longer SPPI,
- Change in currency or change of counter party,
- The extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then;

a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-creditimpaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the

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modification. The Company monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

b) When the contractual terms of a financial asset are modified and the modification doesnot result in derecognition, the Company determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Company's ability to collect the modified cash flows taking into account the Company's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Company calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Company measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.

The Company derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the assetare transferred to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and anassociated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety,the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassifiedto profit or loss.

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On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum ofthe consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

1.14. Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheet as the carrying amount is at fair value.

1.15. Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

1.16. Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method,finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extentthey are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.17. Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting

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policies of the Company.

1.18. Foreign currencies:

i) The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

ii) Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.19. Taxation:

Current Tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes forming part of the Financial Statements

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head “capital gains” are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outsideprofit or loss, either in other comprehensive income or in equity, is recorded along with the taxas applicable.

1.20. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

i) a Company entity has a present obligation (legal or constructive) as a result of a pastevent;and

ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii) a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and

ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.21. Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

a) estimated amount of contracts remaining to be executed on capital account and not provided for;

b) uncalled liability on shares and other investments partly paid;

Notes forming part of the Financial Statements

c) funding related commitment to associate companies; and

d) other non-cancellable commitments, if any, tothe extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.22. Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

i) changes during the period in operating receivables and payables transactions of a non-cash nature;

ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gainsand losses;and

iii) all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.23. Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average numberof ordinary shares outstanding during the year.

Diluted earnings per share is determined byadjusting the profit or loss attributable to ordinary shareholders and the weighted average numberof ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

1.24. Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

1.25. Operating cycle for current and non-current classification:

Based on the nature of products / activities of the Company entities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the Financial Statements

1.26. Changes in Accounting Standard and recent accounting pronouncements (New Accounting Standards issued but not effective):

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019

a. Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments

b. Ind AS 19— Employee benefits

c. Ind AS 23 – Borrowing costs

d. Ind AS 28— investment in associates and joint ventures

e. Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements

f. Ind AS 109 — Financial instruments

The Company is in the process of evaluating the impact of such amendments.

Notes forming part of the Financial Statements

Note No: 2 Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Cash on hand	**0.06**	0.05	0.10
Balances with banks			
- In current accounts	**33.96**	8.25	23.30
Total	**34.02**	8.30	23.40

Note No: 3 Bank balances and other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Earmarked Balances with Bank			
Unpaid Dividend Account	**45.60**	42.71	42.40
Balance with banks held as Margin Money			-
Term Deposit of upto Twelve Months Maturity			
Total	**45.60**	42.71	42.40

Note No: 4 Receivables

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Trade Receivables			
Receivables considered good - Unsecured	**51.56**	24.55	27.30
Total	**51.56**	24.55	27.30

Notes forming part of the Financial Statements

Note No: 5 Loans

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(A) At amortised cost			
Loans repayable on demand			
-to Related parties	**108.14**	225.03	298.40
Total (A)	**108.14**	225.03	298.40
(B) At amortised cost			
Unsecured	**108.14**	225.03	298.40
Total (B)	**108.14**	225.03	298.40
(C)			
(I) Loans in India			
At amortised cost			
(i) Public sector	-	-	-
(ii) Others -public limited companies	**108.14**	225.03	298.40
Total (C) (I)	**108.14**	225.03	298.40
(II)Loans outside India	**-**	-	-
At amortised cost			
Total (C) (II)	**-**	-	-
Total C(I) and C(II)	**108.14**	225.03	298.40

Notes forming part of the Financial Statements

Note No: 6 Investments

(₹ in Lakhs)

Particulars	Face Value (Rs.)	As at 31.03.2019 Nos./Unit	Amount	As at 31.03.2018 Nos./Unit	Amount	As at 01.04.2017 Nos./Unit	Amount
(A) At fair value through profit or loss							
Investment in mutual funds							
Aditya Birla Sunlife-Savings Fund-Dividend	100			-		1,460,801	1,467.21
Aditya Birla Sunlife-Savings Fund-Growth	100			2,615,662	8,943.05	1,549,836	4,938.58
Aditya Birla Sunlife-Cash Manager Fund-Dividend	100				-	1,763,327	1,774.36
Aditya Birla Sunlife-Cash Manager Fund-Growth	100			980,314	4,093.35	534,746	2,097.17
Aditya Birla Sunlife-Liquid Fund-Growth	100	384,885	1,150.83		-		-
HDFC-Cash Management Fund-Growth	10			3,993,241	1,460.99	3,285,260	1,128.79
Reliance-Money Manager Fund- Dividend	1000				-	214,509	2,161.18
Reliance-Money Manager Fund- Growth	1000			55,202.00	1,321.85	14,213	318.73
ICICI Prudential Flexible Income Plus-Growth	100			100,459.00	334.66		
UTI Treasury Advantage Fund- Growth	1000			5,605.00	134.24		
Total (A)			1,150.83		16,288.14		13,886.02
(B) At fair value through other comprehensive income							
Investment in Equity instruments							
Quoted							
Aditya Birla Fashion & Retal Limited	10	1,569,219	3,457.77	972,909	1,467.63	972,909	1,496.82
Aditya Birla Nuvo Limited	10	-	-	-	-	187,098	2,840.99
Aditya Birla Capital Limited	10	33,351,721	32,417.93	31,673,756	46,227.85	-	-
Grasim Industries Limited	2	24,274,527	208,263.30	22,624,112	237,756.79	22,343,465	234,382.95
Hindalco Industries Limited	1	29,857,969	61,358.13	29,185,398	62,617.27	29,185,398	56,926.12
Vodafone Idea Ltd. (Formerly: Idea Cellular Ltd.)	10	8,168,500	1,490.75	8,168,500	6,199.89	8,168,500	7,012.66
Jayshree Tea & Industries Limited	5	2,844	1.85	2,844	2.45	2,844	3.12
Kesoram Industries Limited#	10	27,338,750	19,902.61	27,338,750	29,594.20		-
Kesoram Textile Mills Limited	2	2,415,750	48.32	2,415,750	6.04	2,415,750	48.32
Mangalam Cement Limited	10	1,120,000	2,998.24	1,120,000	1,819.44	1,120,000	3,637.20
Tanfac Industries Limited	10	498,000	1,082.90	498,000	634.70	498,000	306.27
Ultra Tech Cement Limited	10	2,287,823	91,475.16	2,457,309	97,063.71	2,457,309	97,917.62
Zuari Global Limited	10	434,000	469.59	434,000	739.97	434,000	552.48
Zuari Agro Chemicals Limited	10	434,000	806.16	434,000	2,096.65	434,000	1,578.24
Unquoted							
Birla Building Limited	10	15,000	1.52	15,000	1.52	15,000	1.52
Birla Consultants Limited	10	12,000	1.20	12,000	1.20	12,000	1.20
Indo Thai Synthetics Co. Limited	Baht10	207,900	11.42	207,900	11.42	207,900	11.42
Indo Phil Textile Mills Inc. Manila	Peso10	211,248	2.03	211,248	2.03	211,248	2.03
The Eastern Economist Limited	10	400	0.40	400	0.40	400	0.40
The Industry House Limited	10	2,812	1.89	2,812	1.89	2,812	1.89
Total (B)			4,23,791.17		4,86,245.05		4,06,721.25
(C) Investments -Others (At cost)							
Subsidiaries (#)							
- PIC Properties Limited	10	50,002	5.00	50,002	5.00	50,002	5.00
-PIC Realcon Limited	10	50,000	5.00	50,000	5.00	50,000	5.00

Notes forming part of the Financial Statements

Contnd..... Note No: 6 Investments

(₹ in Lakhs)

Particulars	Face Value (Rs.)	As at 31.03.2019 Nos./Unit	As at 31.03.2019 Amount	As at 31.03.2018 Nos./Unit	As at 31.03.2018 Amount	As at 01.04.2017 Nos./Unit	As at 01.04.2017 Amount
Associates (#)					-		-
- Century Textiles & Industries Limited	**10**	**36,978,570**	**41,589.36**	34,220,520	15,857.51	34,220,520	15,857.51
-Kesoram Industries Limited (*)	**10**	-	-	-	-	27,338,750	16,824.42
Total (C)			**466,541.36**		518,400.70		453,299.20
(D) Total – Gross (A+B+C)			**466,541.36**		518,400.70		453,299.20
(i) Investments outside India			**13.45**		13.45		13.45
(ii) Investments in India			**466,527.91**		518,387.25		453,285.75
Total (E)			**466,541.36**		518,400.70		453,299.20
(F) Total (D) to tally with (E)			-		-		-
Less: Allowance for Impairment loss (G)			**-**		-		-
(H) Total– Net = (D)-(G)			**466,541.36**		518,400.70		453,299.20

(*) Ceased to be an Associates w.e.f. 28.03.2018

(#) For the investment in subsidiary entities and associate, the company has opted for the exemption provided in para D15(b)(ii) of Ind AS 101 and accordingly the same has been measured at previous GAAP carrying amount i.e. at cost at the transition date.

(#)As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entities and associate at cost.

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

	Face Value Rs.	No. of Shares
QUOTED (Fully paid)		
Equity Instruments		
Jiyajeerao Cotton Mills Limited (In liquidation)	10	150
Kalyan Sundaram Cement Industries Limited (In liquidation)	10	50,000
Tungbhadra Industries Limited (In liquidation)	10	1,865
Umi Special Steels Limited (In liquidation)	10	100,000
UNQUOTED (Fully paid)		
Equity instruments		
Bombay Industrial Traders Limited (In liquidation)	100	915
Hind Cycles Limited (In liquidation)	100	400
Industrial Plants Limited (In liquidation)	10	75,000
Mckenzies Limited	10	753
In Subsidiary Companies		
Atlas Iron and Alloys Limited (In liquidation)	10	72,000
Debentures		
Hind Cycles Limited (In liquidation)	100	66
UNQUOTED (Partly Paid)		
Equity Shares		
Central Distributors Limited (In liquidation) (Paid up Rs. 7.50 per share)	10	1,284

Notes forming part of the Financial Statements

Note No: 7 Other financial assets

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Term Deposit of more Than Twelve Months Maturity	-	-	278.50
Total	**-**	**-**	278.50

Note No: 8 Current tax assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Advance Payment of Income Tax (net of Provision for Income Tax)	-	402.47	351.46
Total	**-**	402.47	351.46

Note No 9: Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:			
Deferred tax assets			
Equity Investment meaured at Fair Value through OCI	**647.27**	-	-
	647.27	**-**	**-**
Deferred tax liabilities			
Difference between WDV of block of assets as per Income Tax and WDV of Fixed Assets as per books	**1.62**	-	-
Investment meaured at Fair Value through Profit or Loss	**5.49**	-	-
	7.11	**-**	**-**
Total	**640.16**	-	-

Notes forming part of the Financial Statements

Note No: 10 Investment property

(₹ in Lakhs)

Particulars	**As at 31.03.2019**	As at 31.03.2018	As at 01.04.2017
Gross carrying amount			
Opening gross carrying amount/deemed cost	**453.30**	453.30	453.30
Additions	**-**	-	-
Disposals	**-**	-	-
Addition/other adjustments	**-**	-	-
Closing gross carrying amount	**453.30**	453.30	453.30
Accumulated depreciation			
Opening accumulated depreciation	**213.48**	159.61	96.91
Depreciation charged during the year	**45.95**	53.87	62.70
Deductions	**-**	-	-
Other adjustments	**-**	-	-
Addition/other adjustments	**-**	-	-
Closing accumulated depreciation	**259.43**	213.48	159.61
Net carrying amount	**193.87**	239.82	293.69

10.1 The fair value of the company's investment properties as at 1st April 2017, 31st March 2018 and 31st March 2019 are Rs.7580.03 lakhs , Rs. 7809.73 lakhs and Rs. 8039.43 lakhs respectively. The fair value of the properties have been arrived on the basis of valuation report obtained from a registered valuer.

(₹ in Lakhs)

10.2 The amounts recognized in Statement of Profit and Loss in relation to the investment properties :	**For the year ended 31st March, 2019**	For the year ended 31st March, 2018
Rental income derived From investment properties	**134.38**	138.22
Service charges derived From investment properties	**37.71**	52.17
Direct operating expenses (including repairs and maintenance) generating rental income	**123.28**	145.06
Depreciation	**45.95**	53.87
Profit arising from investment properties before indirect expenses	**2.86**	(8.54)

Notes forming part of the Financial Statements

Note No: 11 Property, plant & equipment

(₹ in Lakhs)

	Furnitures & Fixtures	Office Equipments	TOTAL
Cost or valuation			
As at 1st April 2017	1.93	0.40	2.33
Addition/(Disposal)	-	0.60	0.60
As at 31st March 2018	1.93	1.00	2.93
Addition/ (Disposal)	-	0.69	0.69
As at 31st March 2019	**1.93**	1.69	3.62
Depreciation			
As at 1st April 2017	1.93	0.30	2.23
Charge for the year	-	0.24	0.24
Addition/ (Disposal)	-	-	-
As at 31st March 2018	1.93	0.54	2.47
Charge for the year	**-**	0.25	0.25
As at 31st March 2019	**1.93**	**0.79**	**2.72**
Net Block			
As at 1st April, 2017	-	0.10	0.10
As at 31st March 2018	-	0.46	0.46
As at 31st March 2019	**-**	**0.90**	**0.90**

Note No: 12 Other non financial assets

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Security deposits	**17.46**	17.46	17.50
(b) Other advances			
Advance to parties	**29.97**	-	-
Other advances	**9.75**	0.40	0.35
Balances with Government Dept	**-**	36.31	14.55
Total	**57.18**	54.17	32.40

Notes forming part of the Financial Statements

Note No: 13 Payables

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Trade payables			
(i) total outstanding of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	15.66	60.00	44.60
	15.66	60.00	44.60
Other payables	-	-	-
(i) total outstanding of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	-	-	-
Total	**15.66**	60.00	44.60

Note No: 14 Borrowings (other than debt securities)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
At amortised cost			
Unsecured - term loans			
From other parties	**24,500.00**	-	-
Total (A)	**24,500.00**	**-**	**-**
At amortised cost			
Borrowings in India	**24,500.00**	**-**	**-**
Borrowings outside India			
Total (B)	**24,500.00**	**-**	**-**
Total (B) to tally with (A)	-	-	-

Note:

Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings:

(₹ in Lakhs)

Term loan from financial entities	31.03.2019	31.03.2018	01.04.2017	Terms of redemption / repayment
Term loan from financial entity 1	**10,000.00**	-	-	**Repayable in 60 months from June 18, 2018 with option of repayment at the end of every 12 months**
Term loan from financial entity 2	**14,500.00**	-	-	**Repayable in one bullet payment at the end of 12 months from October 1, 2018**

Notes forming part of the Financial Statements

Note No: 15 Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Unclaimed dividends on equity shares	**45.60**	42.71	42.40
Others			
Liabilities for expenses			
Amount Due to employee	**4.85**	12.76	4.60
Others misc. payable	**3.33**	3.18	3.10
Security deposit	**0.26**	0.26	0.30
Total	**54.04**	58.91	50.40

Note No: 16 Current tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Income Tax Provision(net of Advance Income Tax)	**1,255.51**	-	-

Note No: 17 Provisions

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Provision for employee benefits (Gratuity)	**26.09**	21.96	13.53
Provision for employee benefits (Leave)	**15.25**	13.37	10.43
Others			
Contingent provision against standard assets	**27.48**	27.48	27.48
Provision towards demand for municipal tax	**116.70**	116.70	116.70
Total	**185.52**	179.51	168.14

Notes forming part of the Financial Statements

Note No.: 18 Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
The major components of the deferred tax liabilities / (assets) based on the tax effects of timing differences are as follows:			
Deferred tax assets	-	-	-
Total	**-**	**-**	**-**
Deferred tax liabilities (net)			
Difference between WDV of block of assets as per income tax and WDV of fixed assets as per books	-	24.21	-
Investment measured at fair value through profit or loss	-	402.02	152.77
	-	426.23	152.77
Total	**-**	426.23	152.77

Note No: 19 Other non financial liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Statutory dues payable	**45.47**	16.35	4.60
Total	**45.47**	16.35	4.60

Notes forming part of the Financial Statements

Note No. 20 : Equity share capital

(i) **Share capital authorised, issued, subscribed and paid up**

Particulars	**As at 31.03.2019**		As at 31.03.2018		As at 01.04.2017	
	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)	No. of Shares	(₹ in Lakhs)
Authorised:						
Equity Shares of Rs. 10 each	**9,000,000**	**900.00**	9,000,000	900.00	9,000,000	900.00
Issued, subscribed and fully paid up shares:						
Equity Shares of Rs. 10 each	**7,908,750**	**790.88**	7,908,750	790.88	7,908,750	790.88

There is no change in the number of shares in current year and previous years

(ii) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.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, 2019, the amount of per share dividend recognized as distributions to shareholders was Rs. 25/- (Rs. 25/-) per share.The Board of Directors at its meeting held on 30th May, 2019, have proposed a final dividend of Rs. 25/- per equity share for the financial year ended 31st March, 2019. The proposal is subject to the approval of the Shareholders at the forthcoming Annual General Meeting. Total cash out flow would be Rs. 2383.60 Lakhs including corporate dividend tax and the same will be accounted for in the financial year 2019-20 in terms of Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

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

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

Particulars	**As at 31.03.2019**		As at 31.03.2018		As at 01.04.2017	
	No. of Shares	**% holding**	No. of Shares	% holding	No. of Shares	% holding
Authorised:						
Equity Shares of Rs. 10 each	**9,000,000**	**900.00**	9,000,000	900.00	9,000,000	900.00
Aditya Marketing & Manufacturing Ltd.	**2,744,194**	**34.70**	2,735,494	34.59	2,735,494	34.59
Padmavati Investment Limited	**1,406,986**	**17.79**	1,406,986	17.79	1,398,486	17.68
The Punjab Produce & Trading Co. Pvt. Ltd.	**1,385,223**	**17.52**	1,385,223	17.52	1,385,223	17.52
Gwalior Webbing Co. Pvt. Ltd.	**454,168**	**5.74**	454,168	5.74	454,168	5.74

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

Notes forming part of the Financial Statements

Note No: 21 Other equity

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Other reserves			
(i) Statutory reserves			
Balance as at the beginning of the year	**17,208.35**	16,487.09	16,487.09
Addition during the year	**2,335.07**	721.26	
Less: Transferred during the year	**-**	-	-
	19,543.42	17,208.35	16,487.09
Others			
(ii) General reserve			
Balance as at the beginning of the year	**19,713.33**	19,713.33	19,713.33
Addition during the year	**-**	-	-
Less: Transferred during the year	**-**	-	-
	19,713.33	19,713.33	19,713.33
(iii) Reserves representing unrealised gains/losses			
Equity instruments through other comprehensive income	**458,839.49**	396,140.09	396,140.09
Add / (Less) during the year	**(75705.71)**	62,699.40	-
Less: Realised gain/(loss) on equity shares FVTOCI transferred to retained earnings	**(10625.86)**	-	-
	372,507.92	458,839.49	396,140.09
(iv) Retained earnings			
Surplus at the beginning of the year	**22,105.16**	21,094.95	20,806.28
Add : Profit for the year	**3,339.47**	4,110.35	-
Add/(Less): Remeasurement of net defined benefit through OCI net of tax	**(0.77)**	0.77	-
Add: Realised gain/(loss) on equity shares FVTOCI transferred from equity instruments through other comprehensive income	**10,625.86**	-	-
Less: Current tax on realised gain/(loss) on equity shares FVTOCI transferred from equity instruments through other comprehensive income	**(2290.00)**	-	-
Dividend paid on equity shares	**(1977.19)**	(1977.18)	-
Tax on dividend	**(406.42)**	(402.47)	-
Transfer to statutory reserve	**(2335.07)**	(721.26)	-
Transfer to general reserve	**-**	-	-
Transition date adjustment	**-**	-	288.67
	29,061.04	22,105.16	21,094.95
Total	**440,825.71**	517,866.33	453,435.46

Notes forming part of the Financial Statements

Notes: Nature and purpose of reserve

(i) Statutory reserve (Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934"))
Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve

(ii) General reserve
Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose of law

(iii) FVOCI equity investments
The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiaries and associate) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity.

(iv) Retained Earnings
Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

Note No.: 22 Interest income

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Financial assets measured at amortised cost		
Interest on loans	**10.50**	-
Interest income from investments	-	-
Interest on deposits with banks	**5.85**	14.83
Total	**16.35**	14.83

Note No.: 23 Dividend income

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
-On investments		
Equity share instruments	**4,429.36**	3,921.31
Total	**4,429.36**	3,921.31

Notes forming part of the Financial Statements

Note No: 24 Net gain/(loss) on fair value changes

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Net gain/ (loss) on financial instruments at fair value through profit or loss		
On financial instruments designated at fair value through profit or loss on Mutual Fund	**233.76**	720.25
Others	**-**	-
Total Net gain/(loss) on fair value changes	**233.76**	720.25
Fair Value changes:		
Realised	**216.90**	(55.36)
Unrealised	**16.86**	775.61
	233.76	720.25

Note No.: 25 Others

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
-Rent income	**134.38**	138.22
-Service charges	**37.71**	52.17
Total	**172.09**	190.39

Note No.: 26 Other income

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Miscellaneous receipts and income	**0.78**	0.30
Total	**0.78**	0.30

Notes forming part of the Financial Statements

Note No.: 27 Finance cost

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	**1,886.25**	-
Total	**1,886.25**	**-**

Note No: 28 Employee benefit expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries and wages	**105.85**	103.39
Contribution to provident and other funds		
Provident Fund and pension fund	**11.45**	11.09
Gratuity	**3.03**	9.61
Staff welfare expenses	**14.85**	14.34
Total	**135.18**	138.43

Note No: 29 Depreciation and amortization expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Depreciation and amortization expense		
- On property, plant and equipment	**0.25**	0.24
-On investment property**45.95**	53.87	
Total	**46.20**	54.11

Note No.: 30 Other expenses

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Rent, taxes and energy costs	**28.96**	27.74
Repairs and maintenance	**95.97**	118.66
Director's fees, allowances and expenses	**8.00**	5.18
Payments to the auditor		
As auditor	**3.15**	3.15
For tax audit	**-**	-
For quarterly review	**1.95**	1.95
For fees for other services (incl for issuing various certificates)	**1.44**	1.80
For reimbursement of out of poket expenses	**1.34**	1.30
Corporate social responsibilities expenses	**7.00**	20.00
Miscellaneous expenses	**38.22**	79.45
Total	**186.03**	259.23

Notes forming part of the Financial Statements

Note No.: 31 Tax expenses

The components of income tax expense for the years ended 31 March 2019 and 2018 are:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Current tax	**(322.00)**	55.00
MAT credit entitlement	**-**	(43.08)
Deferred tax	**(418.79)**	273.04
Total tax charge	**(740.79)**	284.96
Current tax	**(322.00)**	11.92
Deferred tax	**(418.79)**	273.04

Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is, as follows:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Accounting profit before tax	**2598.68**	4395.31
Applicable tax rate	**29.12%**	34.61%
Tax on Accounting Profit	**756.74**	1,521.13
Tax effect of:		
Exempted income	**(1,288.78)**	(1,356.48)
Ind AS transition period adjsustment	**71.04**	(268.96)
Tax on expense not tax deductible	**25.78**	170.69
Adjustment on account of change on tax rate	**113.22**	(1.19)
MAT credit entilements	**-**	(43.08)
Tax effect on other items	-	(10.19)
Tax expenses recognised in the statement of profit and loss	**(322.00)**	11.92
Effective tax rate	**-12.39**	0.27

Deferred tax **(₹ in Lakhs)**

Deferred tax asset/ liability (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	**(426.23)**	(152.77)
Credit / (charge) for equity instruments through OCI	**647.93**	-
Credit / (charge) for remeasurement of the defined benefit	**(0.33)**	(0.42)
Credit / (charge) to the statement of profit and loss	**418.79**	(273.04)
At the end of year DTA / (DTL) (net)	**640.16**	(426.23)

Notes forming part of the Financial Statements

Note No. 32 : Other comprehensive income

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
Items that will not be reclassified to profit or loss		
Remeasurements of the defrned benefit plans	(1.09)	1.19
Equity instruments through other comprehensive income:	(76,352.98)	62,699.40
	(76,354.07)	**62,700.59**

Note No. 33 : Earnings per share

The components of income tax expense for the years ended 31 March 2019 and 2018 are:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the year ended 31st March, 2018
(A) Basic earnings per share		
Computation of profit		
Net profit for the year attributable to equity shareholders (basic)	**3339.47**	4110.35
Computation of weighted average number of shares	**Nos.**	Nos.
Weighted average number of equity shares of Rs. 10 each used for calculation of basic earnings per share	**7908750**	7908750
Basic earnings per share of face value of Rs. 10 each (in Rs.)	**42.22**	51.97
(B) Diluted earnings per share		
Profit attributable to equity shareholders (diluted) (numerator)	**3339.47**	4110.35
Computation of weighted average number of shares (denominator)	**Nos.**	Nos.
Weighted average number of equity shares as above	**7908750**	7908750
Diluted earnings per share of face value of Rs. 10 each (in Rs.)	**42.22**	**51.97**

Note No. 34 : Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(A) Contingent liabilities		
Income Tax	**120.39**	120.39
(i) Assessing officer has demanded income tax of Rs. 120.39 lakhs against the certain disallowances etc.(P.Y. Rs. 120.39 Lakhs) for the A.Y. 2007-08 and 2010-11. The Company has filed an appeal before the DCIT, Appellate Tribunal, Kolkata. Matter is still under sub-judice.		
(B) Commitments		
(i) Uncalled liability on partly paid shares held as investments	**0.03**	0.03

Note No. 35. : Provision has been made against demand for municipal taxes (including interest and penalty) for earlier years, though, the representation made by the company to the municipal authorities for reconsideration of the annual valuation is still under consideration of the concerned authorities.

Notes forming part of the Financial Statements

Note No. 36. : Corporate social responsibility ("CSR") expenses:

As per Section 135 of the Companies Act, 2013 ('Act), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are healthcare including preventive healthcare, providing safe drinking water, sanitation facility, promoting education, old age home maintenance, environmental sustainability and promotion and development of traditional art and handicrafts. A CSR committee has been formed by the company as per the Act.

The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013

Gross amount required to be spent by the company during the year is Rs. 14.07 Lakhs. (PY Rs. 10.02)

Amount spent during the year on: Rs. 7.00 Lakhs (PY Rs. 20.00Lakhs)

(₹ in Lakhs)

Particulars **The amounts expended are as follows:**	**For the Year ended 31st March, 2019**	For the year ended 31st March, 2018
(i) Construction / acquisition of any assets	-	-
(ii) On purposes other than (i) above	7.00	20.00

Note No. 37 : Leasing arrangements

(a) Operating lease commitments – as lessee

The office premises is obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the Company. It has recognised lease payments amounting to Rs. 1.47 lakhs and Rs. 1.10 lakhs for the year ended 31 March, 2019 and 2018 respectively in the statement of profit and loss. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangement. The lease is cancellable.

The future minimum lease payable under cancellable operating lease are:-

Particulars	**For the Year ended 31st March, 2019**	For the year ended 31st March, 2018
Within one year	1.47	1.47
After one year but not more than five years	1.47	2.94
More than five years	-	-
Total	**2.94**	**4.41**

(b) Operating lease commitments – as lessor

The Company has let out portions of office premises along with furniture and fixtures and other amenities on operating lease. It has recognised lease rental income amounting to to Rs. 134.38 Lakhs and Rs. 138.22 Lakhs for the year ended 31 March 2019 and 2018 respectively in the statement of profit and loss.

Notes forming part of the Financial Statements

Note No. 38 : Segment reporting :

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Investments" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

Note No. 39 : Related party disclosures

(a) Related party disclosures as required by Ind AS 24 - Related party disclosures.

List of related parties and relationships:

Sl. No.	Nature of relationship	
1	Subsidiary companies	PIC Properties Limited PIC Realcon Limited Atlas Iron & Alloys Limited (In Liquidation)
2	Key management personnel	Shri R P Pansari (CEO) Shri N K Baheti (CFO) Shri R S Kashyap (Company Secretary)
3	Other related parties Associate company	 Century Textiles & Industries Limited

Transactions with related parties are as follows: **(₹ in Lakhs)**

Sl. No.	Nature of transactions	Subsidiaries		
		For the year ended 31st March, 2019	For the year ended 31st March, 2018	As on 1st April, 2017
1	Loans & advances given	**610.51**	-	-
2	Loans & advances received	**727.40**	73.33	64.50
3	Dividend received	**-**	-	-
4	Interest received	**10.50**	-	-
5	Investment	**-**	-	-

(₹ in Lakhs)

Sl. No.	Nature of transactions	Key Managerial Personnel		
		For the year ended 31st March, 2019	For the year ended 31st March, 2018	As on 1st April, 2017
1	Remuneration (including bonus)	**127.47**	109.82	-

Notes forming part of the Financial Statements

(₹ in Lakhs)

Sl. No.	Nature of transactions	Other related parties		
		For the year ended 31st March, 2019	For the year ended 31st March, 2018	As on 1st April, 2017
1	Loans & advances given			-
2	Loans & advances received			-
3	Dividend received	**2,402.83**	1,882.13	-
4	Interest received		-	-
5	Investment	**25,731.85**	-	-

(₹ in Lakhs)

Sl. No.	Nature of Transactions	Outstanding as on		
		For the year ended 31st March, 2019	For the year ended 31st March, 2018	As on 1st April, 2017
1	Loans & Advances	**108.14**	225.03	298.39

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

Sl. No.	Name	As at 31st March, 2019	Maximum balance outstanding during the year ended 31 March, 2019
		-	-

Sl. No.	Name	As at 31st March, 2018	Maximum balance outstanding during the year ended 31 March, 2018
		-	-

Sl. No.	Name	As at 1st April, 2017	Maximum balance outstanding during the year ended 1st April, 2017
		-	-

Notes forming part of the Financial Statements

Note No. 40 : Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.The disclosure as required by section 22 of MSMED Act has been given below:

(₹ in Lakhs)

Particulars	**2019 As at 31st March,**	2018 As at 31st March,	2017 As at 1st April,
Principal amount payable to suppliers as at year-end	-	-	-
Interest due thereon as at year end	-	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-	-
Amount of delayed payment actually made to suppliers during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-	-

Note No. 41 : 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 shares of other companies apportionable to the holding of these shares received pursuant to scheme of arrangement, same are being held in trust by the company.

Sl. no.	Name of the company	No. of equity shares	Face value per share (₹)
(a)	Grasim Industries Ltd.	5755	2/-
(b)	Hindustan Motors Ltd.	440	10/-
(c)	Century Textiles & Industries Ltd	220	10/-
(d)	Tungabhadra Industries Ltd.	4	10/-
(e)	Hindustan Everest Tools Ltd.	60	10/-
(f)	Aditya Birla Capital Ltd.	8057	10/-
(g)	Ultra-Tech Cement Ltd.	657	10-

Notes forming part of the Financial Statements

Note No. 42 : The Board of Directors recommended dividend of Rs. 25.00 per equity share of face value of Rs. 10 each, which is subject to approval by shareholders of the Company.

Note No. 43 : Following table represents the recognised financial assets that are offset, or subject to enforceable master netting arrangements and other similar arrangements but not offset, as at 31 March 2019, 31 March 2018 and 1 April 2017. The column 'net amount' shows the impact of the Company's balance sheet if all the set-off rights were exercised.

(₹ in Lakhs)

	Effect of offsetting on the balance sheet			Related amount not offset		
	Gross amounts	Gross amounts off set in balance sheet	Net amount presented in balance sheet	Amount subject to master netting arrangement	Financial instrument collateral	Net Amount
31 March, 2019						
Loans and Advances	**108.14**	**-**	**108.14**	**-**	**-**	**108.14**
31 March, 2018						
Loans and Advances	225.03	-	225.03	-	-	225.03
1 April, 2017						
Loans and Advances	298.40	-	298.40	-	-	298.40

Note No. 44 : Disclosure pursuant to Ind-AS 7 "Statement of Cash Flows" - Changes in liabilties arising from financing activities

(₹ in Lakhs)

Particulars	April 1, 2018	Cash flows	Changes in fair values	Others	**March 31, 2019**
Debt securities	-	-	-	-	-
Borrowings (other than debt securities	-	24,500	-	-	24,500
Subordinated debt	-	-	-	-	-

Particulars	April 1. 2017	Cash flows	Changes in fair values	Others	**March 31, 2018**
Dent securities	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-
Subordinated debt	-	-	-	-	-

Note No. 45 :

A. The Company has applied to the Reserve Bank of India ("RBI") for its conversion from Non-Banking Financial Company to Core Investment Company and the approval from RBI is awaited.

B. Disclosures in terms of RBI Master Direction for Non-Banking Financial Company-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 and Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 have been givenunder Annexuere-1 to these financial statements.

Notes forming part of the Financial Statements

Note No. 46 : Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lakhs)

	As at 31 March, 2019			As at 31 March, 2018			As at 1 April, 2017		
	Within 12 months	**Afer 12 months**	**Total**	Within 12 months	Afer 12 months	Total	Within 12 months	Afer 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	**34.02**		**34.02**	8.30		8.30	23.40		23.40
Bank balance other than above	**45.60**		**45.60**	42.71		42.71	42.40		42.40
Trade receivabale	**51.56**		**51.56**	24.55		24.55	27.30		27.30
Loans	**108.14**	**-**	**108.14**		225.03	225.03	-	298.40	298.40
Investments	**1,150.83**	**465,390.53**	**466,541.36**	16,288.14	502,112.56	518,400.70	13,886.02	439,413.18	453,299.20
Other financial assets			**-**			-	278.50		278.50
Non-financial assets									
Income tax assets	**-**		**-**	402.47		402.47	351.46		351.46
Deferred tax assets		**640.16**	**640.16**		-	-		-	-
Investment property		**193.87**	**193.87**		239.82	239.82		293.69	293.69
Property, plant and equipment		**0.90**	**0.90**		0.46	0.46		0.10	0.10
Other non-financial assets	**39.72**	**17.46**	**57.18**	36.71	17.46	54.17	14.90	17.50	32.40
Total assets	**1,429.87**	**466,242.92**	**467,672.79**	16,802.88	502,595.33	519,398.21	14,623.98	440,022.87	454,646.85
Liabilities									
Financial liabilities									
Trade payables									
(i) Total outstanding dues of microen terprises and small enterprises	**-**	**-**	**-**	-	-	-	-	-	-
(i) Total outstanding dues of creditors other than micro enterprises and small enterprises	**15.66**		**15.66**	60.00		60.00	44.60		44.60
Debt securities	**-**	**-**	**-**	-	-	-	-	-	-
Borrowings (other than debt securities)	**14,500.00**	**10,000.00**	**24,500.00**	-	-	-	-	-	-
Other financial liabilities	**53.78**	**0.26**	**54.04**	58.65	0.26	58.91	50.10	0.30	50.40
Non-financial liabilities									
Current tax liabilities	**1,255.51**	**-**	**1,255.51**	-	-	-	-	-	-
Provisions	**34.50**	**151.02**	**185.52**	30.08	149.43	179.51	33.01	135.13	168.14
Deferred tax liabilities (net)			**-**	-	426.23	426.23		152.77	152.77
Other non-financial liabilities	**45.47**		**45.47**	16.35		16.35	4.60		4.60
Total liabilities	**15,904.92**	**10,151.28**	**26,056.20**	165.08	575.92	741.00	132.31	288.20	420.51
Net	**-14,475.05**	**456,091.64**	**441,616.59**	16,637.80	502,019.41	518,657.21	14,491.67	439,734.67	454,226.34

Notes forming part of the Financial Statements

Note No. 47 : Employee benefit plan

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund are considered as defined contribution plans. The Company's contribution to provident fund aggregating Rs. 4.12 lakhs (31 March 2018: 8.42 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes forming part of the Financial Statements

The status of gratuity plan as required under Ind AS-19 is as under

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	**21.96**	13.54
Current service cost	**1.45**	1.23
Past service cost	**-**	7.44
Interest cost	**1.58**	0.93
Acquisition adjustment		-
Benefit paid		-
Change in demographic assumptions		-
Change in financial assumptions	**0.14**	(0.09)
Experience variance (i.e. Actual experience vs assumptions)	**0.95**	(1.09)
Present value of defined benefit obligations at the end of the year	**26.08**	21.96
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year		
Transfer in / (out) plan assets	**-**	-
Expenses deducted from the fund	**-**	-
Interest income	**-**	-
Return on plan assets excluding amounts included in interest income	**-**	-
Assets distributed on settlements	**-**	-
Contributions by the Company	**-**	-
Assets acquired in an amalgamation in the nature of purchase	**-**	-
Exchange differences on foreign plans	**-**	-
Benefits paid	**-**	-
Fair value of plan assets at the end of the year	**-**	**-**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	26.08	21.96
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost	-	-
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(26.08)**	(21.96)
iv. Composition of plan assets		
Total	-	-
v. Expense recognised during the Year		
Current service cost	1.45	1.23
Past service cost	-	7.44
Interest cost	1.58	0.93
Expenses recognised in the statement of profit and loss	**3.03**	9.60

Notes forming part of the Financial Statements

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	0.14	(0.09)
Due to experience adjustments	0.95	(1.09)
Return on plan assets excluding amounts included in interest income	–	–
Components of defined benefit costs recognised in other comprehensive income	**1.09**	**(1.18)**
vii. Principal actuarial assumptions		
Discount rate (per annum)	6.80%	7.20%
Rate of return on plan assets (p.a.)	–	–
Annual increase in salary cost	5.00%	5.00%
Mortality Rate (% of IALM 06-08)	100%	100%

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

	As at 31st March, 2019	As at 31st March, 2018
Defined benefit obligation (Base)	26.09	21.96

	For the Year Ended 31st , March, 2019		For the Year Ended 31st March, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	**26.49**	**25.75**	22.27	21.69
(% change compared to base due to sensitivity	**1.53%**	**-1.30%**	1.43%	-1.21%
Salary growth rate (- / + 1%)	**25.73**	**26.5**	21.68	22.28
(% change compared to base due to sensitivity)	**-1.36%**	**1.58%**	-1.27%	1.48%
Attrition Rate (-/+50%)	**26.02**	**26.15**	21.89	22.02
(% change compared to base due to sensitivity)	**-0.26%**	**0.23%**	-0.30%	0.26%
Mortality Rate (-/+10%)	**25.98**	**26.19**	21.89	22.03
(% change compared to base due to sensitivity)	**-0.37%**	**0.37%**	-0.31%	-0.31%

Notes forming part of the Financial Statements

ix. Asset liability matching strategies

The Company account for the liabilities based on the actuarial valuation report and paid from its own resources whenever liabilities is crystallized. The projected liability statements is obtained from the actuarial valuer.

x. Effect of plan on the Company's future cash flows

a) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 2 years.

Expected cash flows over the next (valued on undiscounted basis):	**Cash Flow (Rs.)**
1 Year	22.47
2 to 5 Years	2.76
6 to 10 Years	0.34
More than 10 Years	5.49

Note No. 48 : Contribution to political parties during the year 2018-19 is Rs. Nil (previous year Rs. Nil)

Note No. 49 : There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2019

Note No. 50 : Events after the reporting period

There has been no events after the reporting date that require disclosure in financial statements.

Note No. 51 : Financial instrument and fair value measurement

A. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ in Lakhs)

	Carrying amount				Fair Value			
As at 31 March 2019	Amortised Cost	At fair value through profit or loss	Fair Value Through Other comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Invesetments		1,150.83	423,791.17	-	424,923.54		18.46	424,942.00
Financial assets not measured at fair value								
Cash and cash equivalents	34.02	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	45.60	-	-	-	-	-	-	-
Trade Receivables	51.56	-	-	-	-	-	-	-
Loans	108.14	-	-	-	-	-	-	-
Invesetments in subsidiaries and associates	-	-	-	41,599.36	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	15.66	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	24,500.00	-	-	-	-	-	-	-
Other financial liabilities	54.04	-	-	-	-	-	-	-

Notes forming part of the Financial Statements

As at 31 March 2018	Carrying amount				Fair Value			
	Amortised Cost	At fair value through profit or loss	Fair Value Through Other comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Invesetments		16,288.14	486,245.05	-	502,514.73		18.46	502,533.19
Financial assets not measured at fair value								
Cash and cash equivalents	8.30	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	42.71	-	-	-	-	-	-	-
Trade receivables	24.55	-	-	-	-	-	-	-
Loans	225.03							-
Invesetments in subsidiaries and associates	-	-	-	15,867.51	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	60.00	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-
Other financial liabilities	58.91	-	-	-	-	-	-	-

As at 31 March 2017	Carrying amount				Fair Value			
	Amortised Cost	At fair value through profit or loss	Fair Value Through Other comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Invesetments		13,886.03	406,721.25	-	420,588.82	-	18.46	420,607.28
Financial assets not measured at fair value								
Cash and cash equivalents	23.40	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	42.40	-	-	-	-	-	-	-
Trade receivables	27.30	-	-	-	-	-	-	-
Loans	298.40	-	-	-	-	-	-	-
Invesetments in subsidiaries and associates				32,691.93				-
Term Deposits of more than 12 months Maturity	278.50	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	44.60	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-
Other financial liabilities	50.41	-	-	-	-	-	-	-

1) The Company has not disclosed the fair values for cash and cash equivalents, bank balances, Trade Receivables, Loans, term deposits, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.
2) The carrying amount of the investments in Subsidiaries and Associates are valued at Cost.

Reconciliation of level 3 fair value measurement is as follows:

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
i) Loans		
Balance at the beginning of the year	**18.46**	18.46
Gain included in OCI	**-**	-
Net change in fair value (unrealised)	**-**	-
Addition during the year	**-**	-
Impairment in value of investments	**-**	-
Amount derecognised / repaid during the year	**-**	-
Amount written off	**-**	-
Balance at the end of the year	**18.46**	18.46

Notes forming part of the Financial Statements

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences in the carrying values presented.

ii) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

iii) Transfers between levels I and II

There has been no transfer in between level I and level II.

iv) Valuation techniques

Investment in equity instruments

The majority equity instruments held by the Company are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as level 1.

Investments in mutual Funds are valued as per the NAV prevailing at the end of the financial years and such investments are classified as level 1.

Equity investments in unquoted instruments are fair valued using the valuation techniqueand accordingly classified as level 3.

C. Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the NBFC’s Sector regulator and supervisor, RBI. The adequacy of the Company’s capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company’s capital management.

C.1 Capital management

The primary objectives of the Company’s capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Notes forming part of the Financial Statements

C.2 Regulatory capital

	As at 31 March 2019	As at 31 March 2018	As at 1st April,2017
CRAR	**(30.94)**	66.46	65.97
CRAR – Tier 1 capital (%)l	**(30.94)**	38.46	37.07
CRAR – Tier II capital (%)	**-**	28.00	28.90
Amount of subordinated debt raised as Tier-II capital	**-**	-	-
Amount raised by issue of perpetual debt instruments	**-**	-	-

Note No. 52 : Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investments, Loan, Trade Receivables and Cash and Cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows:

(₹ in Lakhs)

	Carrying Amount		
	As at 31 March 2019	As at 31 March 2018	As at 1 April, 2017
Trade Receivables	**51.56**	24.55	27.30
Loans	**108.14**	225.03	298.40

Notes forming part of the Financial Statements

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the trade receivables are categorised into groups based on days past due.

Investments

The major investments of the Company is in the group companies which includes investment in subsidiaries companies and an associate.

The company has also made investments in the units of mutual funds on the basis of risk and returns of the respective scheme.

Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks.

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

(₹ in Lakhs)

	Upto 12 months	More than 12 months	Total
As at 31 March 2019			
Debt securities			
Borrowings	14500	10000	24500.00
Trade payable	15.66		15.66
As at 31 March 2018			
Debt securities			
Borrowings			
Trade payable	60.00		60.00
As at 1 April 2017			
Debt securities			
Borrowings			
Trade payable	44.60		44.60

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes forming part of the Financial Statements

Note No. 53 : Revenue from contracts with customers.

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account

(₹ in Lakhs)

	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Type of income		
Interest on Inter-Corporate Deposit	10.50	-
Rental Income	134.38	138.22
Service Charges	37.71	52.17
Total revenue from contracts with customers	**182.59**	**190.39**
Geographical markets		
India	182.59	190.39
Outside India	-	-
Total revenue from contracts with customers	**182.59**	**190.39**
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	182.59	190.39
Total revenue from contracts with customers	**182.59**	**190.39**

Note No. 54 :

Explanation to transition to Ind AS

As stated in Note 1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2018, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended 31 March 2019 including the comparative information for the year ended 31 March 2018 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2017.

In preparing the Ind AS balance sheet as at 1 April 2017 and in presenting the comparative information for the year ended 31 March 2018, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property plant and equipment

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

Notes forming part of the Financial Statements

(ii) use a Previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;

- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

(iii) use carrying values of property, plant and equipment and investment properties as on the date of transition to Ind AS (which are measured in accordance with Previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Previous GAAP for all the items of property, plant and equipment.

2. Investments in subsidiaries and associate

Ind-AS 101 allows a first-time adopter to use a deemed cost when measuring an investment in a subsidiary in the separate opening statement of financial position. This deemed cost can be determined using either fair value at the date of transition to Ind-AS or a Previous GAAP carrying amount at that date. A first-time adopter is able to choose whether to use the deemed cost exemption on an investment-by-investment basis for its subsidiaries and associate.

Accordingly, the Company has elected to avail the exemption and use the Previous GAAP carrying value as deemed cost.

3. Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at FVOCI based on facts and circumstances at the date of transition toInd AS (rather than at initial recognition).

The Company has opted to avail this exemption to designate equity investments (other than investment in subsidiaries and associate) as FVOCI on the date of transition.

B. Mandatory exceptions

1. Accounting estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI.
- Financial instruments designated at fair value through profit or loss.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Determination of OCI Components by re measurement of defined benefit plans
- Classification of equity and liability.

Notes forming part of the Financial Statements

2. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109 - Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

Note No. 54 : Explanations to Transition to Ind AS

Reconciliation of equity*

(₹ in Lakhs)

Particular	Note	As at date of transition 1 April 2017 Previous GAAP #	Adjustment on transition to Ind AS	Ind AS	As at date of transition 31 March, 2018 Previous GAAP #	Adjustment on transition to Ind As	Ind AS
ASSETS :							
Financial Assets							
Cash & cash equivalents		23.40	-	23.40	8.30	-	8.30
Bank balances other than (a) above		42.40	-	42.40	42.71	-	42.71
Receivables			-			-	
(I) Trade receivables		27.30	-	27.30	24.55	-	24.55
(II) Other receivables			-	-		-	-
Loans		298.40	-	298.40	225.03	-	225.03
Investments	1,2	91,249.21	362,049.99	453,299.20	92,942.29	425,458.41	518,400.70
Others Financial Assets		278.50	-	278.50		-	-
		91,919.21	**362,049.99**	**453,969.20**	**93,242.88**	**425,458.41**	**518,701.29**
Non-Financial Assets							
Current Tax Assets (Net)		351.46	-	351.46	402.47	-	402.47
Deferred Tax Assets (Net)			-	-		-	-
Investment Property		293.69	-	293.69	239.82	-	239.82
Property, Plant & Equipment		0.10	-	0.10	0.46	-	0.46
Other Non Financial Assets	3	101.68	(69.28)	32.40	54.17	-	54.17
		746.93	**(69.28)**	**677.65**	**696.92**	**-**	**696.92**
TOTAL ASSETS		**92,666.14**	**361,980.71**	**454,646.85**	**93,939.80**	**425,458.41**	**519,398.21**

Notes forming part of the Financial Statements

(₹ in Lakhs)

Particular	Note	As at date of transition 1 April 2017 Previous GAAP #	Adjustment on transition to Ind AS	Ind AS	As at date of transition 31 March, 2018 Previous GAAP #	Adjustment on transition to Ind As	Ind AS
LIABILITIES AND EQUITY:							
Liabilities							
Financial Liabilities							
Payables			-			-	
(I) Trade Payables			-			-	
(i) total outstanding dues of micro enterprises and small enterprises		-		-	-	-	
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		44.60	-	44.60	60.00	-	60.00
(II) Other Payables			-			-	
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-		-	-
Other Financial liabilities		50.40	-	50.40	58.91	-	58.91
		95.00	**-**	**95.00**	**118.91**	**-**	**118.91**
Non-Financial Liabilities :							
Current Tax Liabilities (net)		-	-	-	-	-	-
Provisions		168.14	-	168.14	179.51	-	179.51
Deferred tax liabilities (Net)	4	-	152.77	152.77		426.23	426.23
Other Non Financial liabilities		4.60	-	4.60	16.35	-	16.35
		172.74	**152.77**	**325.51**	**195.86**	**426.23**	**622.09**
Equity							
Equity Share capital		790.88	-	790.88	790.88	-	790.88
Other Equity		91,607.52	361,827.94	453,435.46	92,834.15	425,032.18	517,866.33
		92,398.40	**361,827.94**	**454,226.34**	**93,625.03**	**425,032.18**	**518,657.21**
TOTAL LIABILITIES AND EQUITY		**92,666.14**	**361,980.71**	**454,646.85**	**93,939.80**	**425,458.41**	**519,398.21**

Notes forming part of the Financial Statements

Reconciliation of total comprehensive income for the year ended 31 March 2018*

(₹ in Lakhs)

	Particulars	Note	Previous GAAP #	Adjustment on transition to Ind AS	Ind AS
	Revenue From operations				
(i)	Interest Income		14.83	-	14.83
(ii)	Dividend Income		3,921.31	-	3,921.31
(iii)	Net gain on fair value changes	2	11.23	709.02	720.25
(iv)	Others		190.39	-	190.39
(I)	**Total Revenue from operations**		**4,137.76**	**709.02**	**4,846.78**
(II)	Other Income		0.30	-	**0.30**
(III)	**Total Income (I +II)**		**4,138.06**	**709.02**	**4,847.08**
	EXPENSES				
(i)	Employee benefit expense	5	137.24	1.19	138.43
(ii)	Depreciation and amortization expense		54.11	-	54.11
(iii)	Other expenses	3	328.51	(69.28)	259.23
(IV)	**Total expenses (IV)**		**519.86**	**(68.09)**	**451.77**
V	**Profit(loss) before exceptional items and tax(III-IV)**		**3,618.20**	**777.11**	**4,395.31**
VI	**Exceptional items**				-
VII	**Profit(loss) before tax(V-VI)**		**3,618.20**	**777.11**	**4,395.31**
VIII	**Tax Expenses**				
	1)Current Tax		55.00	-	55.00
	2)MAT Credit Entitlement		(43.08)	-	(43.08)
	3)Deferred Tax	4		273.04	273.04
			11.92	**273.04**	**284.96**
IX	**Profit/(loss) for the period (VII-VIII)**		**3,606.28**	**504.07**	**4,110.35**
X	**Other comprehensive income**	**6**			
A(i)	Items that will not be reclassified to profit or loss	1	-	62,700.59	62,700.59
A(ii)	Income tax relating to items that will not be reclassified to profit or loss	4		0.42	0.42
	Subtotal (A)		-	**62,700.17**	**62,700.17**
B(i)	Items that will be reclassified to profit or loss		-	-	-
B(ii)	Income tax relating to items that will be reclassified to profit or loss		-	-	-
	Subtotal (B)		-	-	-
	Other Comprehensive Income (A+B)		-	**62,700.17**	**62,700.17**
XI	**Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**3,606.28**	**63,204.24**	**66,810.52**
XII	**Earnings per equity share (FV Rs. 10/-)**				
	1) Basic (Rs.)				51.97
	2) Diluted (Rs.)				51.97

Notes forming part of the Financial Statements

* Ind AS 101 requires reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind AS and a reconciliation to its total comprehensive income in accordance with Ind AS for the latest period in the entity's most recent annual financial statements. The Company has chosen to provide reconciliation of amount reported in accordance with previous GAAP to amount reported under Ind AS for each line item of balance sheet and statement of profit and loss as an additional disclosure.
# The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the reconciliation

1) **Fair Value Through Other Comprehensive Income of Financial Assets**
   Investments
   Under Previous GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries and associate have to be fair valued. At the date of transition to Ind AS, difference between the instruments fair value and Previous GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly, an amount of Rs. 4,24,239.67 lakh has been recognised in OCI for the year ended 31 March 2018 including an amount of Rs. 3,61,540.28 lakhs has been recognised as increase as on 1 April 2017.

2) **Investments - at Fair Value Through Profit or Loss**
   Under Previous GAAP, the Company accounted for current investments in mutual funds as investment measured at lower of cost or net realisable value. Under Ind AS, financial assets representing investment in mutual funds has been valued as investments designated at fair value through profit or loss. At the date of transition to Ind AS, difference of Rs. 333.97 Lakhs between the instruments fair value and Previous GAAP carrying amount has been recognised in the retained earnings net of related deferred taxes as on 1 April, 2017. Further an amount of Rs. 459.54 lakhs has been recognised through Profit or Loss net of related deferred taxes for the year ended 31 March 2018.

3) **De-recognition of Assets**
   Rs. 69.28 Lakhs being the amount paid against the claim made by a bank on the basis of a guarantee given in earlier year has been dereognised as deposit and adjusted in retained earning at the date of transition.

4) **Deferred Tax Liabilities (Net)**
   Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transitional differences adjustments which were not required under Previous GAAP. In

Notes forming part of the Financial Statements

addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

5) **OCI Defined Befined Plan**
Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income Under Previous GAAP, the Company recognised actuarial gains and losses in the statement of profit or loss. However, this has no major impact on the total comprehensive income and total equity as on 1 April 2017 or as on 31 March 2018.

6) **Other comprehensive income**
Under Previous GAAP, the Company did not present OCI separately. Hence, it has reconciled Previous GAAP profit and loss to profit and loss as per Ind AS. Further, Previous GAAP profit and loss is reconciled to total comprehensive income as per Ind AS.

Note No. 55 : Previous year previous GAAP figures have been regrouped / reclassified to make them comparable with Ind AS presentation.

Note No. 56 : The above financial statements have been reviewed by the audit committee and subsequently approved by the Board of Directors at its meeting held on 30th May 2019.

As per report of our even date

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296
Place : Kolkata
Dated : 30th May, 2019

Rajashree Birla
Chairperson
(DIN:00022995)

Giriraj Maheswari
Director
(DIN:00796252)

Yazdi P Dandiwala
Director
(DIN:01055000)

R. P. Pansari
Chief Executive Officer

N. K. Baheti
Chief Financial Officer

R. S. Kashyap
Company Secretary

Place : Mumbai
Dated: 30th May 2019

Notes forming part of the Financial Statements

Annexure-I

The disclosures as required by the RBI Master Directions have been prepared after giving effect of below mentioned adjustments to the amounts reported in the financial statements:

(i) The amount of allowances for expected credit losses,if any, on loan assets were added to the loan asset balances and the amount of provisions on Standard, non-performing and stressed loan assets were recomputed based on the Companies provisioning policy as approved by the Board of Directors read together with the RBI Master Directions;

(ii) The deferred tax relating to the adjustments listed in item listed above;

The disclosures for the previous year ended March 31, 2018 are on the basis of the financial statements prepared as per Previous GAAP.

1) Exposure to Real Estate Sector

(₹ in Lakhs)

Category	2018-19	2017-18
a) Direct exposure		
(i) Residential Mortgages -		
Lending secured by mortgages on residential property that is or will beoccupied by the borrower or that is rented; (Individual housing loans up to R 15 lakh may be shown separately)	Nil	Nil
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	Nil	Nil
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	Nil	Nil

Notes forming part of the Financial Statements

2) Asset Liability Management:

Maturity pattern of certain items of assets and liabilities

As at March 31, 2019

(₹ in Lakhs)

Particulars	1 day to 30/31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over1 year to 3 years	Over 3 year to 5 years	Over 5 years	As at March 31, 2019
Liabilities:									
Borrowings	-	-	-	-	14,500.00	-	10,000.00	-	24,500.00
Assets:									
Advances	-	-	-	-	108.14	-	-	-	108.14
Investments	-	-	-	-	1,150.83	-	-	465,390.53	466,541.36

3) Liabilities side:Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid

(₹ in Lakhs)

Sl. No.	Particulars	As at March 31, 2019 Amount Outstanding	As at March 31, 2019 Amount Overdue	As at March 31, 2018 Amoun Outstanding	As at March 31, 2018 Amount Overdue
(a)	Debentures:				
	Secured	–	–	–	–
	Unsecured (other than falling within the meaning of public deposits)	–	–	–	–
(b)	Deferred credits	–	–	–	–
(c)	Term loans	24500	–	–	–
(d)	Inter-corporate loans and borrowings	–	–	–	–
(e)	Commercial paper (net of unexpired discount charges)	–	–	–	–
(f)	Other loans (cash credit)	–	–	–	–

4) Assets side: (₹ in Lakhs)

Sl.No.	Particular	**As at March 31, 2019 Amount Outstanding**	As at March 31, 2018 Amount Outstanding
(a)	Secured	–	–
(b)	Unsecured	108.14	225.03

Notes forming part of the Financial Statements

5) Break-up of leased assets and stock on hire and hypothecation loans counting towards AFC activities

Sl.No.	Particular	As at March 31, 2019 Amount Outstanding	As at March 31, 2018 Amount Outstanding
(i)	Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	Nil	Nil
	(b) Operating lease	Nil	Nil
(ii)	Stock on hire including hire charges under sundry debtors		
	(a) Assets on hire	Nil	Nil
	(b) Repossessed assets	Nil	Nil
(iii)	Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	Nil	Nil
	(b) Loans other than (a) above	Nil	Nil

6) Break-up of Investments

(₹ in Lakhs)

	Particulars	As at March 31, 2019 Amount Outstanding	As at March 31, 2018 Amount Outstanding
	Current Investments		
1	**Quoted**		
i	Shares:		
a.	Equity	-	-
b.	Preference	-	-
ii.	Debentures and bonds	-	-
iii.	Units of mutual funds	**1,150.83**	16,288.14
iv.	Government scurities	**-**	-
v.	Others (please specify)	**-**	-
2	**Unquoted**		
i	Shares:	**-**	-
a.	Equity	**-**	-
b.	Preference	**-**	-
ii.	Debentures and bonds	**-**	-
iii.	Units of mutual funds	**-**	-
iv.	Government scurities	**-**	-
v.	Others (please specify)	**-**	-
	Long term investments		
1	**Quoted**		
i	Shares:		
a.	Equity	**465,362.07**	502,084.10
b.	Preference	**-**	-

Notes forming part of the Financial Statements

Annexure-I (continued) 6)

ii.	Debentures and bonds	**-**	-
iii.	Units of mutual funds	**-**	-
iv.	Government scurities	**-**	-
v.	Others (please specify)	**-**	-
2	**Unquoted**	**-**	-
i	Shares:		
a.	Equity	**28.46**	28.46
b.	Preference	**-**	-
ii.	Debentures and bonds	**-**	-
iii.	Units of mutual funds	**-**	-
iv.	Government scurities	**-**	-
v.	Others (please specify)	**-**	-

7) Borrower group-wise classification of assets financed as in (2) and (3) above: (₹ in Lakhs)

Sl. No.	Particulars	As at March 31, 2019 Secured	Unsecured	Total	As at March 31, 2018 Secured	Unsecured	Total
1	Related Parties						
	(a) Subsidiaries	-	**10.00**	**10.00**	-	10.00	10.00
	(b) Companies in the same group	-	**372629.62**	**372629.62**	-	402,202.23	402,202.23
	(c) Other related parties	-	-	-	-	-	-
2	Other than related parties	-	**93901.74**	**93901.74**	-	116,188.47	116,188.47
	Total	-	**466,541.36**	**466,541.36**	-	**518,400.70**	**518,400.70**

8) Investor group-wise classification of all investments (current and non-current) in shares andsecurities (both quoted and unquoted):

(₹ in Lakhs)

Sl.No.	Category	**As at March 31, 2019** Market value/ break up or fair value or NAV	Book value (net of provisions)	As at March 31, 2018 Market value/ break up or fair value or NAV	Book value (net of provisions)
1	Related Parties				
(a)	Subsidiaries	**217.50**	**10.00**	217.50	10.00
	(b) Companies in the samegroup	**677,477.27**	**372,629.62**	781388.88	402,202.23
	(c) Other related parties	**-**	**-**	-	-
2	Other than related parties	**93,901.74**	**93,901.74**	113351.85	116,188.47
	Total	**771,596.51**	**466,541.36**	**894,958.23**	**518,400.70**

Notes forming part of the Financial Statements

9) Other information

(₹ in Lakhs)

Sl.No.	Particulars	As at March 31, 2019 Amount Outstanding	As at March 31, 2018 Amount Outstanding
(i)	Gross Non-Performing Assets		
	(a) Related parties	–	–
	(b) Other than related parties	–	–
(ii)	Net Non-Performing Assets		
	(a) Related parties	–	–
	(b) Other than related parties	–	–
(iii)	Assets acquired in satisfaction of debt	–	–

10) Investments:

(₹ in Lakhs)

Sl.No. Particulars	As at March 31, 2019 Amount Outstanding	As at March 31, 2018 Amount Outstanding
1. Value of investments		
(i) Gross value of investments		
(a) In India	**466,527.91**	518,387.25
(b) Outside India	**13.45**	13.45
(ii) Provisions for depreciation		
(a) In India	-	-
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	**466,527.91**	518,387.25
(b) Outside India	**13.45**	13.45
2. Movement of provisions held towards depreciation on investments.		
(i) Opening balance	-	-
(ii) Add : Provisions made during the year	-	-
(iii) Less : Write-off / write-back of excess provisions during the year	-	-
(iv) Closing balance	-	-

Notes forming part of the Financial Statements

11) Derivatives:

1) Forward rate agreement / Interest rate swap: The Company has not traded in Forward rate agreement/ Interest rate derivative during the financial year ended March 31, 2019 (Previous year: Nil)

2) Exchange traded interest rate (IR) derivatives: The Company has not traded in Exchange traded interest ratE(IR) derivative during the financial year ended March 31, 2019 (Previous year: Nil)

12) Securitization: No securitization deal (including assignment deal) has carried out during the financial year ended March 31, 2019 (Previous year: Nil)

13) Asset liability management maturity pattern: Refer note no. 2 of Annexure-I for details of Asset liability management maturity pattern.

14) Exposures:

I) Exposures to Real Estate Sector: Refer note no. 1 of Annexure-I for details of exposures to Real Estate Sector

II) Exposures to Capital Markets: None

III) Details of financing of parent company products: None

IV) The particulars of unsecured advances net off provision are given below:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Loan	**108.14**	225.03

15) Miscellaneous

I) Registration obtained from other financial sector regulators: No registration has been obtained from other financial sector regulators.

II) Penalties imposed by RBI and other regulators: No penalties have been imposed by RBI or other regulators during the year. (Previous Year: NIL)

III) Ratings assigned by credit rating agencies and migration of ratings during the year:

Instrument	2018-19		
	INDIA RATINGS	**CARE**	**ICRA**
Non-Convertible Debenture	–	–	–
CRPS	–	–	–
Commercial Paper	–	-	–

Instrument	2017-18		
	INDIA RATINGS	**CARE**	**ICRA**
Non-Convertible Debentures	–	-	–
CRPS	–	-	–
Commercial Paper	–	-	–

IV) Postponements of revenue recognition: Current year: Nil (Previous year: Nil)

Notes forming part of the Financial Statements

16) Provisions and Contingencies:I) Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

(₹ in Lakhs)

Particulars	2018-19	2017-18
Provisions for depreciation on investment	Nil	Nil
Provision towards non-performing assets	Nil	Nil
Provision made towards Income tax (shown below profit before tax)		
Current tax(*)	(322.00)	55.00
MAT credit entitlement	–	(43.08)
Deferred tax	(418.79)	273.04
Short provision relating to earlier years	–	–
Other provision and contingencies	–	
Provision for standard assets	–	

(*) The figures does not include Income Tax Provision of Rs. 2290.00 Lakhs shown in Other Equity (Equity Instruments through OCI) refer note no. 21

17) Concentration of Advances and NPAs:

(₹ in Lakhs)

I) Concentration of Advances:

Particulars	As at March 31, 2019*	As at March 31, 2018
Total Inter corporate deposit to twenty largest borrowers	-	-
Percentage of advances to twenty largest borrowers to total advances of the company	-	-

*including interest accrued

II) Concentration of NPAs:

Particulars	As at March 31, 2019	As at March 31, 2018
Total Exposure to top four NPA accounts	-	-

18) Disclosure of customer complaints :

S. No.	Particulars	2018-19	2017-18
(i)	No. of complaints pending at the beginning of the year	Nil	Nil
(ii)	No. of complaints received during the year	4	1
(iii)	No. of complaints redressed during the year	4	1
(iv)	No. of complaints pending at the end of the year	Nil	Nil

INDEPENDENT AUDITOR'S REPORT

To the Members of Pilani Investment and Industries Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pilani Investment and Industries Corporation Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's net share of profit in its associate which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2019 and their consolidated profit, their consolidated total comprehensive income,their consolidated cash flows andtheir consolidated changes in equityfor the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibility for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matter Section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

Key Audit Matter	Auditor's Response
Transition date accounting policies Refer to the accounting policies in the standalone financial statements: Significant Accounting Policies – 'Basis of preparation' and Note to the standalone financial statements: 'Explanation of transition to Ind AS'	
Effective 1st April2018, the Company has adopted the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs with the transition date of 1st April2017. The following are the major impact areas for the Company upon transition: • Business model assessment. • Classification and measurement of financial assets and financial liabilities. • Accounting for actuarial gain / loss on post -employment benefit. Migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.	Our key audit procedures included: Design / controls • Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. • We have also confirmed the approval of Audit Committee for the choices and exemptions made by the Company for compliance / acceptability under Ind AS 101. Substantive tests • Evaluated management's transition date choices and exemptions for compliance / acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition and tested the computation. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS. • Evaluated the adequacy of the disclosure required by Ind AS 101.
Classification and measurement of financial assets -Business model assessment Ind AS 109, Financial Instruments, contains three principal measurement categories for financial assets i.e. :	Our key audit procedures included: Design / controls Assessing the design, implementation and operating effectiveness of key internal controls over management's intent of purchasing a financial asset and the approval mechanism for

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

• Amortised cost; • Fair Value through Other Comprehensive • Income ('FVTOCI'); and • Fair Value through Profit and Loss ('FVTPL'). A financial asset is classified into a measurement category at inception and is reclassified only in rare circumstances. The assessment as to how an asset should be classified is made on the basis of both the Company's business model for managing the financial asset and the contractual cashflow characteristics of the financial asset. The term 'business model' refers to the way in which the Company manages its financial assets in order to generate cash flows. That is, the Company's business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Amortised cost classification and measurement category is met if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. FVTOCI classification and measurement category is met if the financial asset is held in a business model in which assets are managed both in order to collect contractual cash flows and for sale. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in other comprehensive income. FVTPL classification and measurement category is met if the financial asset does not meet the criteria for classification and measurement at amortised cost or at FVTOCI. Such financial assets are subsequently measured at fair value, with changes in fair value recognized in profit or loss.	such stated· intent and classification of such financial assets on the basis of management's intent (business model). • For financial assets classified at amortised cost, we tested controls over the classification of such assets and subsequent measurement of assets at amortised cost. Further, we tested key internal controls over monitoring of such financialassets to check whether there have been any subsequent sales of financial assets classified at amortised cost. • For financial assets classified at FVTOCI, we tested controls over the classification of such assets and subsequent measurement of assets at fair value. Substantive tests • Test of details over classification and measurement of financial assets in accordance with management's intent (business model). • We selected a sample of financial assets to test whether their classification as at the balance sheet date is in accordance with management's intent. • We selected a sample (based on quantitative thresholds) of financial assets sold during the year to check whether there have been any sales of financial assets classified at amortised cost. • We have also checked that there have been no reclassifications of assets in the current period.

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

We identified business model assessment as a key audit matter because of the management judgement involved in determining the intent for purchasing and holding a financial asset which could lead to different classification and measurement outcomes of the financial assets and its significance to the standalone financial statements of the Company.	

For Key Audit Matters identified by Component Auditors, refer “Annexure 1” attached herewith.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Parent’s Board of Directors is responsible for theother information. The other information comprises the information included in the Annual Report, for example, Corporate Overview, Key Highlights, Board Report, Report on Corporate Governance, Management Discussion and Analysis Report, Business Responsibility Report, etc., but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statementsdoes not cover the other information and we do notexpress any form of assurance conclusion thereon.

In connection with our audit of the consolidated financialstatements, our responsibility is to read the otherinformation, compare with the financial statements ofthe subsidiaries audited by the otherauditors, to the extent it relates to these entities and, indoing so, place reliance on the work of the other auditorsand consider whether the other information is materially in consistent with the consolidated financial statements orour knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Consolidated Financial Statements

The Parent’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate 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

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

adequate internal financial controls, that were operating effectively for ensuring the accuracyand 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 Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsiblefor assessing the ability of the Group and of its associate to continue as a going concern, disclosing, asapplicable, matters related to going concern and using thegoing concern basis of accounting unless the managementeither intends to liquidate or cease operations, or has norealistic alternative but to do so.

The respective Board of Directors of the companies includedin the Group and of its associate are alsoresponsible for overseeing the financial reporting process oftheir respective companies.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance aboutwhether the consolidated financial statements as a wholeare free from material misstatement, whether due to fraudor error, and to issue an auditor's report that includes ouropinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordancewith SAs will always detect a material misstatement when itexists. Misstatements can arise from fraud or error and areconsidered material if, individually or in the aggregate, theycould reasonably be expected to influence the economicdecisions of users taken on the basis of these consolidatedfinancial statements.

As part of an audit in accordance with SAs, we exerciseprofessional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of theconsolidated financial statements, whether due to fraud orerror, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient andappropriate to provide a basis for our opinion. The risk ofnot detecting a material misstatement resulting from fraud ishigher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision andperformance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the otherentities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitativemateriality and qualitative factors in (i) planning the scope ofour audit work and in evaluating the results of our work; and(ii) to evaluate the effect of any identified misstatements in theconsolidated financial statements.

We communicate with those charged with governance of theParent and such other entities, included in the consolidatedfinancial statements of which we are the independent auditorsregarding, among other matters, the planned scope andtiming of the audit and significant audit findings, includingany significant deficiencies in internal control that we identifyduring our audit.

We also provide those charged with governance with astatement that we have complied with relevant ethicalrequirements regarding independence, and to communicatewith them all relationships and other matters that mayreasonably be thought to bear on our independence, andwhere applicable, related safeguards.

From the matters communicated with those charged withgovernance, we determine those matters that were ofmost significance in the audit of the consolidated financialstatements of the current period and are therefore the keyaudit matters. We describe these matters in our auditor'sreport unless law or regulation precludes public disclosureabout the matter or when, in extremely rare circumstances,we determine that a matter should not be communicated inour report because the adverse consequences of doing sowould reasonably be expected to outweigh the public interestbenefits of such communication.

Other Matters

1. We did not audit the financial statements of 1 subsidiary whose financial statements reflect

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

total assets of Rs. 2,250.14Lakhs as at March 31, 2019, total revenues of Rs.70.47 Lakhs, total net profits of Rs 69.86 Lakhs , total comprehensive income of Rs 426.36 Lakhs and cash flow (net) of Rs 2.11 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial results also include the group share in net profit of Rs 22,137 Lakhs and total comprehensive income of Rs (1,079) Lakhs for the year ended March 31, 2019 as considered in consolidated financial results, in respect of one associate, whose financial statements have not been audited by us. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matterswith respect to our reliance on the work done and the reports of the otherauditors.

We did not audit the financial statements / financial information of 1 subsidiary whose financial statements / financial information reflect total assets of Rs 384.23 Lakhs as at 31st March, 2019, total revenues of Rs 8.75 Lakhs, total net profit/(loss) after tax of Rs (13.88) Lakhs, total comprehensive income of Rs (13.88) Lakhs and cash flows (net) of Rs 11.87 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the Statement is not modified in respect of this matter.

2. The previously issued comparative financial information of the Company for the year ended March 31, 2018 included in this consolidated financial statement has been prepared after adjusting the impact of applying recognition and measurement principles of Ind-AS to the previously issued statutory consolidated financial statement which was prepared in accordance Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006. These adjustments have been audited by us.

3. The comparative financial information for the year ended March 31, 2018 in respect of 1 subsidiary and an associate and the related transition date opening balance sheet as at April 1, 2017, prepared in accordance with the Ind AS and included in this Statement have been audited by other auditors whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of this subsidiary and associate made in this Statement, is based solely on the reports of the other auditors. Our report is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

The comparative financial information for the year ended March 31, 2018 in respect of 1 subsidiary, and the related transition date opening balance sheet as at April 1, 2017, prepared in accordance with the Ind AS and included in this Statement is unaudited and have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of this subsidiary made in this Statement, is based solely on such unaudited financial statements / financial information.In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.Our report is not modified in respect of this matter.

4. The comparative financial information of the Group for the transition date opening balance sheet as at 1 April 2017 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditors whose report dated May 30, 2017 for the year ended 31 March 2017expressed a modified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, 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.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on ouraudit and on the consideration of the reports of the otherauditors on the financial statements of the subsidiaries and associatereferred to in the Other Matters sectionabove we report, to the extent applicable that:

a) We have sought and obtained all the information andexplanations which to the best of our knowledge andbelief were necessary for the purposes of our auditof the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as requiredby law relating to preparation of the aforesaidconsolidated financial statements have been keptso far as it appears from our examination of thosebooks, returns and the reports of the other auditors.

c) The Consolidated Balance Sheet, the ConsolidatedStatement of Profit and Loss including OtherComprehensive Income, ConsolidatedStatement of Cash Flowand the Consolidated Statement of Changes in Equity dealt with by this Reportare in agreement with the relevant books of accountmaintained for the purpose of preparation of theconsolidated financial statements.

d) In our opinion, the aforesaid consolidated financialstatements comply with the Ind ASspecified underSection 133 of the Act.

INDEPENDENT AUDITORS' REPORT — *(Contd.)*

e) On the basis of the written representations receivedfrom the directors of the Parent as on March 31, 2019taken on record by the Board of Directors of theCompany and the reports of the statutory auditors ofits subsidiary companies, associate companyincorporated in India, noneof the directors of the Group companies and its associatecompany incorporatedin India is disqualified as on March 31, 2019 frombeing appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financialcontrols over financial reporting and the operatingeffectiveness of such controls, refer to our separateReport in "Annexure A" which is based on theauditors' reports of the Parent, subsidiary companies and associate company incorporated in India. Our report expresses anunmodified opinion on the adequacy and operatingeffectiveness of internal financial controls overfinancial reporting of those companies.

g) With respect to the other matters to be includedin the Auditor's Report in accordance with therequirements of section 197(16) of the Act, asamended, in our opinion and to the best of ourinformation and according to the explanations givento us, the remuneration paid by the Parent to itsdirectors during the year is in accordance with theprovisions of section 197 of the Act.

h) With respect to the other matters to be included inthe Auditor's Report in accordance with Rule 11 ofthe Companies (Audit and Auditors) Rules, 2014,as amended in our opinion and to the best of ourinformation and according to the explanations givento us:

i) The consolidated financial statements disclosethe impact of pending litigations on theconsolidated financial position of the Group and itsassociate.

ii) Provision has been made in the consolidatedfinancial statements, as required under theapplicable law or accounting standards, formaterial foreseeable losses, if any, on long-termcontracts including derivative contracts.

iii) There has been no delay in transferringamounts, required to be transferred, to theInvestor Education and Protection Fund by theParent and its subsidiary companies and associatecompany incorporated in India.

For Vidyarthi & Sons
Chartered Accountants
Firm Reg.
No.000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296

Kolkata, May 30, 2019

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year endedMarch 31, 2019, we have audited the internal financial controls over financial reporting of Pilani investment and Industries Corporation Limited (hereinafter referred to as the “Parent”) and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtainedand the audit evidence obtained by the other auditorsof the subsidiary companies and associate company which are companiesincorporated in India, in terms of their reports referredto in the Other Matters paragraph below, is sufficientand appropriate to provide a basis for our audit opinionon the internal financial controls system over financialreporting of the Parent , its subsidiary companies and its associate,which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal FinancialControls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, its subsidiary companies and its associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system overfinancial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section143(3)(i) of the Act on the adequacyand operating effectiveness of

the internal financial controls withreference to consolidated financialstatements in so far as it relates to the 1 subsidiary and 1 associatecompanies, which are companiesincorporated in India, is based on thecorresponding reports of the auditorsof such companies incorporated inIndia.

Our opinion on the adequacy andoperating effectiveness of internalfinancial controls over financialreporting is not modified in respectof the above matters with respectto our reliance on the work doneand reports of the other auditorsand representations of Board ofDirectors and the management ofthe Company.

For Vidyarthi & Sons

Chartered Accountants

Firm Reg.No.000112C

Amit S. Vidyarthi

Partner

Membership No. F-078296

Kolkata,May 30,2019

"Annexure 1"

Key Audit Matter in case of Associate Company – Century Textiles and Industries Limited	Auditor's Response
a) Recognition of MAT credit The Group has recognized Minimum Alternate Tax (MAT) credit receivable of ' 373.54 crores (as deferred tax asset) as at 31st March 2019. The recognition of MAT credit is a key audit matter as the assessment of its recoverability within the allowed time frame involves significant estimate of financial projections and availability of sufficient taxable income in the future and also involves significant judgement in the interpretation of tax regulations and tax positions adopted by the Group.	• Our audit procedures included considering the Group's accounting policies with respect to recognition of MAT credit and assessing compliance with the policies in terms of Ind AS 12 "Income Taxes" • We performed test of controls over recognition of MAT credits through inspection of evidence of performance of these controls. • We performed the following tests of details: • We involved tax specialists who evaluated the Company's tax positions by comparing it with past precedents. • We discussed the future business plans and financial projections with the management. • We assessed the management's long term financial projections and the key assumptions used in the projections by comparing it to the approved business plan. We compared the projections with past trends and enquired for the significant variations. • We assessed the disclosures in note 16 of the Consolidated Ind AS financial statements in accordance with the requirements of Ind AS 12 "Income Taxes".
b) Provisions for disputed matters and Contingent liabilitiesthe Group operates in various states within India, exposing it to a variety of different Central, State and local laws and regulations. In the normal course of business, provisions and contingent liability disclosures for litigations and claims may arise from direct and indirect tax proceedings, legal proceedings including regulatory and other Government proceedings as well as investigations by authorities and other commercial claims. As at 31 March 2019, the Group has recognized provision for disputed matters	• Our audit procedures included considering the Group's policies and procedures with respect to identifying, evaluating and accounting for litigation, claims and assessments and assessing compliance with the policies in terms of Ind AS 37 • We tested the design and operating effectiveness of the Group's key controls over the identification, estimation, monitoring, accounting / disclosure of Provision for disputed matters and Contingent liabilities. We read the minutes of meeting of Board of Directors to conclude on the effectiveness of management's review controls

"Annexure 1"

amounting to ‘ 355.46 crores and has disclosed contingent liabilities amounting to Rs 1170.30 crores. Provision for disputed matters and Contingent liabilities is a key audit matter given the significance of the amounts involved and significant judgement required in determination of amounts involved and the assessment of the likely outcome of the dispute or contingency.	• We performed the following tests of details: • For selected samples, we obtained direct confirmation from the Group's external counsel on his assessment of the expected likely outcome of the matter. We evaluated the responses received from the external counsel, compared it with the management's final assessment on the matter and the consequent treatment i.e. recognition / disclosure in the financial statements • We examined legal and professional fee expense accounts for assessment of completeness of the identified matters • For significant cases, where the Group has recognized provision, we assessed the determination of amounts recognized. For samples selected, we tested the underlying data and assumptions used in the determination of provision • For cases where provision was not recognized by the Group, we assessed the disclosure made in the financial statements.

Note :

1. The auditor of one subsidiary has not mentioned Key Audit matters as the same was not applicable
2. In case of other subsidiary unaudited financial statements certified by management has been adopted for consolidation as described in paragraph Other Matters.

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As At 31.03.2019	As At 31.03.2018	As At 31.03.2017
ASSETS :				
Financial assets				
Cash & cash equivalents	2	45.27	29.31	44.77
Bank balances other than cash and cash equivalends	3	85.60	42.71	42.40
Receivables	4			
(I) Trade receivables		52.04	24.55	27.30
(II) Other receivables		-	-	-
Investments	5	536,264.01	588,616.27	516,508.14
Other financial assets	6	1.10	-	278.50
		536,448.02	588,712.84	516,901.11
Non-financial assets				
Current tax assets (net)	7	1.52	403.23	351.68
Deferred tax assets (net)	8	440.47	-	-
Investment property	9	457.43	503.90	558.30
Property, plant & equipment	10	0.90	0.46	0.10
Other non financial assets	11	77.33	75.30	60.27
		977.65	982.89	970.35
TOTAL ASSETS		537,425.67	589,695.73	517,871.46
LIABILITIES AND EQUITY:				
Liabilities				
Financial liabilities				
Payables	12	-	-	-
(I) Trade payables		-	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		16.20	60.59	45.58
(II) Other payables		-	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Borrowings(other than debt securities)	13	24,500.00	-	-
Other financial liabilities	14	654.39	538.60	269.83
		25,170.59	599.19	315.41

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

(₹ in Lakhs)

Particulars	Note No.	As At 31.03.2019	As At 31.03.2018	As At 31.03.2017
Non-financial liabilities :				
Current tax liabilities (net)	**15**	1,255.51	-	2.42
Provisions	**16**	185.52	179.51	168.14
Deferred tax liabilities (net)	**17**	-	581.32	435.19
Other non financial liabilities	**18**	45.56	45.26	4.87
		1,486.59	806.09	610.62
Equity				
Equity share capital	**19**	790.88	790.88	790.88
Other equity	**20**	509,977.61	587,499.57	516,154.55
Total Liability and Equity		**510,768.49**	588,290.45	516,945.43
		537,425.67	589,695.73	517,871.46

Summary of significant accounting policies	**1**
See accompanying notes forming part of the financial statements	**2 to 55**

As per report of our even date

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296
Place : Kolkata
Dated : 30th May, 2019

Rajashree Birla
Chairperson
(DIN:00022995)

Giriraj Maheswari
Director
(DIN:00796252)

Yazdi P Dandiwala
Director
(DIN:01055000)

R. P. Pansari
Chief Executive Officer

N. K. Baheti
Chief Financial Officer

R. S. Kashyap
Company Secretary

Place : Mumbai
Dated: 30th May 2019

Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2019

Sl. No. Particulars	Note	₹ in Lakhs For the year ended on 31.03.2019	₹ in Lakhs For the year ended on 31.03.2018
Revenue from operations			
Interest income	21	7.48	15.24
Dividend income	22	2,097.74	2,105.71
Net gain on fair value changes	23	233.52	721.87
Others	24	78.47	196.77
Total revenue from operations		2,517.21	3,039.59
Other income	25	0.78	15.43
Total income		2,517.99	3,055.02
EXPENSES			
Finance costs	26	1,889.92	34.69
Employee benefit expense	27	135.30	138.55
Depreciation and amortization expense	28	46.73	54.64
Other expenses	29	194.24	268.64
Total expenses		2,266.19	496.52
Profit before exceptional items and tax		251.80	2,558.50
Exceptional items		-	262.80
Profit before tax		251.80	2,295.70
Tax expenses	30		
1) Current tax		(322.00)	55.60
2) MAT credit entitlement		-	(43.08)
3) Deferred tax		(418.82)	273.22
		(740.82	285.74
Profit for the year		992.62	2,009.96
Share of profit in an associate company		22,137.00	11,387.00
Profit for the year		23,129.62	13,396.96
Other comprehensive income	31		

Consolidated Statement of Profit and Loss Account for the year ended 31st March, 2019

(₹ in Lakhs)

Sl. No.	Particulars	Note No.	For the year ended on 31.03.2019	For the year ended on 31.03.2018
	Items that will not be reclassified to profit or loss		**(76,975.92)**	60,483.61
	Income tax relating to items that will not be reclassified to profit or loss		**(602.95)**	(127.10)
	Subtotal (A)		**(76,372.97)**	60,610.71
	Items that will be reclassified to profit or loss		**(56.00)**	-
	Income tax relating to items that will be reclassified to profit or loss		**-**	-
	Subtotal (B)		**(56.00)**	-
	Other comprehensive income		**(76,428.97)**	60,610.71
	Total comprehensive income for the year (comprising profit (loss) and other Comprehensive Income for the year)		**(53,299.35)**	74,007.67
	Earnings per equity share	**32**		
	1) Basic (Rs.)		**292.46**	169.39
	2) Diluted (Rs.)		**292.46**	169.39
	Summary of significant accounting policies	**1**		
	See accompanying notes forming part of the financial statements	**2 to 55**		

As per report of our even date

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296

Place : Kolkata
Dated : 30th May, 2019

Rajashree Birla
Chairperson
(DIN:00022995)

Giriraj Maheswari
Director
(DIN:00796252)

Yazdi P Dandiwala
Director
(DIN:01055000)

R. P. Pansari
Chief Executive Officer

N. K. Baheti
Chief Financial Officer

R. S. Kashyap
Company Secretary

Place : Mumbai
Dated: 30th May 2019

Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. Cash flow from operating activities		
Net profit before tax	**251.80**	2,295.70
Adjustements for:	**-**	-
Depreciation	**46.73**	54.64
Net (gain)/loss on fair valuation of investments measured at fair value through profit & loss	**(16.62)**	(777.23)
Preliminary expenses-written off	**-**	0.16
Finance cost	**1,889.92**	34.69
Operating profit before working capital changes	**2,171.83**	1,607.96
Changes in working capital:		
Trade receivables	**(27.49)**	2.75
Loans and other advances	**43.13**	263.08
Trade and other payables	**551.70**	47.54
	2,652.91	1,921.33
Direct tax paid	**(956.87)**	(66.47)
Net cash flow from/(used In) in operating activities	**1,696.04**	1,854.86
B. Cash flow from investment activities		
Bank deposits other than cash and cash equivalents	**(2.89)**	(0.31)
Sale/(purchase) of investments (net)	**(21,426.68**	255.54
Purchase of property, plant and equipments	**(0.69)**	(0.60)
Net cash flow from/(used in) in investment activities	**(21,430.26)**	254.63
C. Cash flow from financing activities		
Borrowings	**24,020.82**	262.80
Payment of dividend	**(1,974.30)**	(1,976.87)
Payment of dividend tax	**(406.42)**	(402.47)
Finance cost	**(11,889.92)**	(8.41)
Net cash flow from/(used In) in financing activities	**19,750.18**	(2,124.95)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

Net Increased/(decreased) in cash and cash equivalents (A+B+C)	**15.96**	(15.46)
Opening cash and and cash equivalents	**29.31**	44.77
Closing cash and cash equivalents	**45.27**	29.31

Notes:

1. Components of cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Cash on hand	0.15	0.18
Balances with banks		
- In current accounts	45.12	29.13
Total	**45.27**	29.31

2. The above cash flow statement has been prepared under the "indirect method" as set out in the Ind AS - 7 on statement of cash flows specified under section 133 of the Companies Act, 2013.

3.Since the Company is an investment company, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and interest earned of Rs. 7.48 lakhs (Previous year Rs. 15.24 Lakhs) and dividend earned of Rs. 2097.74 lakhs (Previous year Rs. 2105.71 lakhs) have been considered as part of "Cash flow from operating activities".

As per report of our even date

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296
Place : Kolkata
Dated : 30th May, 2019

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

Rajashree Birla
Chairperson
(DIN:00022995)

Giriraj Maheswari
Director
(DIN:00796252)

Yazdi P Dandiwala
Director
(DIN:01055000)

R. P. Pansari
Chief Executive Officer

N. K. Baheti
Chief Financial Officer

R. S. Kashyap
Company Secretary

Place : Mumbai
Dated: 30th May 2019

Consolidated State of Changes in Equity for the year ended 31st March, 2019

A Equity share capital (Rs. in Lakhs)

Particulars	No. of Equity Shares of Rs.10/-each	Balance at the begining of the reporting	Changes in equity share capital dutring the year	Balance at the of the reporting
Issued, paid-up and subscribed				
As on 01.04.2017	7908750	790.88	-	790.88
As on 31.03.2018	7908750	790.88	-	790.88
As on 31.03.2019	7908750	790.88	-	790.88

B Other equity (Rs. In Lakhs)

Particulars	Reserve and Surplus				Equity Instruments through Other Comprehen -sive Income	Share in Cash Flow Reserve through Other Comprehen -sive Income of an Associates	Revaluation Surplus Income (Proportion -ate Share in Associates)	Share in Equity Instruments through other Comprehen -sive Income of an Associates	Total
	Statutory Reserve	Capital Reserve	General Reserve	Retained Earnings					
Balance at the beginning of the reporting period 01.04.2017	16,487.09	55,101.71	19,713.61	21,082.63	398,402.55	-	59.29	5,019.00	**515,865.88**
Changes in accounting policy/prior period errors	-	59.29	-	288.67	-	-	(59.29)	-	**288.67**
Restated balance at the beginning of the reporting period 01.04.2017	**6,487.09**	**55,161.00**	**19,713.61**	**21,371.30**	**398,402.55**	**-**	**-**	**5,019.00**	**516,154.55**
Total comprehensive income for the year	-	-	-	13,396.96	61,680.94	-	-	(1,071.00)	74,006.90
Add/(less): Remeasurement of net defined benefit through OCI net of tax	-		-	0.77					0.77
Add/(less): Other adjustment relating to OCI				(283.00)					(283.00)
Dividend paid during the Year	-	-	-	(1,977.18)	-	-	-	-	(1,977.18)
Tax on dividend	-		-	(402.47)	-				(402.47)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	721.26		-	(721.26)	-				-
Balance at the end of the reporting period 31.03.2018	**17,208.35**	**55,161.00**	**19,713.61**	**31,385.12**	**460,083.49**	**-**	**-**	**3,948.00**	**587,499.57**
Total comprehensive income for the year	-	-	-	23,129.62	(75,349.20)	(56.00)	-	(1,023.00)	(53,298.58)
Add/(less): Remeasurement of net defined benefit through OCI net of tax-	-		-	(0.77)					
Add/(less): Other adjustment relating to OCI	-			(285.00)					(285.00)
Add: Realised gain/(loss) on equity shares FVTOCI transferred from equity Instruments through Other Comprehensive Income	-		-	10,625.86	(10,625.86)				-
Less: Current tax on realised gain/(loss) on equity shares FVTOCI transferred from Equity Instruments through Other Comprehensive Income	-		-	2,290.00)	-				(2,290.00)
Dividend paid during the Year	-	-	-	(1,977.19)	-	-	-	-	(1,977.19)
Tax on dividend	-	-	-	(406.42)	-	-	-	-	(406.42)

Consolidated State of Changes in Equity for the year ended 31st March, 2019

Equity Share in CashRevaluationShare in Equity

Particulars	Reserve and Surplus				Instruments through Other Comprehen -sive Income	Flow Reserve through Other Comprehen -sive Income of an Associates	Surplus Income (Proportion -ate Share in Associates)	Instruments through other Comprehen -sive Income of an Associates	Total
	Statutory Reserve	Capital Reserve	General Reserve	Retained Earnings					
Transfer to statutory reserve	2,335.07		-	(2,335.07)	-				-
Add/(less) Goodwill adjstment for acquisition		(19,264.00)							(19,264.00)
Balance at the end of the reporting period 31.03.2019	**19,543.42**	**35,897.00**	**19,713.61**	**57,846.15**	**374,108.43**	**(56.00)**	**-**	**2,925.00**	**509,977.61**

As per report of our even date

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296

Place : Kolkata
Dated : 30th May, 2019

Rajashree Birla
Chairperson
(DIN:00022995)

Giriraj Maheswari
Director
(DIN:00796252)

Yazdi P Dandiwala
Director
(DIN:01055000)

R. P. Pansari
Chief Executive Officer

N. K. Baheti
Chief Financial Officer

R. S. Kashyap
Company Secretary

Place : Mumbai
Dated: 30th May 2019

Notes to the Consolidated Financial Statements

Significant Accounting Policies:

1. Statement of compliance:

The Consolidated financial statements of Pilani Investment and Industries Corporation Limited (the “Company”) and its subsidiaries and associates (together the “Group”) have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian AccountingStandards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The consolidated financial statements for the year ended March31, 2019 of the Group are the first consolidated financial statements prepared in compliance with Ind AS.The date of transition to Ind AS is April 01, 2017. The consolidated financial statements upto the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”) and other relevant provisionsof the Act. The figures for the year ended March31, 2018 have now been restated under Ind AS to provide comparability. Refer Note 50 for the details of first-time adoption exemptions availed by the Group.

1.1. Basis of preparation:

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured atfair values at the end of each reporting period.

Fair value measurements under Ind AS arecategorised into Level 1, 2, or 3 based on thedegree to which the inputs to the fair value measurements are observable and the significanceof the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) inactive markets for identical assets or liabilities that the Group can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

1.2. Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 (“the Act”) applicable for Non Banking Finance Companies(“NBFC”). The Statement of Cash Flows has

Notes to the Consolidated Financial Statements

been prepared and presented as per the requirements of Ind AS 7 “Statement of Cash Flows”. The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with theother notes required to be disclosed under the notified accounting Standards and the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees in Lakhs rounded off to two decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

1.3. Basis of consolidation:

(i) The consolidated financial statements incorporate the financial statements of the parent company and its subsidiaries. For this purpose, an entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. The Parent company together with its subsidiaries constitute the Group. Control is achieved when the Company, directly or indirectly:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

(ii) The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or moreof the three elements of control listed above.

(iii) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to the non-controlling interests (NCI) and have been shown separately in the financial statements.Total comprehensive income of the subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(iv) Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company.

(v) All intragroup assets and liabilities, equity, income, expenses, unrealised profits/ losses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Notes to the Consolidated Financial Statements

(vi) The consolidated financial statements of the Group combine financial statements of the Parent Company and its subsidiaries line by-line by adding together the like items of assets, liabilities, income and expenses.

(vii) Non-controlling interest represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Parent Company.

1.4. Investments in associates:

An Associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial andoperating policy decisions of the investee, but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using equity method of accounting.Under the equity method, an investment in associate is initially recognised in the consolidated balance sheet at cost and adjusted there after to recognise the Group's share of profit or loss and other comprehensive income of the associate. Distributions received from an associate reduce the carrying amount of the investment. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The carrying amount of investment in associates is reduced to recognize impairment, if any, when there is objective evidence of impairment.

1.5. Goodwill:

Goodwill on consolidation as on the date of transition represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary over the Group's sharein the net worth of a subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents excess of the Group's share in the networth of a subsidiary over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

Notes to the Consolidated Financial Statements

A cash generating unit to which goodwill has been allocated is tested for impairment annually,or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

1.6. Revenue recognition:

Revenue is recognised to the extent that it isprobable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

(i) Interest and dividend income

Interest income is recognised in the Consolidated Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR).

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance forexpected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Dividend income is recognised when the Group’s right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

Notes to the Consolidated Financial Statements

(ii) Net gain or fair value change:

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Netgains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

(iii) Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in rental income in the statement of profit and loss, unless the increase is in line with expected general inflation, in which case lease income is recognised based on contractual terms.

(vi) Other operational revenue:

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

1.7. Property, plant and equipment (PPE):

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes all direct cost related to theacquisition of PPE and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

For transition to Ind AS, the Group has elected to adopt as deemed cost, the carrying value of PPE measured as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 01, 2017. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is taken as cost on transition date.

Land and buildings held for use are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognised using reducing balance method so as to write off the cost of the assets (other than freehold land) less their residual values over their useful lives specified in Schedule II to theCompanies Act, 2013, or in case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method

Notes to the Consolidated Financial Statements

is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Depreciation for additions to/deductions from,owned assets is calculated pro rata to the period of use. Depreciation charge for impaired assetsis adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

Assets held under finance leases are depreciated over the shorter of lease term and their usefu llife on the same basis as owned assets. However, when there is no reasonable certainty that the Group shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the Group for similar assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is recognised in profit or loss.

1.8. Investment property:

Investment properties are properties (including those under construction) held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

For transition to Ind AS, the group has elected to adopt as deemed cost, the carrying value of investment property as per Previous GAAP less accumulated depreciation and cumulative impairment on the transition date of April 01, 2017. In respect of revalued assets, the value as determined by valuers as reduced by accumulated depreciation and cumulative impairment is takenas cost on transition date.

Depreciation is recognised using reducing balance method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/ residual value is accounted on prospective basis. Freehold land and properties under construction are not depreciated.

Notes to the Consolidated Financial Statements

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

1.9. Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated atoriginal cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as"Intangible assets under development".

Intangible assets are amortised on straight line basis over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

1.10. Impairment of tangible and intangible assetsother than goodwill

As at the end of each accounting year, the Group reviews the carrying amounts of its PPE, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

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

(i) in the case of an individual asset, at the higherof the net selling price and the value in use;and

(ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

Notes to the Consolidated Financial Statements

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that woul dhave been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

1.11. Employee benefits:

(i) Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(ii) Post-employment benefits:

(a) Defined contribution plans: The Group's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(b) Defined benefit plans: The employees'gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Group, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of theobligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

Notes to the Consolidated Financial Statements

Defined benefit costs are categorised as follows:

i) Service cost (including current service cost, past service cost, as well as gain and losses on curtailments and settlements);

ii) Net interest expense or income; and

iii) Re-measurement.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee Benefits Expense'.

The present value of the defined benefit plan liability is calculated using a discount rate, which is determined by reference to market yields at the end of the reporting period on government bonds.

The retirement benefit obligation, recognized in the Balance Sheet, represents the Company's liability based on actuarial valuation.

(iii) Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Group and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

(iv) Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Group's offer of the termination benefit is accepted or when the Group recognises the related restructuring costs whichever is earlier.

1.12. Leases:

The determination of whether an agreement is, orcontains, a lease is based on the substance of the agreement at the date of inception.

(i) Finance leases:

A. Leases where the Group has substantially transferred all the risks and rewards of ownership of the related assets are classified as finance leases. Assets underfinance lease are capitalised at the commencement of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount.

Each lease rental paid is allocated between the liability and the interest cost,so as to obtain a constant periodic rateof interest on the outstanding liability foreach period.

Notes to the Consolidated Financial Statements

B. Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease.Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

(ii) Operating leases:

The leases which are not classified as finance lease are operating leases.

A. Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

B. Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental incomeis recognised on a straight line basis over the term of the relevant lease.
(Also refer to policy on depreciation, above)

1.13. Financial instruments:

Financial assets and financial liabilities are recognised in the Consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilitiesare initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities(other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

(a) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cashflows and the contractual terms of thefinancial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair valuethrough other comprehensive incomeif these financial assets are held withina business model whose objective is achieved by both collecting contractual cash flows that give rise

Notes to the Consolidated Financial Statements

on specified dates to sole payments of principal and interest on the principal amount outstanding and by selling financial assets.

(c) Debt instruments at amortised cost orat FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset.

For an asset to be classified and measuredat amortised cost, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For an asset to be classified and measured at FVTOCI, the asset is held withina business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and the contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cashflows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However this assessment is not performed on the basis of scenarios that the Group doesnot reasonably expect to occur, such as so-called 'worst case' or 'stress case'scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The Group reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.

Notes to the Consolidated Financial Statements

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(d) Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(e) De-recognition

A financial asset (or, where applicable, apart of a financial asset or part of a Group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(ii) Financial liabilities

(a) Financial liabilities, including derivatives,which are designated for measurement at FVTPL are subsequently measured at fairvalue. Financial guarantee contracts are subsequently measured at the amount of impairment loss allowance or the amount recognised at inception net of cumulative amortisation, whichever is higher.

All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

(b) A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

Notes to the Consolidated Financial Statements

1.14. Write off:

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

1.15. Impairment:

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic orcontractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender wouldnot other wise consider;
- the disappearance of an active market for asecurity because of financial difficulties; or
- the purchase of a financial asset at a deepdiscount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or

Notes to the Consolidated Financial Statements

FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to adeterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90days or more.

Significant increase in credit risk

The Group monitors all financial assets and financial guarantee contracts that are subject tothe impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment.

Given that a significant increase in credit risk since initial recognition is a relative measure, a given change, in absolute terms, in the Probability of Default will be more significant for a financial instrument with a lower initial PD than compared to a financial instrument with a higher PD.

As a back-stop when loan asset not being a corporate loans becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL in respect of all retail assets. In respect of the corporate loan assets, shifting to Stage 2 has been rebutted using historical evidence from own portfolio to athreshold of 60 days past due, which is reviewed annually.

Purchased or originated credit-impaired(POCI) financial assets

POCI financial assets are treated differently becausethe asset is credit-impaired at initial recognition.For these assets, the Group recognises all changesin lifetime ECL since initial

Notes to the Consolidated Financial Statements

recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending aqualitative indicator used is the admittance of bankruptcy petition by National Company Law Tribunal, which is not relevant for retail lending.Quantitative indicators, such as overdue status and non-payment on another obligation of the same counter party are key inputs in this analysis. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. The definition of default is applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument.

With the exception of POCI financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition (and consequently to credit impaired financial assets). For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

Notes to the Consolidated Financial Statements

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debt or on any other party.

The Group measures ECL on an Individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics.

1.16. Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flowsof a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cashflows either immediately or at a future date.In addition, the introduction or adjustment of existing covenants of an existing loan may constitute a modification even if these new or adjusted covenants do not yet affect the cashflows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearanceis granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- Qualitative factors, such as contractual cashflows after modification are no longer SPPI,
- Change in currency or change of counter party,
- The extent of change in interest rates, maturity, covenants.

If these do not clearly indicate a substantial modification, then;

(a) In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the

Notes to the Consolidated Financial Statements

fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated-credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised paramount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

(b) When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms.

For financial assets modified, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at anamount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash short falls from the original asset.The Group derecognises a financial asset only when the contractual rights to the asset's cashflows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Notes to the Consolidated Financial Statements

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/ loss that had been recognised in OCI and accumulated in equityis recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. Acumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

1.17. Presentation of allowance for ECL in the

Balance Sheet Loss allowances for ECL are presented in thestatement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in Balance Sheetas the carrying amount is at fair value.

1.18. Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

1.19. Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment incomefrom the temporary investment of related borrowings, that are attributable to the acquisition,construction or production of a qualifying assetare capitalised as part of cost of such asset till such time the asset is ready for its

Notes to the Consolidated Financial Statements

intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.20. Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation.The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.Segment accounting policies are in line with the accounting policies of the Group.

1.21. Foreign currencies:

(i) The functional currency and presentation currency of the Group is Indian Rupee.Functional currency of the Group and foreign operations has been determined based onthe primary economic environment in which the Group and its foreign operations operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions in currencies other than the Group's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

(iii) Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows:

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

1.22. Taxation:

Current Tax

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed

Notes to the Consolidated Financial Statements

inaccordance with the provisions of the Income Tax Act 1961, and based on the expected outcome of assessments/appeals.Deferred Tax Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head"capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recoveror settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

1.23. Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

(i) an Group entity has a present obligation (legal or constructive) as a result of a past event; and

(ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

(iii) a reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

(i) a present obligation arising from past events,when it is not probable that an outflow of resources will be required to settle the obligation; and

Notes to the Consolidated Financial Statements

(ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions,contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

1.24. Commitment:

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

(a) estimated amount of contracts remaining to be executed on capital account and not provided for;

(b) uncalled liability on shares and other investments partly paid;

(c) funding related commitment to associate companies; and

(d) other non-cancellable commitments, if any, tothe extent they are considered material and relevant in the opinion of management.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

1.25. Non-current assets held for sale:

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probableand is expected to qualify for recognition as acompleted sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

1.26. Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

(i) changes during the period in operating receivables and payables transactions of anon-cash nature;

(ii) non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and

(iii) all other items for which the cash effects are investing or financing cash flows.

Notes to the Consolidated Financial Statements

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

1.27. Earnings per share:

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

1.28. Key source of estimation:

The preparation of financial statements inconformity with Ind AS requires that the management of the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurementetc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

1.29. Operating cycle for current and non-current classification:

Based on the nature of products / activities of the Group entities and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

1.30. First time adoption of Ind AS:

The Group has prepared opening balance sheet as per Ind AS as at April 01, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from Previous GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities. The exemptions availed by the Group are as follows:

i) The Group has adopted the carrying value determined in accordance with Previous GAAP for all of its property plant and equipment and investment property as deemed cost of such assets at the transition date.

ii) The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 01, 2017.

iii) The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

Notes to the Consolidated Financial Statements

iv) The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, as permitted by Ind AS 101, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition.

v) The estimates as at April 01, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with the Previous GAAP.

1.31. Changes in Accounting Standard and recent accounting pronouncements:

On March 30, 2019, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifyingInd AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Group is currently evaluating the implication of Ind AS 116 on the financial statements.

The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1,2019

a) Ind AS 12- Income taxes — Appendix C on uncertainty over income tax treatments and accounting for dividend distribution tax

b) AS 19- Employee benefits

c) Ind AS 23- Borrowing costs

d) Ind AS 28- investment in associates and joint ventures

e) Ind AS 103 and Ind AS 111- Business combinations and joint arrangements

f) Ind AS 109- Financial instruments

The Group is in the process of evaluating the impact of such amendments.

Notes to the Consolidated Financial Statements

Note No. 2 : Cash & cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Cash on hand	**0.15**	0.18	0.24
Balances with banks			
- In current accounts	**45.12**	29.13	44.53
Cheques, drafts on hands	**-**	-	-
Others (specify nature)	**-**	-	-
Total	**45.27**	29.31	44.77

Note No. 3 : Bank balances and other cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Earmarked Balances with Bank	**-**	-	-
Unpaid Dividend Account	**45.60**	42.71	42.40
Balance with banks held as Margin Money	-	-	-
Term Deposit of upto Twelve Months Maturity	**40.00**	-	-
Total	**85.60**	42.71	42.40

Note No. 4 : Receivables

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Trade Receivables			
Receivables considered good - Unsecured	**52.04**	24.55	27.30
Total	**52.04**	24.55	27.30

Notes to the Consolidated Financial Statements

Note No. 5 : Investments

(₹ in Lakhs)

Particulars	Face Value (Rs.)	As at 31.03.2019 Nos./Unit	As at 31.03.2019 Amount	As at 31.03.2018 Nos./Unit	As at 31.03.2018 Amount	As at 01.04.2017 Nos./Unit	As at 01.04.2017 Amount
Investments Carried at Amortized Cost							
Debt securities							
Investments in tax free bonds :							
Housing & Urban Development Corporation Ltd.	1000	500	5.00	500	5.00	500	5.00
Total (A)			5.00		5.00		5.00
Investments at Fair Value through Profit or Loss							
Mutual funds							
Aditya 'Birla Sunlife-Savings Fund-Dividend	100	-	-	-	-	1,460,801	1,467.21
Aditya 'Birla Sunlife-Savings Fund-Growth	100	-	-	2,615,662	8,943.05	1,549,836	4,938.58
Aditya 'Birla Sunlife-Cash Manager Fund-Dividend	100	-	-	-	-	1,763,327	1,774.36
Aditya 'Birla Sunlife-Cash Manager Fund-Growth	100	-	-	980,314	4,093.35	534,746	2,097.17
Aditya 'Birla Sunlife-Liquid Fund-Growth	100	384,885	1,150.83	-	-	-	-
HDFC-Cash Management Fund-Growth	10	-	-	3,993,241	1,460.99	3,285,260	1,128.79
Reliance-Money Manager Fund- Dividend	1000	-	-	-	-	214,509	2,161.18
Reliance-Money Manager Fund- Growth	100	-	-	55,202.00	1,321.85	14,213	318.73
ICICI Prudential Flexible Income Plus-Growth	100	-	-	100,459.00	334.66	-	-
UTI Treasury Advantage Fund- Growth	1000	-	-	5,605.00	134.24	-	-
Aditya 'Birla Sun Life Dividend Yield Plus – Dividend	10	18,811	2.63	18,811	2.91	18,811	3.10
Aditya 'Birla Sun Life Midcap Fund - Plan – Dividend	10	33,473	10.78	33,473	11.93	33,473	12.02
Aditya 'Birla Sunlife Short term Opportunity Fund-Growth	10	16,672	5.15	16,672	4.81	16,672	4.52
Aditya 'Birla Sunlife Medium Term Plan-Growth	10	50,783	11.57	50,783	11.15	50,783	10.36
Aditya 'Birla Sunlife Medium Term Plan-Growth	10	58,746	13.39	58,746	12.90	58,746	11.98
Total (B1)			1,194.35		16,331.84		13,928.00
Equity instruments							
Quoted							
Mangalore Refinery Petrochemicals Ltd.	10	200	0.15	200	0.22	200	0.21
Total (B2)			0.15		0.22		0.21
Total (B)			1,194.50		16,332.06		13,928.21
Quoted							
Aditya Birla Fashion & Retal Limited	10	1,569,219	3,457.77	972,909	1,467.63	972,909	1,496.82
Aditya Birla Nuvo Limited	10	-	-	-	-	187,098	2,840.99
Aditya Birla Capital Limited	10	33,351,721	32,417.93	31,673,756	46,227.85	-	-
Grasim Industries Limited	2	24,274,527	208,263.30	22,624,112	237,756.79	22,343,465	234,382.95
Hindalco Industries Limited	1	29,857,969	61,358.13	29,185,398	62,617.27	29,185,398	56,926.12
Vodafone Idea Ltd. (Formerly: Idea Cellular Ltd.)	10	8,168,500	1,490.75	8,168,500	6,199.89	8,168,500	7,012.66
Jayshree Tea & Industries Limited	5	2,844	1.85	2,844	2.45	2,844	3.12
Kesoram Textile Mills Limited	2	2,415,750	48.32	2,415,750	6.04	2,415,750	48.32
Mangalam Cement Limited	10	1,120,000	2,998.24	1,120,000	1,819.44	1,120,000	3,637.20
Tanfac Industries Limited	10	498,000	1,082.90	498,000	634.70	498,000	306.27
Ultra Tech Cement Limited	10	2,287,823	91,475.16	2,457,309	97,063.71	2,457,309	97,917.62
Zuari Global Limited	10	434,000	469.59	434,000	739.97	434,000	552.48
Zuari Agro Chemicals Limited	10	434,000	806.16	434,000	2,096.65	434,000	1,578.24
Kesoram Industries Limited#	10	27,338,750	19,902.61	27,338,750	29,594.20	-	-
Cimmco Limited	10	70,780	23.36	70,780	55.46	70,780	66.43
Hindustan Everest Tools Limited	10	52,175	20.20	52,175	20.19	52,175	21.47
KDDL Limited	10	35,000	154.07	35,000	135.42	35,000	67.87
Orient Cement Limited	1	425,260	335.95	425,260	592.60	425,260	560.92
Orient Paper & Industries Limited	1	425,260	148.84	425,260	167.77	425,260	345.31
Orient Electric Limited*	1	425,260	648.30	425,260	7.29	-	-
Sutlej Textiles & Industries Limited	10	171,463	68.67	171,463	124.91	171,463	1,412.86

Notes to the Consolidated Financial Statements

Contnd..... Note No. 6 : Investments

(₹ in Lakhs)

Particulars	Face Value (Rs.)	As at 31.03.2019 Nos./Unit	Amount	As at 31.03.2018 Nos./Unit	Amount	As at 01.04.2017 Nos./Unit	Amount
SIL Investment Limited	10	1,14,309	503.19	114,309	397.80	114,309	172.61
Zenith Birla Limited	10	3,432	0.07	3,432	0.07	3,432	0.02
Total (C1)			4,25,675.36		4,87,728.09		4,09,350.26
Unquoted							
Birla Building Limited	10	15,000	1.52	15,000	1.52	15,000	1.52
Birla Consultants Limited	10	12,000	1.20	12,000	1.20	12,000	1.20
Indo Thai Synthetics Co. Limited	Baht10	2,07,900	11.42	207,900	11.42	207,900	11.42
Indo Phil Textile Mills Inc. Manila	Peso10	2,11,248	2.03	211,248	2.03	211,248	2.03
The Eastern Economist Limited	100	400	0.40	400	0.40	400	0.40
The Industry House Limited	100	2,812	1.89	2,812	1.89	2,812	1.89
The Hindustan Times Limited	10	1,92,000	2.18	192,000	2.18	192,000	2.18
Gmmco Limited	10	68,249	342.10	68,249	342.10	68,249	342.10
Total (C2)			362.74		362.74		362.74
Total (C1)			4,26,038.10		4,88,090.83		4,09,713.00
Investments - Others (At Cost)							
Associates							
-Century Textiles & Industries Limited	10	3,69,78,570	1,09,026.40	34,220,520	84,188.38	34,220,520	76,037.51
-Kesoram Industries Limited (*)	10	-	-	-	-	27,338,750	16,824.42
Total (D)			1,09,026.40		84,188.38		92,861.93
Joint Ventures							
Others (specify)							
Total – Gross (E=A+B+C+D)			5,36,264.01		5,88,616.27		5,16,508.14
(i) Investments outside India			13.45		13.45		13.45
(ii) Investments in India			5,36,250.56		5,88,602.82		516,494.69
Total (F)			5,36,264.01		5,88,616.27		516,508.14
Total (E) to tally with (F)			-		-		-
Less: Allowance for Impairment loss (G)			-		-		-
Total – Net H= (F)-(G)			5,36,264.01		5,88,616.27		5,16,508.14

(*) Ceased to be an Associates w.e.f. 28.03.2018

(#) For the investment in subsidiary entities and associate, the company has opted for the exemption provided in para D15(b)(ii) of Ind AS 101 and accordingly the same has been measured at previous GAAP carrying amount i.e. at cost at the transition date.

(#)As per para 10 of Ind AS 27, the Company has opted to value the investments in subsidiary entities and associate at cost.

* During the FY 2017-18, Orient Electric Limited has issued 4,25,260 Eq. Shares to the company pursuant to Scheme of Demerger for equity shares held in Orient Paper & Industries Limited in the ratio of 1:1. However, such shares were listed on 14.05.2018 on NSE

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

QUOTED (Fully paid)

Equity Instruments	Face Value	No. of Shares
Jiyajeerao Cotton Mills Limited (In liquidation)	10	150
Kalyan Sundaram Cement Industries (In liquidation)	10	50,000
Tungbhadra Industries Limited (In liquidation)	10	1,865
Umi Special Steels Limited (In liquidation)	10	100,000

Notes to the Consolidated Financial Statements

	Face Value	No. of Shares
UNQUOTED (Fully paid)		
Equity instruments	**Face Value**	**No. of Shares**
Bombay Industrial Traders Limited (In liquidation)	100	915
Hind Cycles Limited (In liquidation)	100	400
Industrial Plants Limited (In liquidation)	10	75,000
Mckenzies Limited	10	753
In Subsidiary Companies		
Atlas Iron and Alloys Limited (In liquidation)	10	72,000
Debentures		
Hind Cycles Limited (In liquidation)	100	66
UNQUOTED (Partly Paid)		
Equity Instument		
Central Distributors Limited (In liquidation) (Paid up Rs. 7.50 per share)	10	1,284

Note No. 6 : Other financial assets

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Term Deposit of more Than Twelve Months Maturity	-	-	278.50
Interest accrued on deposit with bank	**1.10**	-	-
Total	**1.10**	-	278.50

Note No. 7 : Current tax assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Advance Payment of Income Tax (net of Provision for Income Tax)	**1.52**	403.23	351.68
Total	**1.52**	403.23	351.68

Notes to the Consolidated Financial Statements

Note No. 8 : Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:			
Deferred tax assets			
MAT credit entitlements	**2.05**	-	-
Equity Investment meaured at Fair Value through OCI	**647.27**	-	-
Transition date adjustment	**(200.40)**	-	-
	448.92	**-**	**-**
Deferred tax liabilities			
Difference between WDV of block of assets as per Income Tax and WDV of fixed assets as per books	**1.62**	-	-
Investment meaured at Fair Value through Profit or Loss	**6.83**	-	-
	8.45	**-**	**-**
Total	**440.47**	**-**	**-**

Notes to the Consolidated Financial Statements

Note No. 9 : Investment property

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Gross carrying amount			
Opening gross carrying amount/deemed cost	**717.91**	717.91	717.91
Additions	-	-	-
Disposals	-	-	-
Addition/other adjustments	-	-	-
Closing gross carrying amount	**717.91**	717.91	717.91
Accumulated depreciation			
Opening accumulated depreciation	**214.01**	159.61	96.91
Depreciation charged during the year	**46.47**	54.40	62.70
Deductions	**-**	-	-
Other adjustments	**-**	-	-
Addition/other adjustments	**-**	-	-
Closing accumulated depreciation	**260.48**	214.01	159.61
Net carrying amount	**457.43**	503.90	558.30

9.1 The fair value of the Company's investment properties as at 1st April 2017, 31st March 2018 and 31st March 2019 are Rs. 14,537.93 lakhs , Rs. 14,767.63 lakhs and Rs. 14,997.33 lakhs respectively. The fair value of the properties have been arrived on the basis of valuation report obtained from a registered valuer.

9.2 The amounts recognized in Statement of Profit and Loss in relation to the investment properties :

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Rental income derived from investment properties	140.76	144.60
Service charges derived from investment properties	37.71	52.17
Direct operating expenses (including repairs and maintenance) generating rental income	123.53	145.24
Depreciation	46.47	54.40
Profit arising From investment properties before indirect expenses	**8.47**	**(2.87)**

Notes to the Consolidated Financial Statements

Note No. 10 : Property, plant & equipment

(₹ in Lakhs)

	Furnitures & Fixtures	Office Equipments	TOTAL
Cost or valuation			
As at 1st April 2017	1.93	0.40	2.33
Addition/(Disposal)	-	0.60	0.60
As at 31st March 2018	1.93	1.00	2.93
Addition/ (Disposal)	-	0.69	0.69
As at 31st March 2019	**1.93**	1.69	3.62
Depreciation			
As at 1st April 2017	1.93	0.30	2.23
Charge for the year	-	0.24	0.24
Addition/ (Disposal)	-	-	-
As at 31st March 2018	1.93	0.54	2.47
Charge for the year	**-**	0.25	0.25
As at 31st March 2019	**1.93**	**0.79**	**2.72**
Net Block			
As at 1st April, 2017	-	0.10	0.10
As at 31st March 2018	-	0.46	0.46
As at 31st March 2019	**-**	**0.90**	**0.90**

Note No. 11 : Other non financial assets

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Security deposits	**17.46**	17.46	17.50
Advance to parties	**29.97**	-	-
Other advances	**9.75**	0.40	0.48
Prepaid expenses	**0.17**	0.21	0.17
Balances with Government Dept	**0.08**	36.39	14.63
Deposit with Delhi Municipal Corporation against appeal(property tax demand)	**19.90**	19.90	19.90
Dividend receivables	**-**	0.94	7.43
Deferred revenue expense	**-**	-	0.16
Total	**77.33**	75.30	60.27

Notes to the Consolidated Financial Statements

Note No. 12 : Payables

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	**16.20**	60.59	45.58
	16.20	60.59	45.58
Other payables			
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-
	-	-	-
Total	**16.20**	60.59	45.58

Note No: 13 Borrowings (other than debt securities)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
At amortised cost			
Unsecured - term loans			
From other parties	**24,500.00**	-	-
Total (A)	**24,500.00**	-	-
At amortised cost			
Borrowings in India	**24,500.00**	-	-
Borrowings outside India	-	-	-
Total (B)	**24,500.00**	-	-
Total (B) to tally with (A)	-	-	-

Note:

Details of terms of redemption/repayment and security provided in respect of debt securities and borrowings:

Term loan from financial entities	As at 31.03.2019	ASat 31.03.2018	Asat 01.04.2017	Terms of redemption/repayment
Term loan from financial entity 1	**10,000.00**	-	-	**Repayable in 60 months from June 18, 2018 with option of repayment by the end of every 12 months**
Term loan from financial entity 2	**14,500.00**	-	-	**Repayable in one bullet payment at the end of 12 months from October 1, 2018**

Notes to the Consolidated Financial Statements

Note No. 14 : Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Interest accrued			
Interest accrued and due on borrowings	**-**	260.17	-
Unpaid dividends	**45.60**	42.71	42.40
Advance from body corporate	**-**	219.00	219.00
Liabilities for expenses	**0.33**	0.22	0.13
Amount due to employee	**4.85**	12.76	4.60
Other misc. payable	**3.35**	3.18	3.10
Security deposit	**600.26**	0.56	0.60
Total	**654.39**	538.60	269.83

Note No. 15 : Current tax liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Income Tax Provision(net of Advance Tax)	**1,255.51**	-	2.42

Note No. 16 : Provisions

(Rs. In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Provision for employee benefits (Gratuity)	**26.09**	21.96	13.53
Provision for employee benefits (Leave)	**15.25**	13.37	10.43
Contingent provision against standard assets	**27.48**	27.48	27.48
Provision towards demand for municipal tax	**116.70**	116.70	116.70
Total	**185.52**	179.51	168.14

Notes to the Consolidated Financial Statements

Note No. 17 : Deferred tax liabilities (net)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
The major components of the deferred tax liabilities / (assets) based on the tax effects of timing differences are as follows:	-	-	-
	-	-	-
Deferred tax assets	-	-	-
MAT credit entitlement	-	2.05	2.05
Transition date adjustment	-	(155.77)	(283.29)
	-	(153.72)	(281.24)
Deferred tax liabilities (net)			
Difference between WDV of block of assets as per Income Tax and WDV of Fixed Assets as per books	-	24.21	-
Investment meaured at Fair Value through Profit or Loss	-	403.39	153.95
	-	427.60	153.95
Total	-	581.32	435.19

Note No. 18 : Other non financial liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Statutory dues	**45.56**	45.26	4.87
Total	**45.56**	45.26	4.87

Notes to the Consolidated Financial Statements

Note No. 19 : Equity share capital

(i) **Share capital authorised, issued, subscribed and paid up**

Particulars	As at 31.03.2019 No. of Shares (₹ in Lakhs)	As at 31.03.2018 No. of Shares (₹ in Lakhs)	As at 01.04.2017 No. of Shares (₹ in Lakhs)
Authorised:			
Equity Shares of Rs. 10 each	**9,000,000**	9,000,000	9,000,000
	900.00	900.00	900.00
Issued, subscribed and fully paid up shares:			
Equity Shares of Rs. 10 each	**7,908,750**	7,908,750	7,908,750
	790.88	790.88	790.88

There is no change in the number of shares in current year and previous years

(ii) **Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs.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, 2019, the amount of per share dividend recognized as distributions to shareholders was Rs. 25/- (Rs. 25/-) per share.

The Board of Directors at its meeting held on 30th May, 2019, have proposed a final dividend of Rs. 25/- per equity share for the financial year ended 31st March, 2019. The proposal is subject to the approval of the Shareholders at the forthcoming Annual General Meeting. Total cash out flow would be Rs. 2383.60 Lakhs including corporate dividend tax and the same will be accounted for in the financial year 2019-20 in terms of Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

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

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

Particulars	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	No. of Shares	**% holding**	No. of Shares	**% holding**	No. of Shares	**% holding**
Aditya Marketing & Manufacturing Ltd.	**2,744,194**	**34.70**	2,735,494	34.59	2,735,494	34.59
Padmavati Investment Limited	**1,406,986**	**17.79**	1,406,986	17.79	1,398,486	17.68
The Punjab Produce & Trading Co. (P) Ltd.	**1,385,223**	**17.52**	1,385,223	17.52	1,385,223	17.52
Gwalior Webbing Co. Pvt. Limited	**454,168**	**5.74**	454,168	5.74	454,168	5.74

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

Notes to the Consolidated Financial Statements

Note No. 20 : Other equity

(Rs. In Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Other reserves			
(i) Statutory reserves			
Balance as at the beginning of the year	**17,208.35**	16,487.09	16,487.09
Addition during the year	**2,335.07**	721.26	
Less: Transferred during the year	**-**	-	-
	19,543.42	17,208.35	16,487.09
Others			
(ii) General reserve			
Balance as at the beginning of the year	**19,713.61**	19,713.61	19,713.61
Addition during the year	**-**	-	-
Less: Transferred during the year	**-**	-	-
	19,713.61	19,713.61	19,713.61
(ii) Reserves representing unrealised gains/losses			
Equity instruments through other comprehensive income	**460,083.49**	398,402.55	398,402.55
Add / (less) during the year	**(75,996.47)**	61,680.94	-
Less: Realised gain/(loss) on equity shares FVTOCI transferred to retained earnings	**(10,625.86)**	-	-
Less: Deferred tax	**647.27**	-	-
	374,108.43	460,083.49	398,402.55
Share in equity instruments through other comprehensive income of an associates			
Balance as at the beginning of the year	**3,948.00**	5,019.00	5,019.00
Add/(less) during the year	**(1,023.00)**	(1,071.00)	
	2,925.00	3,948.00	5,019.00
Share in cash flow reserve through other comprehensive income of an associates			
Balance as at the beginning of the year	-	-	-
Add/(less) during the Year	**(56.00)**	-	-
	(56.00)	**-**	**-**
Revaluation reserve			
Proportionate Share in associates	-	-	59.29
Less: Transferred to capital reserve	-	-	(59.29)
	-	**-**	**-**

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Capital reserve			
Balance as at the beginning of the year	**55,161.00**	55,161.00	55,101.71
Add/(less) during the Yea	**-**	-	59.29
Add/(Less) Goodwill adjstment for acquisition	**(19,264.00)**	-	
	35,897.00	55,161.00	55,161.00
(iv) Retained earnings			
Surplus at the beginning of the year	**31,385.12**	21,371.30	21,082.63
Add : Profit for the yea	**23,129.62**	13,396.96	-
Add/(Less): Other adjustment relating to OCI	**(285.00)**	(283.00)	
Add/(less): Remeasurement of net defined benefit through OCI net of tax	**(0.77)**	0.77	-
Add: Realised gain/(loss) on equity shares FVTOCI transferred from equity instruments through other comprehensive income	**10,625.86**	-	-
Less: Current tax on realised gain/(loss) on equity shares FVTOCI transferred from equity instruments through other comprehensive Income	**(2,290.00)**	-	-
Less:Proposed dividend on equity shares	**(1,977.19)**	(1,977.18)	-
Less:Tax on dividend	**(406.42)**	(402.47)	-
Less: Transfer to statutory reserve	**(2,335.07)**	(721.26)	-
Less:Transfer to general reserve	**-**	-	-
Add : Transition date adjustment	**-**	-	288.67
	57,846.15	31,385.12	21,371.30
Total	**509,977.61**	587,499.57	516,154.55

Note : Nature and purpose of reserve

1. Statutory Reserve (Reserve u/s. 45-IA of the Reserve Bank of India Act, 1934 (the "RBI Act, 1934")

Reserve is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve

2. General reserve

Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.

3. FVOCI equity investments

The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiaries and associate) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity.

Notes to the Consolidated Financial Statements

4. Retained Earnings

Surplus in the statement of profit and loss is the accumulated available profit of the company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.

Note No. 21 : Interest income

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Financial Assets measured at amortised cost		
Interest income from investments	**0.41**	0.41
Interest on deposits with banks	**7.07**	14.83
Total	**7.48**	15.24

Note No. 22 : Dividend income

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
On investments - equity share investments	**2,097.74**	2,105.71
Total	**2,097.74**	2,105.71

Note No. 23 : Net gain/(loss) on fair value changes

(Rs. In Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
(A) Net gain/ (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio	**-**	-
Investments	**-**	-
Others	**-**	-
(ii) On financial instruments designated at fair value through profit or loss	**-**	-
on mutual fund	**233.52**	721.87
(B) Others (to be specified)	**-**	-
Total Net gain/(loss) on fair value changes	**233.52**	721.87
Fair value changes:	**-**	-
Realised	**216.90**	(55.36)
Unrealised	**16.62**	777.23
	233.52	721.87

Notes to the Consolidated Financial Statements

Note No. 24 : Others

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Rent income	**140.76**	144.60
Service charges	**37.71**	52.17
Total	**178.47**	196.77

Note No. 25 : Other income

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Miscellaneous receipts & income	**0.78**	15.43
Total	**0.78**	15.43

Note No. 26 : Finance cost

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Financial Assets measured at amortised cost		
Interest on borrowings	**1,889.92**	26.28
Other interest expense	**-**	8.41
Total	**1,889.92**	34.69

Note No. 27 : Employee benefit expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Salaries and wages	**105.97**	103.51
Contribution to provident and other funds	**-**	-
Provident fund and pension fund	**11.45**	11.09
Gratuity	**3.03**	9.61
Staff welfare expenses	**14.85**	14.34
Total	**135.30**	138.55

Notes to the Consolidated Financial Statements

Note No. 28 : Depreciation and amortization expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Depreciation and amortization expense		
On property, plant and equipment	**0.25**	0.24
On investment property	**46.48**	54.40
Total	**46.73**	54.64

Note No. 29 : Other expenses

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Rent, taxes and energy costs	**29.90**	28.83
Repairs and maintenance	**95.97**	118.66
Director's fees, allowances and expenses	**8.00**	5.18
Insurance	**0.25**	0.18
Payment to the Auditors		
As auditor	**4.03**	3.92
For quarterly review	**1.95**	1.95
For fees for other services (incl for issuing various certificates)	**1.50**	1.89
For Reimbursement of out of poket expenses	**1.34**	1.30
Corporate Social Responsibility expenses	**7.00**	20.00
Miscellaneous expenses	**44.30**	86.57
Preliminary expenses-Written off	**-**	0.16
Total	**194.24**	268.64

Note No. 30 : Tax expenses

The components of income tax expense for the years ended 31 March 2019 and 2018 are:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Current tax	**(322.00)**	55.60
MAT Credit Entitlement	**-**	(43.08)
Deferred Tax	**(418.82)**	273.22
Total Tax Charge	**(740.82)**	285.74
Current Tax	**(322.00)**	12.52
Deferred Tax	**(418.82)**	273.22

Notes to the Consolidated Financial Statements

Note No. 30.1 : Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 31 March 2018 is, as follows:

(₹ in Lakhs)

Particulars	**For the Year ended 31st March, 2019**	For the Year ended 31st March, 2018
Accounting profit before tax	**251.80**	2,295.70
Applicable tax rate **29.12%**	34.61%	
Computed tax expense	**73.32**	794.54
Tax effect of:		
Exempted income **(1,288.78)**	(1,357.00)	
Ind AS transition period adjsustment	**71.04**	(268.96)
Tax on expense not tax deductible	**25.78**	171.81
Adjustment on account of change on tax rate	**113.22**	(1.19)
MAT credit entilements	**-**	(43.08)
Tax effect on various other items	**683.42**	716.40
Tax expenses recognised in the statement of profit and loss	**(322.00)**	12.52
Effective tax rate (%) **(127.88)**	0.55	

Note 30.2 : Deferred tax

(₹ in Lakhs)

Particulars	**For the Year ended 31st March, 2019**	For the Year ended 31st March, 2018
Deferred tax asset (DTA) / deferred tax liability (DTL) (net)		
The movement on the deferred tax account is as follows:		
At the start of the year DTA / (DTL) (net)	**(581.32)**	(435.19)
Credit / (charge) for equity instruments through OCI	**603.29**	127.51
Credit / (charge) for remeasurement of the defined benefit	**(0.32)**	(0.42)
Credit / (charge) to the statement of profit and loss	**418.82**	(273.22)
At the end of year DTA / (DTL) (net)	**440.47**	(581.32)

Notes to the Consolidated Financial Statements

Note No. 31 : Other comprehensive income

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	**400.06**	(1,144.79)
Equity Instruments through other comprehensive income;	**(76,352.98)**	62,699.40
Share of other comprehensive income in associates and joint ventures, to the extent not to be classified into profit or loss	**(1,023.00)**	(1,071.00)
Others	**-**	-
	(76,975.92)	60,483.61
Items that will be reclassified to profit or loss		
Share of other comprehensive income in associates and joint ventures, to the extent to be classified into profit or loss	**(56.00)**	-
Others	**-**	-
	(56.00)	**-**

Note No. 32 : Earnings per share

The components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

(₹ in Lakhs)

Particulars	For the Year ended 31st March, 2019	For the Year ended 31st March, 2018
(A) Basic earnings per share		
Computation of profit		
Net profit for the year attributable to equity shareholders (basic)	**23129.62**	13396.96
Computation of weighted average number of shares	**Nos.**	Nos.
Weighted average number of equity shares of Rs. 10 each used for calculation of basic earnings per share	**7908750**	7908750
Basic earnings per share of face value of Rs. 10 each (in Rs.)	**292.46**	169.39
(B) Diluted earnings per share		
Profit attributable to equity shareholders (diluted)	**23129.62**	13396.96
Computation of weighted average number of shares	**Nos.**	Nos.
Weighted average number of equity shares as above	**7908750**	7908750
Diluted earnings per share of face value of Rs. 10 each (in Rs.)	**292.46**	169.39

Notes to the Consolidated Financial Statements

Note No. 33 : Contingent liabilities and commitments (to the extent not provided for)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(A) Contingent liabilities		
Income Tax		
(i) Assessing officer has demanded income tax of Rs. 120.39 lakhs against the certain disallowances etc.(P.Y. Rs. 120.39 Lakhs) for the A.Y. 2007-08 and 2010-11. The Company has filed an appeal before the DCIT, Appellate Tribunal, Kolkata. Matter is still under sub-judice.	**120.39**	120.39
Others		
(i) A demand of R. 437.77 Lakhs was raised by New Delhi Municipal Council towards property tax with retrospective effect from Financial Year 2000-01 to 2016-17 in a Subsidiary. The Subidiary Company has not recognized it as a liability in the account for Financial Year 2016-17, being contingent in nature. The Subsidiary Company has filed an Appeal on 02.03.2017 against the same at the Court of District Judge, Patiala House, New Delhi and is optimistic of its favourable outcome.	**437.77**	437.77
(B) Commitments		
(i) Uncalled liability on partly paid shares held as investments	**0.03**	0.03
(C) Company's share in outstanding capital and other commitment & contingent liabilities of associates :		
I) Outstanding capital and other commitment	**27,496.20**	32,874.88
II) Contingent liabilities- continuing operation		
a. i) Claims against the company not acknowledged as debts		
Rates, taxes & duties demanded by various authorities	**670.48**	1,581.64
Others	**270.18**	242.06
ii) Claims not acknowledged as debts jointly with other members of "Business Consortium of Companies" in which the company had an interest (proportionate)	**768.81**	686.03
b. For income tax matters	**2,026.66**	1,875.47
c. Amount demanded by provident fund authorities which is sub-judice	Amount not determinable	
d. Liability on account of jute packaging obligation upto 30 June 1997 under the jutepackaging materials (compulsory use in Packing Commodities) Act, 1987	Amount not determinable	

Notes to the Consolidated Financial Statements

III) Contingent liabilities- discontinued operation

a.	Claims against the company not acknowledged as debts		
	i. Rates, taxes & duties demanded by various authorities	**5,340.31**	5,439.83
	ii. Others	**21,155.30**	17,804.90
b.	For income tax matters	**212.90**	197.02
c.	Penalty imposed by Competition Commission of India (CCI)	**9,072.80**	8,395.97
d.	Amount demanded by provident fund authorities which is sub-judice	Amount not determinable	
e.	Liability on account of Jute packaging obligation upto 30 June 1997 under the JutePackaging Materials (Compulsory use in Packing Commodities) Act, 1987	Amount not determinable	
f.	Registration and Road tax on Dumper of Cement Division	Amount not determinable	

Note No. 34 : Provision has been made against demand for municipal taxes (including interest and penalty) for earlier years, though, the representation made by the company to the municipal authorities for reconsideration of the annual valuation is still under consideration of the concerned authorities.

Note No. 35 : Corporate social responsibility (“CSR”) expenses:

As per Section 135 of the Companies Act, 2013 (‘Act), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are healthcare including preventive healthcare, providing safe drinking water, sanitation facility, promoting education, old age home maintenance, environmental sustainability and promotion and development of traditional art and handicrafts. A CSR committee has been formed by the company as per the Act.

The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013

Gross amount required to be spent by the company during the year is Rs. 14.07 Lakhs. (PY Rs. 10.02 Lakhs)

Amount spent during the year on: Rs. 7.00 Lakhs (PY Rs. 20.00 Lakhs)

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
The amounts spent are as follows:		
(i) Construction / acquisition of any assets	**-**	-
(ii) On purposes other than (i) above	**7.00**	20.00

Notes to the Consolidated Financial Statements

Note No. 36 : Leasing arrangements

(a) Operating lease commitments – as lessee

The office premises is obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the Company. It has recognised lease payments amounting to Rs. 1.47 lakhs and Rs. 1.10 lakhs for the year ended 31 March 2019 and 2018 respectively in the statement of profit and loss. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangement. The lease is cancellable.

The future miniumum lease payable under cancellable operating lease are:-

(₹ in Lakhs)

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Within one year	**1.47**	1.47
After one year but not more than five years	**1.47**	2.94
More than five years	**-**	-
Total	**2.94**	4.41

(b) Operating lease commitments – as lessor

The Company has let out portions of office premises along with furniture and fixtures and other amenities on operating lease. It has recognised lease rental income amounting to to Rs. 140.76 Lakhs and Rs. 144.60 Lakhs for the year ended 31 March 2019 and 2018 respectively in the statement of profit and loss.

Note No. 37 : Segment reporting :

Operating segment are components of the Company whose operating results are regularly reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Company is engaged primarily on the business of "Investments" only, taking into account the risks and returns, the organization structure and the internal reporting systems. All the operations of the Company are in India. All non-current assets of the Company are located in India. Accordingly, there are no separate reportable segments as per Ind AS 108 – "Operating segments".

Notes to the Consolidated Financial Statements

Note No. 38 : Related party disclosures

(a) Related party disclosures as required by Ind AS 24 - Related party disclosures.

List of related parties and relationships:

Srl. No.	Nature of relationship	
1	Key Management Personnel	Shri R P Pansari (CEO) Shri N K Baheti (CFO) Shri R S Kashyap (Company Secretary)

Transactions with related parties are as follows:

(₹ in Lakhs)

Srl. No.	Nature of transactions	Subsidiaries **For the year ended 31st March, 2019**	For the year ended 31st March, 2018	As on 1st April, 2017
1	Remuneration (including bonus)	**127.47**	109.82	-

All transactions with these related parties are priced on an arm's length basis. None of the balances is secured.

The remuneration of key management personnel are determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(b) Disclosures as per Regulation 53(f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations, 2015).

Loans and advances in the nature of loans to companies in which directors are interested as under:

Sl. No.	Name	As at 31st March, 2019	Maximum balance outstanding during the year ended 31 March, 2019
		-	-

Sl. No.	Name	As at 31st March, 2018	Maximum balance outstanding during the year ended 31 March, 2018
		-	-

Sl. No.	Name	As at 1st April, 2017	Maximum balance outstanding during the year ended 1st April, 2017

Notes to the Consolidated Financial Statements

Note No. 39 : Under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act") which came into force from October 2, 2006, certain disclosures are required to be made relating to micro, small and medium enterprises. There have been no reported cases of delays in payments to micro and small enterprises or of interest payments due to delays in such payments.
The disclosure as required by section 22 of MSMED Act has been given below:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
Principal amount payable to suppliers as at year-end	-	-	-
Interest due thereon as at year end	-	-	-
Interest amount for delayed payments to suppliers pursuant to provisions of MSMED Act actually paid during the year, irrespective of the year to which the interest relates	-	-	-
Amount of delayed payment actually made to suppliers during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-	-

Note No. 40 : 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 shares of other companies apportionable to the holding of these shares received pursuant to Scheme of Arrangement, same are being held in trust by the Company.

Sl. No.	Name of the Company	No. of Equity shares	Face Value per Share (₹)
(a)	Grasim Industries Ltd.	5755	2/-
(b)	Hindustan Motors Ltd.	440	10/-
(c)	Century Textiles & Industries Ltd	220	10/-
(d)	Tungabhadra Industries Ltd.	4	10/-
(e)	Hindustan Everest Tools Ltd.	60	10/-
(f)	Aditya Birla Capital Ltd.	8057	10/-
(g)	Ultra-Tech Cement Ltd.	657	10-

Notes to the Consolidated Financial Statements

Note No. 41 : Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in Lakhs)

	As at 31 March, 2019			As at 31 March, 2018			As at 1 April, 2017		
	Within 12 months	**Afer 12 months**	**Total**	Within 12 months	Afer 12 months	Total	Within 12 months	Afer 12 months	Total
Assets									
Financial assets									
Cash and cash equivalents	**45.27**	**-**	**45.27**	29.31	-	29.31	44.77	-	44.77
Bank balance other than above	**85.60**	**-**	**85.60**	42.71	-	42.71	42.40	-	42.40
Trade receivabale	**52.04**	**-**	**52.04**	24.55	-	24.55	27.30	-	27.30
Investments	**1,194.50**	**535,069.51**	**536,264.01**	16,332.06	572,284.21	588,616.27	13,928.21	502,579.93	516,508.14
Other financial assets	**1.10**	**-**	**1.10**	-	-	**-**	278.50	-	278.50
Non-financial assets									
Current tax assets (net)	**1.52**	**-**	**1.52**	403.23	-	403.23	351.68	-	351.68
Deferred tax assets (net)	**-**	**440.47**	**440.47**	-	-	-	-	-	-
Investment property	**-**	**457.43**	**457.43**	-	503.90	503.90	-	558.30	558.30
Property, plant and equipment	**-**	**0.90**	**0.90**	-	0.46	0.46	-	0.10	0.10
Other non-financial assets	**59.79**	**17.54**	**77.33**	57.76	17.54	75.30	42.69	17.58	60.27
Total Assets	**1,439.82**	**535,985.85**	**537,425.67**	16,889.62	572,806.11	589,695.73	14,715.55	503,155.91	517,871.46
Liabilities									
Financial liabilities									
Trade payables									
(i) Total outstanding dues of microenterprises and small enterprises	**-**	**-**	**-**	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**16.20**		**16.20**	60.59		60.59	45.58		45.58
Debt securities	**-**	**-**	**-**	-	-	-	-	-	-
Borrowings (other than debt securities	**14,500.00**	**10,000.00**	**24,500.00**	-	-	**-**	-	-	**-**
Other financial liabilities	**54.13**	**600.26**	**654.39**	538.04	0.56	538.60	269.23	0.60	269.83
Non-financial liabilities									
Current tax liabilities (net)	**`1,255.51**	**-**	**1,255.51**	-	-	-	2.42	-	2.42
Provisions	**34.50**	**151.02**	**185.52**	30.08	149.43	179.51	33.01	135.13	168.14
Deferred tax liabilities (net)			**-**	-	581.32	581.32		435.19	435.19
Other non-financial Liabilities	**45.56**		**45.56**	45.26		45.26	4.87		4.87
Total liabilities	**15,905.90**	**10,751.28**	**26,657.18**	673.97	731.31	1,405.28	355.11	570.92	926.03
Net	**(14,466.08)**	**525,234.57**	**510,768.49**	16,215.65	572,074.80	588,290.45	14,360.44	502,584.99	516,945.43

Notes to the Consolidated Financial Statements

Note No. 42 : Employee benefit plan

Disclosure in respect of employee benefits under Ind AS 19 - Employee Benefit are as under:

(a) Defined contribution plan

The Company's contribution to provident fund are considered as defined contribution plans. The Company's contribution to provident fund aggregating Rs. 4.12 lakhs (31 March 2018: 8.42 lakhs) has been recognised in the statement of profit and loss under the head employee benefits expense.

(b) Defined benefit plan:

Gratuity

Financial assets not measured at fair value

The Company operates a defined benefit plan (the "gratuity plan") covering eligible employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age/ resignation date.

The defined benefit plans expose the Company to risks such as actuarial risk, liquidity risk, legislative risk. These are discussed as follows:

Actuarial risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse salary growth experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

Liquidity risk: Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the Company, there can be strain on the cash flows.

Legislative risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act, 1972, thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the defined benefit obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

Notes to the Consolidated Financial Statements

The status of gratuity plan as required under Ind AS-19 is as under

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
i. Reconciliation of opening and closing balances of defined benefit obligation		
Present value of defined benefit obligations at the beginning of the year	**21.96**	13.54
Current service cost	**1.45**	1.23
Past service cost	**-**	7.44
Interest cost	**1.58**	0.93
Acquisition adjustment		-
Benefit paid		-
Change in demographic assumptions		-
Change in financial assumptions	**0.14**	(0.09)
Experience variance (i.e. Actual experience vs assumptions)	**0.95**	(1.09)
Present value of defined benefit obligations at the end of the year	**26.08**	21.96
ii. Reconciliation of opening and closing balances of the fair value of plan assets		
Fair value of plan assets at the beginning of the year		
Transfer in / (out) plan assets	**-**	-
Expenses deducted from the fund	**-**	-
Interest income	**-**	-
Return on plan assets excluding amounts included in interest income	**-**	-
Assets distributed on settlements	**-**	-
Contributions by the Company	**-**	-
Assets acquired in an amalgamation in the nature of purchase - -	**-**	-
Exchange differences on foreign plans	**-**	-
Benefits paid	**-**	-
Fair value of plan assets at the end of the year	**-**	**-**
iii. Reconciliation of the present value of defined benefit obligation and fair value of plan assets		
Present value of defined benefit obligations at the end of the year	26.08	21.96
Fair value of plan assets at the end of the year	-	-
Unrecognised past service cost	-	-
Net asset / (liability) recognized in the balance sheet as at the end of the year	**(26.08)**	**(21.96)**
iv. Composition of plan assets		
v. Expense recognised during the Year		
Current service cost	1.45	1.23
Past service cost	-	7.44
Interest cost	1.58	0.93
Expenses recognised in the statement of profit and loss	**3.03**	9.60

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
vi. Other comprehensive income		
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	0.14	(0.09)
Due to experience adjustments	0.95	(1.09)
Return on plan assets excluding amounts included in interest income	–	–
Components of defined benefit costs recognised in other comprehensive income	**1.09**	**(1.18)**
vii. Principal actuarial assumptions		
Discount rate (per annum)	**6.80%**	7.20%
Rate of return on plan assets (p.a.)	**–**	–
Annual increase in salary cost	**5.00%**	5.00%
Mortality Rate (% of IALM 06-08)	**100%**	100%

viii. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and withdrawal rates. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Defined benefit obligation (Base)	**26.09**	21.96

Particulars	For the Year Ended 31st March, 2019		For the Year Ended 31st March, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	**26.49**	**25.75**	22.27	21.69
(% change compared to base due to sensitivity	**1.53%**	**(1.30%)**	1.43%	(1.21%)
Salary growth rate (- / + 1%)	**25.73**	**26.50**	21.68	22.28
(% change compared to base due to sensitivity)	**(1.36%)**	**1.58%**	(1.27%)	1.48%
Attrition Rate (-/+50%)	**26.02**	**26.15**	21.89	22.02
(% change compared to base due to sensitivity)	**(0.26%)**	**0.23%**	(0.30%)	0.26%
Mortality Rate (-/+10%)	**25.98**	**26.19**	21.89	22.03
(% change compared to base due to sensitivity)	**(0.37%)**	**0.37%**	(0.31%)	(0.31%)

ix. Asset liability matching strategies

The Company account for the liabilities based on the actuarial valuation report and paid from its own resources whenever liabilities is crystallized. The projected liability statements is obtained from the actuarial valuer.

Notes to the Consolidated Financial Statements

x. Effect of plan on the Company's future cash flows

a) Maturity profile of defined benefit obligation

The average outstanding term of the obligations (years) as at valuation date is 2 years.

Expected cash flows over the next (valued on undiscounted basis):	**Cash Flow (₹)**
1 Year	22.47
2 to 5 Years	2.76
6 to 10 Years	0.34
More than 10 Years	5.49

Note No. 43 : Contribution to political parties during the year 2018-19 is Rs. Nil (previous year Rs. Nil)

Note No. 44 : There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2019

Note No. 45 : Events after the reporting period

There has been no events after the reporting date that require disclosure in financial statements.

Note No. 46 : Disclosure pursuant to Ind-AS 7 "Statement of Cash Flows" - Changes in liabilties arising from financing activities

(₹ in Lakhs)

Particulars	1st April , 2018	Cash flows	Changes in fair values	Others	**31st March, 2019**
Debt securities	-	-	-	-	-
Borrowings (other than debt securities	-	24,500	-	-	24,500
Subordinated debt	-	-	-	-	-

Particulars	1st April . 2017	Cash flows	Changes in fair values	Others	**31st March, 2018**
Dent securities	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-
Subordinated debt	-	-	-	-	-

Notes to the Consolidated Financial Statements

Note No. 47 : Financial instrument and fair value measurement

A. Accounting classifications and fair values

The carrying amount and fair value of financial instruments including their levels in the fair value hierarchy presented below:

(₹ in Lakhs)

	Carrying amount				Fair Value			
As at 31 March 2019	Amortised Cost	At fair value through profit or loss	Fair Value Through Other comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost								
Investments	5.00	-	-	-	-	-	-	-
Financial assets measured at fair value								
Invesetments	-	1,194.50	426,038.11	-	426,869.87		362.74	427,232.61
Financial assets not measured at fair value								
Cash and cash equivalents	45.27	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	85.60	-	-	-	-	-	-	-
Trade Receivables	52.04	-	-	-	-	-	-	-
Invesetments in Associates	-	-	-	109,026.40	-	-	-	-
Term Deposits of more than 12 months Maturity (earmarked)	1.10	-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	16.20	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	24,500.00	-	-	-	-	-	-	-
Other financial liabilities	654.39	-	-	-	-	-	-	-

(₹ in Lakhs)

	Carrying amount				Fair Value			
As at 31 March 2018	Amortised Cost	At fair value through profit or loss	Fair Value Through Other comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost								
Invesetments	5.00	-	-	-	-	-	-	-
Financial assets not measured at fair value								
Invesetments	-	16,332.06	488,090.83	-	504,060.15		362.74	504,422.89
Financial assets not measured at fair value	-	-	-	-	-	-	-	-
Cash and cash equivalents	29.31	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	42.71	-	-	-	-	-	-	-
Trade Receivables	24.55	-	-	-	-	-	-	-
Invesetments in Associates	-	-	-	84,188.38	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	60.59	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-
Other financial liabilities	538.60	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

	Carrying amount				Fair Value			
As at 31 March 2017	Amortised Cost	At fair value through profit or loss	Fair Value Through Other comprehensive Income	Others (At Cost)	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Invesetments	5.00	-	-	-	-	-	-	-
Financial assets measured at fair value								
Invesetments	-	13,928.21	409,713.00	-	423,278.47		362.74	423,641.21
Financial assets not measured at fair value								
Cash and cash equivalents	44.77	-	-	-	-	-	-	-
Bank balance other than cash and cash equivalents	42.40	-	-	-	-	-	-	-
Trade receivables	27.30	-	-	-	-	-	-	-
Invesetments in associates				92,861.93				-
Term Deposits of more than 12 months Maturity (earmarked)	278.50	-	-	-	-	-	-	
Financial liabilities not measured at fair value								
Trade payables	45.58	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-
Other financial liabilities	269.83	-	-	-	-	-	-	-

1) The Company has not disclosed the fair values for cash and cash equivalents, bank balances, Trade Receivables, Loans, term deposits, trade payables and other financial liabilities as these are short term in nature and their carrying amounts are a reasonable approximation of fair value.

2) The carrying amount of the investments in Associates are valued at Cost.

Reconciliation of level 3 fair value measurement is as follows: (Rs. In Lakhs)

	As at 31st March, 2019	As at 31st March, 2018
i) Loans		
Balance at the beginning of the year	**362.74**	362.74
Gain included in OCI	**-**	-
Net change in fair value (unrealised)	**-**	-
Addition during the year	**-**	-
Impairment in value of investments	**-**	-
Amount derecognised / repaid during the year	**-**	-
Amount written off	**-**	-
Balance at the end of the year	**362.74**	362.74

Notes to the Consolidated Financial Statements

Note No. 48 :

B. Measurement of fair values

i) Valuation techniques and significant unobservable inputs

The carrying amounts of financial assets and liabilities which are at amortised cost are considered to be the same as their fair values as there is no material differences in the carrying values presented.

ii) Financial instruments - fair value

The fair value of financial instruments as referred to in note (A) above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurement).

The categories used are as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices;

Level 2: The fair value of financial instruments that are not traded in active market is determined using valuation technique which maximizes the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value on instrument are observable, the instrument is included in level 2; and

Level 3: If one or more of significant input is not based on observable market data, the instrument is included in level 3.

iii) Transfers between levels I and II

There has been no transfer in between level I and level II.

iv) Valuation techniques

Investment in equity instruments

The majority equity instruments held by the Company are actively traded on stock exchanges with readily available active prices on a regular basis. Such instruments are classified as level 1.

Investments in mutual Funds are valued as per the NAV prevailing at the end of the financial years and such investments are classified as level 1.

Equity investments in unquoted instruments are fair valued using the valuation techniqueand accordingly classified as level 3.

C. Capital

The Company maintains an actively managed capital base to cover risks inherent in the business and is meeting the capital adequacy requirements of the NBFC's Sector regulator and supervisor, RBI. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI.

The Company has complied in full with all its externally imposed capital requirements over the reported period. Equity share capital and other equity are considered for the purpose of Company's capital management.

C.1 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Notes to the Consolidated Financial Statements

Note No. 49 : Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include Investments, Loan, Trade Receivables and Cash and Cash equivalents that derive directly from its operations.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's board of directors has an overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed to reflect changes in market conditions and the Company's activities.

The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations and arises principally from the Company's receivables from customers and loans.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry.

The Company's exposure to credit risk for loans and advances by type of counterparty is as follows

(₹ in Lakhs)

	Carrying Amount		
	As at 31 March 2019	As at 31 March 2019	As at 1st April 2017
Trade Receivables	**52.04**	24.55	27.30

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. For the purposes of this analysis, the trade receivables are categorised into groups based on days past due.

Investments

The major investments of the Company is in the group companies which includes investment in subsidiaries companies and an associate.

The company has also made investments in the units of mutual funds on the basis of risk and returns of the respective scheme.

Cash and cash equivalent and Bank deposits

Credit risk on cash and cash equivalent and bank deposits is limited as the Company generally invests in term deposits with banks.

Notes to the Consolidated Financial Statements

2) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

The Company is monitoring its liquidity risk by estimating the future inflows and outflows during the start of the year and planned accordingly the funding requirement. The Company manages its liquidity by term loans, inter-corporate deposit and investment in mutual funds.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments along with its carrying value as at the balance sheet date.

(₹ in Lakhs)

	Upto 12 months	More than 12 months	Total
As at 31 March 2019			
Trade payable	16.20	-	16.20
Borrowings	14,500.00	10,000.00	24,500.00
Other financial liabilities	54.13	600.26	654.39
As at 31 March 2018			
Trade payable	60.59	-	60.59
Borrowings	-	-	-
Other financial liabilities	538.04	0.56	538.60
As at 1 April 2017			
Trade payable	45.58	-	45.58
Borrowings	-	-	-
Other financial liabilities	269.23	0.60	269.83

3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk includes interest rate risk and foreign currency risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Note No. 50 : Revenue from contracts with customers.

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to profit and loss account

(₹ in Lakhs)

	For the Year Ended 31 March, 2019	For the Year Ended 31 March, 2018
Type of income		
Interest on Inter-Corporate Deposit	-	-
Rental Income	140.76	144.60
Service Charges	37.71	52.17
Total revenue from contracts with customers	**178.47**	196.77

Notes to the Consolidated Financial Statements

Geographical markets		
India	178.47	196.77
Outside India	-	-
Total revenue from contracts with customers	**178.47**	196.77
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	**178.47**	196.77
Total revenue from contracts with customers	**178.47**	196.77

Note No. 51 : Explanation to transition to Ind AS
As stated in Note 1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2018, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP").

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended 31 March 2019 including the comparative information for the year ended 31 March 2018 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2017.

In preparing the Ind AS balance sheet as at 1 April 2017 and in presenting the comparative information for the year ended 31 March 2018, the Company has adjusted amounts reported previously in the financial statements prepared in accordance with Previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with Previous GAAP, and how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions
In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed
1. Property plant and equipment
As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a Previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
-fair value;
-or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

(iii) use carrying values of property, plant and equipment and investment properties as on the date of transition to Ind AS (which are measured in accordance with Previous GAAP) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under Previous GAAP for all the items of property, plant and equipment.

Notes to the Consolidated Financial Statements

2. Investments in associate

Ind-AS 101 allows a first-time adopter to use a deemed cost when measuring an investment in a associate in the separate opening statement of financial position. This deemed cost can be determined using either fair value at the date of transition to Ind-AS or a Previous GAAP carrying amount at that date. A first-time adopter is able to choose whether to use the deemed cost exemption on an investment-by-investment basis for its associate.

Accordingly, the Company has elected to avail the exemption and use the Previous GAAP carrying value as deemed cost.

3. Designation of previously recognised financial instruments

Ind AS 101 permits an entity to designate particular equity investments (other than equity investments in subsidiaries, associates and joint arrangements) as at FVOCI based on facts and circumstances at the date of transition toInd AS (rather than at initial recognition).

The Company has opted to avail this exemption to designate equity investments (other than investment in subsidiaries and associate) as FVOCI on the date of transition.

B. Mandatory exceptions

1. Accounting estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under Previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVOCI.
- Financial instruments designated at fair value through profit or loss.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Determination of OCI Components by re measurement of defined benefit plans
- Classification of equity and liability.

2. Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109 - Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition.

Notes to the Consolidated Financial Statements

Reconciliation of equity*

(₹ in Lakhs)

Particulars	Note	As at date of transition 1 April 2017			As at date of transition 31 March, 2018		
		Previous GAAP #	Adjustment on transition to Ind AS	Ind AS	Previous GAAP #	Adjustment on transition to Ind AS	Ind AS
ASSETS :							
Financial Assets							
Cash & cash equivalents		44.77	-	44.77	29.31	-	29.31
Bank balances other than (a) above		42.40	-	42.40	42.71	-	42.71
Receivables			-			-	
(I) Trade receivables		27.30	-	27.30	24.55	-	24.55
(II) Other receivables		-	-	-	-	-	-
Investments	1,2	120,918.34	395,589.80	516,508.14	147,587.73	441,028.54	588,616.27
Others Financial Assets		278.50	-	278.50	-	-	-
		121,311.31	**395,589.80**	**516,901.11**	**147,684.30**	**441,028.54**	**588,712.84**
Non-Financial Assets							
Current Tax Assets (Net)		351.68	-	351.68	403.23	-	403.23
Deferred Tax Assets (Net)		-	-	-	-	-	-
Investment Property		588.30	-	558.30	503.90	-	503.90
Property, Plant & Equipment		0.10	-	0.10	0.46	-	0.46
Other Non Financial Assets	3	129.55	(69.28)	60.27	75.30	-	75.30
		1,039.63	**(69.28)**	**970.35**	**982.89**	**-**	**982.89**
TOTAL ASSETS		**122,350.94**	**395,520.52**	**517,871.46**	**148,667.19**	**441,028.54**	**589,695.73**

Notes to the Consolidated Financial Statements

(₹ in Lakhs)

Particulars	Note	As at date of transition 1 April 2017 Previous GAAP #	Adjustment on transition to Ind AS	Ind AS	As at date of transition 31 March, 2018 Previous GAAP #	Adjustment on transition to Ind AS	Ind AS
LIABILITIES AND EQUITY :							
Liabilities							
Financial Liabilities							
Payables			-			-	
(I) Trade Payables			-			-	
(i) total outstanding dues of micro enterprises and small enterprises		-		-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		**45.58**	-	45.58	60.59	-	60.59
(II) Other Payables			-			-	
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-		-	-
Other Financial liabilities		**269.83**	-	269.83	538.60	-	538.60
		315.41	**-**	**315.41**	**599.19**	**-**	**599.19**
Non-Financial Liabilities :							
Current Tax Liabilities (net)		2.42	-	2.42	-	-	-
Provisions		168.14	-	168.14	179.51	-	179.51
Deferred tax liabilities (Net)	4	-	435.19	435.19	-	581.32	581.32
Other Non Financial liabilities		4.87	-	4.87	45.26	-	45.26
		175.43	**435.19**	**610.62**	**224.77**	**581.32**	**806.09**
Equity							
Equity share capital		790.88	-	790.88	790.88	-	790.88
Other equity		121,069.22	395,085.33	516,154.55	147,052.35	440,447.22	587,499.57
		121,860.10	**395,085.33**	**516,945.43**	**147,843.23**	**440,447.22**	**588,290.45**
TOTAL LIABILITIES AND EQUITY		**122,350.94**	**395,520.52**	**517,871.46**	**148,667.19**	**441,028.54**	**589,695.73**

Notes to the Consolidated Financial Statements

Reconciliation of total comprehensive income for the year ended 31 March 2018*

(Rs. In Lakhs)

	Note	Previous GAAP #	Adjustment on transition to Ind AS	Ind AS
Revenue From operations				
Interest income		15.24	-	15.24
Dividend income		2,105.61	-	2,105.71
Net gain on fair value changes	2	11.23	710.74	721.87
Others		196.77	-	196.77
Total revenue from operations		**2,328.95**	**710.74**	**3,039.59**
Other income		15.43	-	**15.43**
Total income		**2,344.28**	**710.74**	**3,055.02**
EXPENSES				
Finance cost		34.69	-	34.69
Employee benefit expense	5	137.35	1.20	138.55
Depreciation and amortization expense		54.63	0.01	54.64
Other expenses	3	337.92	(69.28)	268.64
Total expenses		**564.59**	**(68.07)**	**496.53**
Profit before exceptional items and tax		**1,779.66**	**778.71**	**2,558.50**
Exceptional items		**(262.80)**		(262.80)
Profit before tax		**1,516.99**	**778.71**	**2,295.70**
Tax expenses				
1)Current tax		55.61	(0.01)	55.60
2)MAT credit entitlement		(43.08)	-	(43.08)
3)Deferred tax	4	-	273.22	273.22
		12.53	**273.21**	**285.74**
Profit for the year		**1,504.46**	**505.50**	**2,009.96**
Share of profit in an associate company		**10,417.00**	970.00	11,387.00
Profit for the year		**11,921.46**	**1,475.50**	**13,396.96**
Other comprehensive income	**6**			
Items that will not be reclassified to profit or loss	1	-	60,483.61	60,483.61
Income tax relating to items that will not be reclassified to profit or loss	4	-	(127.10)	(127.10)
Subtotal (A)		**-**	**60,610.71**	**60,610.71**
Items that will be reclassified to profit or loss		**-**	**-**	**-**
Income tax relating to items that will be reclassified to profit or loss		**-**	**-**	**-**
Subtotal (B)				
Other comprehensive income		**-**	**60,610.71**	**60,610.71**
Total comprehensive income for the year (comprising profit and other comprehensive income for the year)		**11,921.46**	**62,086.21**	**74,007.67**
Earnings per equity share (FV Rs. 10/-)				
1) Basic (Rs.)				169.39
2) Diluted (Rs.)				169.39

Notes to the Consolidated Financial Statements

* Ind AS 101 requires reconciliations of its equity reported in accordance with previous GAAP to its equity in accordance with Ind AS and a reconciliation to its total comprehensive income in accordance with Ind AS for the latest period in the entity's most recent annual financial statements. The Company has chosen to provide reconciliation of amount reported in accordance with previous GAAP to amount reported under Ind AS for each line item of balance sheet and statement of profit and loss as an additional disclosure
# The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to the reconciliation

1) **Fair value through other comprehensive income of financial assets**
Investments
Under Previous GAAP, the Company accounted for long term investments in unquoted and quoted equity shares as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, financial assets representing investment in equity shares of entities other than subsidiaries and associate have to be fair valued. At the date of transition to Ind AS, difference between the instruments fair value and Previous GAAP carrying amount has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes. Accordingly, an amount of Rs. 4,24,238.67 lakh has been recognised in OCI for the year ended 31 March 2018 including an amount of Rs. 3,61,539.27 lakhs has been recognised as increase as on 1 April 2017.

2) **Investments - at vair value through profit or loss**
Under Previous GAAP, the Company accounted for current investments in mutual funds as investment measured at lower of cost or net realisable value. Under Ind AS, financial assets representing investment in mutual funds has been valued as investments designated at fair value through profit or loss. At the date of transition to Ind AS, difference of Rs. 333.67 Lakhs between the instruments fair value and Previous GAAP carrying amount has been recognised in the retained earnings net of related deferred taxes as on 1 April, 2017. Further an amount of Rs. 454.49 lakhs has been recognised in OCI for the year ended 31 March 2018.

3) **De-recognition of assets**
Rs. 69.28 Lakhs being the amount paid against the claim made by a bank on the basis of a guarantee given in earlier year has been dereognised as deposit and adjusted in retained earning an the date of transition.

4) **Deferred tax liabilities (net)**
Previous GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences arising on account of transitional differences adjustments which were not required under Previous GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

5) **OCI defined befined plan**
Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under Previous GAAP, the Company recognised actuarial gains and losses in the statement of profit or loss. However, this has no major impact on the total comprehensive income and total equity as on 1 April

Notes to the Consolidated Financial Statements

2017 or as on 31 March 2018.

6) Other comprehensive income

Under Previous GAAP, the Company did not present OCI separately. Hence, it has reconciled Previous GAAP profit and loss to profit and loss as per Ind AS. Further, Previous GAAP profit and loss is reconciled to total comprehensive income as per Ind AS.

Note No: 52 The list of subsidiaries and associate included in the consolidated financial statement are as under:

Name of Subsidiary/ Associate	Proportion of Ownership Interest (%)	Proportion of Voting Power held (%)	Proportion of Ownership Interest (%)	Proportion of Voting Power held (%)	Proportion of Ownership Interest (%)	Proportion of Voting Power held (%)
Subsidiaries						
PIC Realcon Limited	100	100	100	100	100	100
PIC Properties Limited	100	100	100	100	100	100
Associates						
Century Textiles and Industries Limited	33.11	33.11	30.64	30.64	30.64	30.64

Note No. 52 : 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 as on 31st March 2019

Name of the entity in the Group	Net assets, i.e., total assets minus Total Liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of conso -lidated net Assets	399,909.09 399,909.09 Amount	As % of conso -lidated profit or loss	Amount	As % of conso -lidated other comprehensive Income	Amount	As % of conso -lidated total comprehensive Income	Amount
Parent: Pilani Investments & Industries Corporation Limited	78.29	399,909.09	4.00	926.14	99.06	(75,706.48)	140.30	(74,780.34)
Subsidiaries:								
Indian								
PIC Properties Limited	(0.04)	(216.39)	(0.01)	(3.38)	-	-	0.01	3.38
PIC Realcon Limited	0.40	2,049.39	0.30	69.86	(0.47)	356.51	(0.79)	426.37
Non-controlling Interests in all subsidiaries	-	-	-	-	-	-	-	-
Associates (Investment as per the equity method):								
Indian								
Century Textiles & Industries Ltd	21.35	109,026.40	95.71	22,137.00	1.41	(1,079.00)	(39.51)	21,058.00
Total	**100.00**	**510,768.49**	**100.00**	**23,129.62**	**100.00**	**(76,428.97)**	**100.00**	**(53,299.35)**

Notes to the Consolidated Financial Statements

Note No. 53 : The Company has applied to the Reserve Bank of India ("RBI") for its conversion from Non-Banking Financial Company to Core Investment Company and the approval from RBI is awaited.

Note No. 54 : Previous year previous GAAP figures have been regrouped / reclassified to make them comparable with Ind AS presentation.

Note No. 55 : The above consolidated financial statements have been reviewed by the audit committee and subsequently approved by the Board of Directors at its meeting held on 30th May, 2019.

As per report of our even date

For and on behalf of the Board of Directors of Pilani Investment and Industries Corporation Limited

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C

Amit S. Vidyarthi
Partner
Membership No. F-078296
Place : Kolkata
Dated : 30th May, 2019

Rajashree Birla
Chairperson
(DIN:00022995)

Giriraj Maheswari
Director
(DIN:00796252)

Yazdi P Dandiwala
Director
(DIN:01055000)

R. P. Pansari
Chief Executive Officer

N. K. Baheti
Chief Financial Officer

R. S. Kashyap
Company Secretary

Place : Mumbai
Dated: 30th May 2019