



**PILANI INVESTMENT AND
INDUSTRIES
CORPORATION LIMITED**

71st
**ANNUAL REPORT
AND ACCOUNTS
2017 - 2018**

DIRECTORS

(as on 29.05.2018)

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

CHIEF EXECUTIVE OFFICER

SHRI R. P. PANSARI

CHIEF FINANCIAL OFFICER

SHRI N. K. BAHETI

COMPANY SECRETARY

SHRI R. S. KASHYAP

AUDITORS

M/S. VIDYARTHI & SONS
CHARTERED ACCOUNTANTS
L-3, 1ST FLOOR, "MADHUVAN"
GANDHI NAGAR, GWALIOR - 474 002

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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

Notice for 71st 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.

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DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 71st Annual Report of the Company along with the Audited Statements of Accounts for the year ended 31st March, 2018. The Financial Results for the year are shown below:-

FINANCIAL RESULTS

	(₹ in Lakhs)	
	<u>2017-2018</u>	<u>2016-2017</u>
Profit from operations, Dividend, Interest and Rental Income	3672.31	4920.27
Less: Depreciation	54.11	63.10
Profit before tax	3618.20	4857.17
Less: Provision for taxation	55.00	460.00
Add : MAT credit entitlement	43.08	197.34
Profit after taxation	3606.28	4594.51
Add: Balance brought forward	20806.28	17130.67
Profit available for appropriation	24412.56	21725.18
Appropriations :		
Special Reserve	721.26	918.90
Equity Dividend	1977.18	-
Tax on Equity Dividend	402.47	-
Balance carried forward	21311.65	20806.28
	24412.56	21725.18

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.

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 the report.

DIRECTORS' REPORT — (Contd.)

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

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

INTERNAL FINANCIAL CONTROL

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

DIVIDEND

The Board of Directors has recommended a dividend of ₹25/- (Rupees Twenty Five only) per equity share of ₹10/- each equivalent to 250 % (Two hundred fifty percent) on the paid up equity share capital of the Company for the year ended 31st March, 2018 which is same as was paid in the previous year. The dividend will be paid when declared by the shareholders in accordance with law. The dividend will be free of tax in the hands of the shareholders. The Company will have to pay dividend distribution tax at the rate of 15 % plus applicable surcharge and education cess, aggregating to about 20.358 % 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, 2018 and the entire surplus of ₹ 21311.65 Lakhs is proposed to be retained in the Profit and Loss Account.

DIRECTORS

Shri Kumar Mangalam Birla (DIN: 00012813) will be retiring at the ensuing 71st Annual General Meeting and being eligible, offers himself for being re-elected.

All the Independent Directors of the Company had a separate meeting to review the performance and evaluation of Non-Independent Directors and the Board as a whole. The Nomination and Remuneration Committee of the Company also evaluated the performance of 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, expertise etc. The Board after taking into consideration the evaluation as done by the Nomination and Remuneration Committee and by the Independent Directors, carried out an annual evaluation of its own performance and that of its Committees and individual Directors. The overall outcome of such evaluation was that the Board, its Committees and its individual Directors have performed effectively and satisfactorily.

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

All Directors including Independent Directors and Key Managerial Personnel of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and Employees of the Company and the Declaration in this regard has been made by the Chief Executive Officer which forms a part of this report as an Annexure.

DIRECTORS' REPORT — (Contd.)

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies as mentioned in Note 2.1 of Notes to Financial Statements and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31st March, 2018 and of the profit of the Company for the financial year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CEO/CFO CERTIFICATION

As required by Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the CEO and CFO certification 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 at the National Stock Exchange of India Limited and BSE Limited.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as at 31st March, 2018 is attached as Annexure- A in the prescribed form MGT- 9, 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, Managing Director upto 6th May, 2017 and Chief Executive Officer with effect from 7th May, 2017, 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, 2018 are mentioned in the Extract of the Annual Return which is attached as Annexure - A and forms part

DIRECTORS' REPORT — (Contd.)

of this report.

TRANSACTIONS WITH RELATED PARTIES

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

CORPORATE GOVERNANCE

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

AUDIT COMMITTEE

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming part of the 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 meeting to give clarifications on 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 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 has contributed ₹ 20 Lakhs to various Trusts/Institutions working in

DIRECTORS' REPORT — (Contd.)

the areas which are in consonance with the CSR policy of the Company.

The details of CSR expenditure in prescribed form are given in Annexure- D which forms part of this report.

SUBSIDIARIES/ASSOCIATE COMPANIES

The Company has two Subsidiaries and one Associate as on 31st March, 2018. Pursuant to the provisions of Section 129 (3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's Subsidiaries/Associate in Form AOC-1 is attached with this report. During the financial year under review Kesoram Industries Limited has ceased to be an Associate Company.

Century Textiles and Industries Limited ("Century"), an Associate Company, has informed the National Stock Exchange of India Limited and BSE Limited that the Board of Directors of the said company has approved a draft scheme for the demerger of its Cement Business into UltraTech Cement Limited ("UltraTech Cement") which is subject to necessary approvals by various statutory and regulatory authorities as may be required. Pursuant to the said scheme, for every 8 (eight) fully paid up equity shares of ₹ 10/- each held in Century, 1 (one) fully paid up equity share of ₹ 10/- each of UltraTech Cement will be allotted.

SECRETARIAL AUDIT

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

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.

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 needed at the ensuing AGM.

AUDITORS REPORT

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

EMPLOYEES

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

DIRECTORS' REPORT — (Contd.)

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 any 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 except an Inter Corporate Deposit of ₹ 600 Lakhs given to one of the wholly owned subsidiary companies bearing interest.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard – 21 and form part of the 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. No particulars with regard to Foreign Exchange Earnings and Outgo are required as the Company has no such transactions.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, unpaid/unclaimed dividend for the financial year 2009-2010 has been transferred to the Investor Education and Protection Fund in accordance 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 has also transferred 14,754 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 co-operation 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

A. K. Kothari

Director

(DIN: 00051900)

D.K. Mantri

Director

(DIN: 00075664)

Kolkata
May 29, 2018

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	31.03.2018	31.03.2018	31.03.2018
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	-	(219.31)	265.87
6.	Total assets	-	343.34	448.05
7.	Total Liabilities	-	343.34	448.05
8.	Investments	-	35.74	446.01
9.	Turnover	-	23.54	64.80
10.	Profit before taxation	-	(283.31)	64.11
11.	Provision for taxation	-	0.60	-
12.	Profit after taxation	-	(283.91)	64.11
13.	Proposed Dividend	-	-	-
14.	% of shareholding	96.83%	100%	100%

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

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

Part : "B" : Associates and Joint Ventures

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

(₹ in Lakhs)

Name of Associates / Joint Ventures	Century Textiles and Industries Limited
1. Latest Audited Balance Sheet Date	31.03.2018
2. Shares of Associate/Joint Ventures held by the company on year end	30.64%
No of Shares	3,42,20,520
Amount of Investment in Associates /Joint Venture	1,5857.51
Extend of Holding %	30.64%
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	76,548.21
6. Profit/Loss for the year	
i. Considered in Consolidation	10,417.00
ii. Not Considered in Consolidation	N. A.

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

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

For and on behalf of the Board of Directors

Kolkata
May 29, 2018**A. K. Kothari**
Director
(DIN: 00051900)**D.K. Mantri**
Director
(DIN: 00075664)

Form No. AOC-2

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

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

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

For and on behalf of the Board of Directors

Kolkata
May 29, 2018

A. K. Kothari
Director
(DIN: 00051900)

D.K. Mantri
Director
(DIN: 00075664)

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN**as on the financial year ended on 31st March, 2018**

[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 : Birla Building, 14th Floor
and contact details : 9/1, R. N. Mukherjee Road, Kolkata- 700001
Phone: 033 30573700/ 30410900
E-mail- pilaniinvestment1@gmail.com
Website: www.pilaniinvestment.com
- vi) Whether listed company : Yes
a) National Stock Exchange of India Limited
b) BSE Limited
- vii) Name, Address and Contact : M/s Niche Technologies Pvt. Ltd.
details of Registrar and Transfer : D- 511, Bagree Market, 71, B. R. B. Basu Road
Agent, if any : Kolkata- 700001
Phone: 033 22357270/7271
E-mail : nichetechpl@nichetechpl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Activities of Holding Companies	64200	94.76

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name And Address of The Company	CIN	Holding / Subsidiary / Associate	% of Shares Held	Applicable Section
1	Century Textiles and Industries Limited Dr. Annie Besant Road, Worli, Mumbai - 400 030	L17120MH1897PLC000163	Associate	30.64	2(6)
2	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

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0	87843	0	87843	1.11	1.11
b) Banks/FI	19350	450	19800	0.25	19300	400	19700	0.25	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital	0	0	0	0	0	0	0	0	0
i) Others(Specify)	23	0	23	0	12449	0	12449	0.16	0.16
FPI-Corporate Cat-II									
Sub-total (B)(1)	19373	450	19823	0.25	119592	400	119992	1.52	1.27
2.Non-Institutions									
a) Bodies Corp.									
i) Indian	416013	1983087	2399100	30.33	422458	1982606	2405064	30.41	0.08
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	512334	83286	595620	7.53	510371	64930	575301	7.27	-0.26
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	112505	0	112505	1.42	132989	0	132989	1.68	0.26

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C) Others (Specify)									
1. NRI / OCB	20576	769	21345	0.27	20539	0	20539	0.26	-0.01
2. Clearing Mem.	193441	0	193441	2.45	73195	0	73195	0.92	-1.52
3. Trust	15500	0	15500	0.20	15500	0	15500	0.20	0.00
4. Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
5. IEPF Authority	0	0	0	0	14754	0	14754	0.19	0.19
Sub-total (B)(2)	1270369	2067142	3337511	42.20	1189806	2047536	3237342	40.93	-1.27
Total Public Shareholding (B)=(B)(1)+(B)(2)	1289742	2067592	3357334	42.45	1309398	2047936	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)	5841158	2067592	7908750	100.00	5860814	2047936	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			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Aditya Marketing & Manufacturing Ltd.	2735494	34.59	Nil	2735494	34.59	Nil	Nil
2	B. K. Birla Foundation	17521	0.22	Nil	17521	0.22	Nil	Nil
3	Birla Educational Institution	16500	0.21	Nil	16500	0.21	Nil	Nil
4	Central India General Agents Limited	300	0.00	Nil	300	0.00	Nil	Nil
5	Manav Investment & Trading Co. Ltd.	8700	0.11	Nil	8700	0.11	Nil	Nil
6	Manjushree Plantations Ltd.	8500	0.11	Nil	0	0	Nil	-0.11
7	Padmavati Investment Limited	1398486	17.69	Nil	1406986	17.80	Nil	0.11
8	Jayantika Investment & Finance Ltd.	6700	0.09	Nil	6700	0.09	Nil	Nil
9	Prakash Educational Society	355807	4.49	Nil	355807	4.49	Nil	Nil
10	Zenith Distributors & Agents Limited	3408	0.04	Nil	3408	0.04	Nil	Nil
		4551416	57.55	Nil	4551416	57.55	Nil	Nil

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

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

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus / sweat equity etc.				
	1. 14.09.2017 Transfer *	(8,500)	0.11	4542916	57.44
	2. 14.09.2017 Transfer #	8,500	0.11	4551416	57.55
	At the End of the year			4551416	57.55

* Shares sold by Manjushree Plantations Limited

Shares purchased by Padmavati Investment 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	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1.	The Punjab Produce & Trading Co. Ltd.				
	a) At the beginning of the year	1385223	17.51		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			1385223	17.51
2.	Gwalior Webbing Co. Ltd.				
	a) At the beginning of the year	454168	5.74		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			454168	5.74
3.	Comfort Intech Limited				
	a) At the beginning of the year	184000	2.32		
	b) Changes during the year				
	29.12.2017 - Transfer	(1000)	0.01	183000	2.31
	19.01.2018 - Transfer	(45000)	0.57	138000	1.74
	26.01.2018 - Transfer	(76000)	0.96	62000	0.78
	c) At the end of the year			62000	0.78

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

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

4. Comfort Intech Limited

		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	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	140347	1.77		
	b) Changes during the year				
	12.01.2018 - Transfer	(2500)	0.03	137847	1.74
	19.01.2018 - Transfer	(5000)	0.06	132847	1.68
	26.01.2018 - Transfer	(10000)	0.13	122847	1.55
	09.03.2018 - Transfer	(10000)	0.13	112847	1.42
	c) At the end of the year			112847	1.42
6.	Baroda Agents & Trading Co. Ltd.				
	a) At the beginning of the year	68707	0.87		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			68707	0.87
7.	Punjab Produce Holdings Ltd.				
	a) At the beginning of the year	52750	0.66		
	b) Changes during the year			No changes during the year	
	c) At the end of the year			52750	0.66
8.	Rajkumar Nevetia				
	a) At the beginning of the year	70000	0.88		
	b) Changes during the year				
	19.01.2018- Transfer	(20000)	0.25	50000	0.63
	26.01.2018 - Transfer	(50000)	0.63	0	0.00
	c) At the end of the year				0.00
9.	Man Made Fibres Private Limited				
	a) At the beginning of the year	56500	0.71		
	b) Changes during the year				
	09.06.2017 –Transfer	(29300)	0.37	27200	0.34
	29.12.2017 –Transfer	(550)	0.00	26650	0.34
	05.01.2018 –Transfer	(15950)	0.20	10700	0.14
	19.01.2018 –Transfer	(10700)	0.14	0	0.00
	c) At the end of the year			0	0.00
10.	Keen Investment and Finance Limited				
	a) At the beginning of the year	39500	0.50		

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	b) Changes during the year				
	09.06.2017 - Transfer	(39000)	0.49	500	0.01
	21.12.2017 - Transfer	23000	0.29	23500	0.30
	29.12.2017 - Transfer	4300	0.05	27800	0.35
	05.01.2018 - Transfer	(27800)	0.35	0	0.00
	c) At the end of the year			0	0.00
11.	Hitesh Satishchandra Doshi				
	a) At the beginning of the year	0	0.00		
	b) Changes during the year				
	19.01.2018 - Transfer	28571	0.36	28571	0.01
	26.01.2018 - Transfer	37000	0.47	65571	0.83
	c) At the end of the year			65571	0.83
12.	ICICI Lombard General Insurance Company				
	a) At the beginning of the year	0	0.00		
	b) Changes during the year				
	26.01.2018 - Transfer	78000	0.99	78000	0.99
	c) At the end of the year			78000	0.99
13.	Resham Resha Private Ltd.				
	a) At the beginning of the year	1350	0.01		
	b) Changes during the year				
	09.06.2017 - Transfer	20500	0.26	21850	0.27
	29.12.2017 - Transfer	(1000)	0.01	20850	0.26
	05.01.2018 - Transfer	(20850)	0.26	0	0.00
	19.01.2018 - Transfer	646	0.01	646	0.01
	26.01.2018 - Transfer	50000	0.63	50646	0.64
	31.03.2018 - Transfer	19306	0.24	69952	0.88
	c) At the end of the year			69952	0.88
14.	SBI Small and Midcap Fund				
	a) At the beginning of the year	0	0.00		
	b) Changes during the year				
	19.01.2018 - Transfer	87843	1.11	87843	1.11
	c) At the end of the year			87843	1.11

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors & KMP				
1.	Shri B. K. Birla	0	0	0	0
2.	Shri Kumar Mangalam Birla	0	0	0	0
3.	Shri D. K. Mantri	100	0	100	0
4.	Shri A. K. Kothari	70	0	70	0
5.	Shri A. V. Jalan	0	0	0	0
6.	Smt. Surbhi Singhi	0	0	0	0
7.	Shri R. P. Pansari	0	0	0	0
8.	Shri N. K. Baheti	0	0	0	0
9.	Shri R. S. Kashyap	0	0	0	0

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹ in Lakhs)
Indebtedness at the beginning of the Financial Year i. e. on 01.04.2017				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ ii + iii)	Nil	Nil	Nil	Nil
Change in indebtedness during the Financial Year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
(Net Change)	Nil	Nil	Nil	Nil
Indebtedness at the end of the Financial Year i. e. on 31.03.2018				
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

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 Shri R. P. Pansari (up to 6th may 2017)	Total Amount
---------	-----------------------------	--	--------------

1. Gross Salary

(a)	Salary as per provision contained in Section 17(1) of the Income Tax Act, 1961	7.36	
(b)	Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	0	
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	
2.	Stock Option	0	
3.	Sweat Equity	0	
4.	Commission – As a % of profit	0	
5.	Others, please specify - Provident Fund	0.71	8.07
	TOTAL (A)		8.07

Ceiling as per the Act.

Remuneration is within limits of provisions of Law

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	3.98
Commission	NIL
Others, please specify	NIL
TOTAL (1)	3.98

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

Fee for attending Board/Committee meetings	1.20
Commission	NIL
Others, please specify	NIL
TOTAL (2)	1.20

Total (B) = (1 + 2)	5.18
Total Managerial Remuneration	5.18

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 (w.e.f.07.05.2017)	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	66.64	19.39	6.76	92.79
	(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.	6.48	1.80	0.66	8.94
	TOTAL (A)	73.12	21.19	7.42	101.73

VII. PENTALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

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

NOMINATION AND REMUNERATION POLICY

1. Preamble

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

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

2. Objectives

The Key Objectives of the Committee would be :

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

3. Applicability

The Policy shall be applicable to :

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

4. Role of the Committee

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

5. Duties of Committee

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

(A) Nomination matters includes :

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

(B) Remuneration matters includes :

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

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

6. Minutes of Committee Meeting

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

7. Amendment

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

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

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

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

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

2. Objectives

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

3. Activities and Implementation

a. Areas for Activities

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

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

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

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

b. Implementing Agency

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

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

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

4. Resources

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

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

5. Monitoring

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

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

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

6. General

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

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

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

ANNEXURE - D

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

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

2. The Composition of the CSR Committee.

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

3. Average net profit of the company for the last three financial years : 501.00

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : 10.02

5. Details of CSR spent during the financial year;

(a) Total amount to be spent for the financial year : 10.02

(b) Amount unspent, if any : Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local Area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads : (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
1	Pomoting Health Care	Pomoting Health Care	-	-	-	-	10.00
2	Enhancing Vocational skills and livelihood enhancement projects	Enhancing Vocational skills and livelihood enhancement projects	-	-	-	-	5.00

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
3	Animal Welfare	Animal Welfare / Animal Care	-	-	-	-	5.00
TOTAL							20.00

* CSR expenditure made through various trusts.

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

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

For and on behalf of the Board of Directors

Kolkata
May 29, 2018

A. K. Kothari
Director
(DIN: 00051900)

D.K. Mantri
Director
(DIN: 00075664)

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

*[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, 2018 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, 2018 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (v) RBI – Prudential norms / forms for NBFC - ND-SI and the rules made thereunder
- We have also examined compliance with the applicable clauses of the following:
- i. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below :

i) The Company has filed form DIR-12 dated 07th May 2017, vide SRN G46946240, with additional fees as prescribed under proviso to the section 403(1) of the Companies Act, 2013.

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 subject to review by statutory financial audit and other designated professionals.

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

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

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

We further report that:

i. Mr. Rajendra Prasad Pansari, resigned from the Board of Directors as well as Managing Director and was appointed as the Chief Executive Officer (CEO), with effect from 07th May 2017.

ii) 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 : 17.05.2018

ANNEXURE- F

Particulars of Employees

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

<u>Requirements of Rule 5(1)</u>	<u>Details</u>
(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year;	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 2017-2018 as because the Company does not have any Whole Time Director. 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- N.A. Shri N. K. Baheti, Chief Financial Officer-26.00% Shri R. S. Kashyap, Company Secretary-17.94%
(iii) The percentage increase in the median remuneration of employees in the financial year	: 16.20%
(iv) The number of permanent employees on the rolls of company	: 5 employees as on 31.03.2018
(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 10.34% 2. Average salary increase of Managerial Persons is 21.97% due to higher responsibilities
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the Year ended 31 st March, 2018 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Kolkata May 29, 2018	A. K. Kothari Director (DIN: 00051900)	D.K. Mantri Director (DIN: 00075664)
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PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

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

Sl. No.	Name	Age	No. of Shares Held	Designation/ Nature of Duties	Gross Remuneration (₹)	Qualification	Experience (years)	Date of commencement of employment	Previous Employment & position held
1	Shri R. P. Pansari (ceased to be the Managing Director w.e.f. 06.05.2017)	71	NIL	Managing Director/ Head of Company Operation	8,07,635	FCA	51 Years	14.02.2017	Senior President Essel Mining & Industries Ltd.
2	Shri R. P. Pansari (appointed as Chief Executive Officer w.e.f. 07.05.2017)	71	NIL	Chief Executive Officer Head of Company Operation	73,12,365	FCA	51 Years	07.05.2017	Senior President Essel Mining & Industries Ltd.

NOTES :

1. Remuneration received includes salary, allowances and Company's contribution to retirement funds etc. computed on the basis of the Income Tax Act and Rules.
2. No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(2)(iii) of the captioned Rules is not applicable to any employee.

REPORT ON CORPORATE GOVERNANCE

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 industrialists/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	4	–	–	–
Shri Kumar Mangalam Birla (DIN : 00012813)	Non-Executive	8	9	–	–
Shri D. K. Mantri (DIN : 00075664)	Non-Executive*	3	15	–	–
Smt. A. K. Kothari (DIN : 00051900)	Non Executive*	4	1	4	–
Shri A. V. Jalan (DIN : 01455782)	Non-Executive	2	10	–	–
Smt. Surbhi Singhi (DIN : 03275338)	Non Executive*	6	0	4	–

- 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. Wherever it is not practicable to attach the concerned document to the Notes on Agenda, the same is tabled before the meeting.
- d. A separate meeting of the Independent Directors of the Company was held on 30th December, 2017 and all the Independent Directors were present at the said meeting.

C. Code of Conduct

The Company has laid down a Code of Conduct for all the 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 2017-2018. There were no material financial and commercial transactions in which the Senior Management Personnel had personal interest, which would lead to potential conflict of interest of the Company during the year. The Code of Conduct is available on Company's website.

D. Audit Committee

- (i) The Audit Committee is comprised of four Non-Executive Directors viz.
(1) Shri D. K. Mantri (2) Shri A. K. Kothari (3) Shri A. V. Jalan and (4) Smt. Surbhi Singhi
Shri D.K. Mantri, Shri A. K. Kothari and Smt. Surbhi Singhi being Independent Non-Executive Directors.
- (ii) Audit Committee meetings were held on 29-05-2017, 08-08-2017, 11-11-2017 and 14-02-2018. The attendance record of the Audit Committee Members is as under :-

<u>Name of the Audit Committee Members</u>	<u>No. of Meetings Attended</u>
Shri D. K. Mantri	4
Shri A. K. Kothari	4
Shri A. V. Jalan	1
Smt. Surbhi Singhi	1
- (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 to recommend / review remuneration of the Managing Director and/or Wholetime Directors as per requirement.

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

The terms of reference of the Nomination and Remuneration Committee cover all the areas mentioned under Regulation 19(4) of the SEBI (Listing Obligations & Disclosure Requirements)

Regulations, 2015 as prescribed by SEBI and Section 178 of the Companies Act, 2013.

Nomination and Remuneration Committee Meetings were held on 29-05-2017 and 13-12-2017. The attendance of the members of Nomination and Remuneration Committee are as under:

<u>Name of the Nomination and Remuneration Committee Members</u>	<u>No. of meeting attended</u>
Shri D.K. Mantri	2
Shri A. K. Kothari	2
Shri A.V. Jalan	0
Smt. Surbhi Singh	1

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

F. Corporate Social Responsibility Committee (CSR Committee)

The Company has constituted a Corporate Social Responsibility Committee (CSR Committee) comprising of Shri B. K. Birla, Shri D. K. Mantri, Shri A. K. Kothari and Shri A. V. Jalan. The said committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring and implementation of the framework of the CSR policy and recommending the amount to be spent on CSR activities. The Corporate Social Responsibility Policy as recommended by the CSR Committee has been approved 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, 2018, only one meeting was held on 30th December, 2017 and two Committee members viz. Shri D. K. Mantri and Shri A. K. Kothari 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. Kasyap, Company Secretary has been designated as the Compliance Officer. During the year ended 31st March, 2018, 1 investor complaint/query was received and as on 31st March, 2018 there were no complaints/queries pending reply. There was no share transfer pending for registration for more than 30 days as on the said date.

H. Other Committees

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

I. General Body Meetings

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

<u>Year</u>	<u>Date</u>	<u>Type</u>	<u>Location</u>	<u>Time</u>
2014-2015	21.12.2015	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.
2015-2016	15.09.2016	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.
2016-2017	24.08.2017	AGM	9/1 R.N. Mukherjee Road, Kolkata – 700001	3.00 P.M.

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

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

J. Disclosures

- (i) There are no materially significant transactions with related parties viz. Promoters, Directors or the Management, their subsidiaries or relative conflicting with Company's interest except as stated in the Note No. 25 of Notes to Financial Statement as on date.
- (ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to Capital Markets during the last three years.
- (iii) The Company has adopted and complied with mandatory requirements relating to Corporate Governance norms as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iv) The Company has in place Whistle Blower Policy (Vigil Mechanism) which is also available on Company's website [http://pilaniinvestment.com/images/Pilani-Whistle Blower Policy.pdf](http://pilaniinvestment.com/images/Pilani-Whistle%20Blower%20Policy.pdf) . No personnel has been denied access to the Audit Committee to lodge their grievances, if any.
- (v) 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](http://www.pilaniinvestment.com/images/Pilani-Policy%20on%20Material%20Subsidiary.pdf) and [www.pilaniinvestment.com/images/Pilani-RPT Policy.pdf](http://www.pilaniinvestment.com/images/Pilani-RPT%20Policy.pdf) respectively .
- (vi) A Board performance evaluation policy has also been formulated and uploaded on the Company's website [www.pilaniinvestment.com/images/Pilani-Board Performance Evaluation Policy.pdf](http://www.pilaniinvestment.com/images/Pilani-Board%20Performance%20Evaluation%20Policy.pdf) .
- (vii) The Company have nothing to report as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.
- (viii) Details of Familiarisation / Training program of Independent Director are available on the Company's website [www.pilaniinvestment.com/images/Familiarisation Programme to Independent Directors.pdf](http://www.pilaniinvestment.com/images/Familiarisation%20Programme%20to%20Independent%20Directors.pdf) .
- (ix) The Chief Executive Officer and the Chief Financial Officer of the Company had certified to the Board with regard to the compliance made by them in terms of Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the said Certificate forms part of the 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

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

The Company is fully committed to ensuring an effective internal control environment and periodically checks the adequacy and effectiveness of the internal control system.

M. General Shareholder Information

- (i) Annual General Meeting to be held :
Day & Date : Friday, 14th September, 2018
Venue : Birla Building, 9/1 R.N. Mukherjee Road,
Kolkata – 700001
Time : 3.00 P.M.
- (ii) Financial Calendar (tentative) for the year 2018-19 :
First Quarterly Results : On or before 14th September, 2018
Second Quarterly Results : On or before 14th December, 2018
Third Quarterly Results : On or before 14th February, 2019
Fourth Quarterly Results / Audited Yearly
Results for the Year ended 31st March, 2019 : Before end of May, 2019
- (iii) Date of Book Closure : 8th September, 2018 to
14th September, 2018
(Both days inclusive)
- (iv) Date of Dividend payment : On or after 20th September, 2018
- (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 2018-2019 have been paid to both the Stock Exchanges.

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

(c) Depository Connectivity : NSDL and CDSL

(d) Registrar and Transfer Agent :

Niche Technologies Private Limited., D-511, Bagree Market, 71, B.R.B.Basu Road, Kolkata – 700001 – Phone Nos. (033) 22357270/22357271.

E-mail : nichetechpl@nichetechpl.com

(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 2017-18 are as under :

Quotation at National Stock Exchange of India Limited

Month	High ₹	Low ₹	Volume (In Nos.)
April 2017	2375	2151	11246
May 2017	2450	2151	10830
June 2017	2369	2170	9517
July 2017	2360	2200	10688
Aug. 2017	2500	2195	13687
Sept. 2017	3280	2341	28921
Oct. 2017	3000	2720	9741
Nov. 2017	3050	2800	11897
Dec. 2017	3310	2715	17628
Jan. 2018	3300	2985	169558
Feb. 2018	3084	2711	11631
Mar. 2018	2800	2500	21463

Quotation at BSE Limited:

Month	High ₹	Low ₹	Volume (In Nos.)
April 2017	2341	2155	9046
May 2017	2464	2175	6353
June 2017	2365	2191	3933
July 2017	2356	2225	4223
Aug. 2017	2525	2225	6532
Sept. 2017	3310	2326	21760
Oct. 2017	3041	2725	4682
Nov. 2017	3005	2800	4573
Dec. 2017	3249	2802	5451
Jan. 2018	3239	2990	129281
Feb. 2018	3087	2631	5874
Mar. 2018	2849	2525	11762

(f) Share Transfer System for physical Shares :

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

(vi) Distribution of Shareholding :

Distribution of shareholding as on 31st March, 2018

(a) According to Number of Equity Shares

Sl.No.	No. of Equity Shares held	No. of Folios	No. of Shares	% of Shareholding
1.	Upto 500	5829	3,82,686	4.84
2.	501 to 1,000	118	90,241	1.14
3.	1,001 to 2,000	60	86,265	1.09
4.	2,001 to 3,000	18	43,697	0.55
5.	3,001 to 4,000	8	28,110	0.36
6.	4,001 to 5,000	7	31,893	0.40
7.	5,001 to 10,000	10	70,965	0.90
8.	10,001 to 20,000	8	1,11,292	1.41
9.	20,001 to 50,000	2	65,753	0.83
10.	50,001 to 1,00,000	8	5,47,323	6.92
11.	1,00,001 and above	6	64,50,525	81.56
	Total	6074	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	9	0.15	45,51,416	57.55
2.	Resident Individuals	5764	94.90	7,08,290	8.95
3.	Private Corporate Bodies	160	2.64	24,05,064	30.41
4.	Financial Institutions/ Nationalised Banks	3	0.05	19,700	0.25
5.	Mutual Funds & Insurance	1	0.01	87,843	1.11
6.	FIIS / FPIS	5	0.08	12,449	0.16
7.	NRI and OCBs	51	0.84	20,539	0.26
8.	Others	79	1.30	88,695	1.12
9.	IPF Authority	2	0.03	14,754	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, 2018, 58,60,814 Company's Equity shares representing 74.10% of the Company's total Equity Shares were held in dematerialized form and balance 20,47,936 Equity Shares representing 25.90% were held in physical form.

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

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

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

For and on behalf of the Board of Directors

Kolkata
May 29, 2018

A. K. KOTHARI
Director
(DIN : 00051900)

D. K. MANTRI
Director
(DIN : 00075664)

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 2017 -2018 in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

May 29, 2018

R.P. PANSARI
Chief Executive Officer

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

We hereby certify to the Board that :-

- a. We have reviewed Financial Statements and the Cash Flow Statement for the financial year 2017-18 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 2017-18 which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept the responsibility of establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee
 - i. there have not been significant changes in internal control over financial reporting during the said financial year;
 - ii. there have not been significant changes in accounting policies during the said financial year and that the same have been disclosed in the notes to the financial statements ; and
 - iii. there has not been instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

N. K. Baheti
Chief Financial Officer

R. P. Pansari
Chief Executive Officer

Kolkata
May 29, 2018

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

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

1. The accompanying Corporate Governance Report prepared by Pilani Investment and Industries Corporation Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchanges and to be sent to the Shareholders of the Company.

Management's Responsibility

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

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance that the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations.
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 ICAI.
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. The procedures includes, but not limited to, verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also 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

9. Based on the procedures performed by us as referred in paragraph 7 and 8 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, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

10. This certificate 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.
11. This Certificate 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 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 Certificate for events and circumstances occurring after the date of this Certificate.

For **VIDYARTHI & SONS**
Chartered Accountants
(Firm Registration No. : 000112C)

AMIT S. VIDYARTHI
Partner
Membership No. : F-078296

Place : Gwalior
Date : May 29, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Pilani Investment and Industries Corporation Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Pilani Investment and Industries Corporation Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

INDEPENDENT AUDITORS' REPORT — (Contd.)

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements gives the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the company as at March 31, 2018, of its profit, and its cash flows for the year ended on that date.

Other Matter

The Comparative Standalone Financial Statements of the company for the year ended 31st March 2017, were audited by another firm of Chartered Accountants under the Companies Act, 2013 who vide their report dated May 30, 2017, expressed a qualified opinion, “no provision has been made in respect of deposit of Rs. 6.93 millions (Rs. 69.28 lacs) with the Debt Recovery Tribunal against claim made by a bank on the basis of guarantee given in earlier years since the matter is pending with Debt Recovery Appellate Tribunal as per the Hon'ble Bombay High Court order. Consequently, we are unable to comment on the effect of the above on the financial statements”

As per Note 19 to the Standalone Financial Statements, the company has made provisions of Rs. 69.28 lacs in the year ended March 31, 2018, therefore, our opinion is not qualified with respect to this matter.

Report on Other Legal and Regulatory Requirements

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

INDEPENDENT AUDITORS' REPORT — (Contd.)

- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Companies Act 2013;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 18.2 to the Standalone Financial Statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **VIDYARTHI & SONS**
Chartered Accountants
(Firm Registration No. : 000112C)

AMIT S. VIDYARTHI
Partner
Membership No. : F-078296

Place : Gwalior
Date : May 29, 2018

Annexure A referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Pilani Investment and Industries Corporation Limited as at and for the year ended March 31, 2018

- 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 explanations given to us by the management, the title deeds of immovable properties included in the fixed assets 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, there are no loans, investments, guarantees and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- 5) The Company has not accepted any deposits from the public covered under Sections 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

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

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 explanation 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, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	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) According to the information and explanation given to us and the records of the Company examined by us, the company has not taken any loans or borrowings from financial institution or bank. The Company does not have any loans from government or dues to debenture holders, so the question for default in repayment does not arise. Hence provisions of clause (viii) of paragraph 3 of the Order are not applicable to the Company.
- 9) According to the information and explanations 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 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 and on overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence 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 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

Place : Gwalior
Date : May 29, 2018

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

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

We have audited the internal financial controls over financial reporting of Pilani Investment and Industries Corporation Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

For **VIDYARTHI & SONS**
Chartered Accountants
(Firm Registration No. : 000112C)

AMIT S. VIDYARTHI
Partner
Membership No. : F-078296

Place : Gwalior
Date : May 29, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

	Notes	As At 31st March, 2018 ₹ in Lakhs	As At 31st March, 2017 ₹ in Lakhs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	790.88	790.88
Reserves & Surplus	4	92,834.15	91,607.52
		93,625.03	92,398.40
NON-CURRENT LIABILITIES			
Long Term Provisions	5	2.32	2.30
		2.32	2.30
CURRENT LIABILITIES			
Trade Payables	6	60.00	44.60
Other Current Liabilities	6	75.26	55.00
Short Term Provisions	5	179.95	168.60
		315.21	268.20
Total		93,942.56	92,668.90
A S S E T S			
NON CURRENT ASSETS			
FIXED ASSETS			
Tangible Assets	7	0.46	0.10
Non Current Investments	8	78,113.71	78,167.60
Long Term Loans & Advances	9	647.72	739.40
		78,761.89	78,907.10
CURRENT ASSETS			
Current Investments	10	15,068.40	13,375.30
Trade Receivables	11	24.55	27.30
Cash & Bank Balances	12	51.01	335.90
Short Term Loan & Advances	9	36.71	14.90
Other Current Assets	11	-	8.40
		15,180.67	13,761.80
Total		93,942.56	92,668.90
Summary of Significant Accounting Policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For Vidyarthi & Sons

Chartered Accountants

Firm Registration No.: 000112C

Per Amit S. Vidyarthi

Partner

Membership No. F-078296

Place : Gwalior

Dated : May 29, 2018

For and on behalf of the Board of Directors

D. K. MANTRI

Director

(DIN:00075664)

A. K. KOTHARI

Director

(DIN:00051900)

R. P. PANSARI

Chief Executive Officer

N. K. BAHETI

Chief Financial Officer

R. S. KASHYAP

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	Notes	For the year ended 31st March, 2018 ₹ in Lakhs	For the year ended 31st March, 2017 ₹ in Lakhs
INCOME			
Revenue from operations	13	4,137.76	5,272.50
Other Income	14	0.30	0.37
Total Revenue (I)		4,138.06	5,272.87
EXPENSES			
Employee benefits expenses	15	137.24	98.30
Depreciation and amortization expense	17	54.11	63.10
Other expenses	16	328.51	254.30
Total Expenses (II)		519.86	415.70
Profit before tax (I) - (II)		3,618.20	4,857.17
Tax Expense :			
Current Tax		55.00	460.00
MAT Credit Entitlement		(43.08)	(197.34)
Total Tax Expense		11.92	262.66
Profit for the year		3,606.28	4,594.51
Earnings per Equity Shares [Nominal Value of ₹ 10/- each (₹ 10/-)]			
Basic & Diluted (₹)	24	45.60	58.09

Summary of Significant Accounting Policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For Vidyarthi & Sons

Chartered Accountants

Firm Registration No.: 000112C

Per Amit S. Vidyarthi

Partner

Membership No. F-078296

Place : Gwalior

Dated : May 29, 2018

For and on behalf of the Board of Directors

D. K. MANTRI

Director

(DIN:00075664)

A. K. KOTHARI

Director

(DIN:00051900)

R. P. PANSARI

Chief Executive Officer

N. K. BAHETI

Chief Financial Officer

R. S. KASHYAP

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	For the year ended 31st March, 2018 ₹ in Lakhs	For the year ended 31st March, 2017 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	3,618.20	4,857.17
Adjustment for :		
Depreciation and amortization expenses	54.11	63.10
Operating profit before working capital changes :	3,672.31	4,920.27
(Decrease) / Increase in Long term provisions	0.02	(0.20)
Increase / (Decrease) in Trade Payables	15.40	41.51
(Decrease) / Increase in Other Current Liabilities	19.95	(135.10)
(Decrease) / Increase in Short-Term Provisions	11.35	(128.99)
Decrease in Non-Current Loans & Advances	142.70	72.41
Decrease / (Increase) in Short-Term Loans and Advances	(21.81)	39.80
Decrease / (Increase) in Non-Current Investment	0.02	(12,026.80)
Decrease / (Increase) in Current Investment	(1,693.10)	9,057.30
Decrease in Trade Receivable	2.75	15.80
Decrease in Other Current Assets	8.40	29.00
Cash Generated From Operations	2,157.99	1,885.00
Direct Tax Paid	(62.93)	(302.50)
Net Cash Flow From Operating Activities	2,095.06	1,582.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of Fixed Assets	-	1.60
Purchase of Fixed Assets	(0.60)	-
Matured/(Investment) in Fixed Deposit with original maturity for more than 12 months	270.10	789.90
Net cash flow from/(used in) investing activities	269.50	791.50
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(1,976.88)	(1976.60)
Tax on Dividend Paid	(402.47)	(402.51)
Net Cash Flow From/(used in) Financing activities	(2,379.35)	(2,379.11)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	For the year ended 31st March, 2018 ₹ in Lakhs	For the year ended 31st March, 2017 ₹ in Lakhs
D. NET (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)	(14.79)	(5.11)
E. CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	65.80	70.91
F. CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	51.01	65.80
Components of cash and cash equivalents as indicated in Note 12 comprises of :		
Cash on hand	0.05	0.10
Balances with scheduled banks on current account*	50.96	65.70
Total	51.01	65.80

* Includes ₹ 42.71 Lakhs (31st March, 2017 ₹ 42.40 Lakhs) lying in Unpaid Dividend Account, not available for use by the Company.

As per our report of even date.

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C
Per Amit S. Vidyarthi
Partner
Membership No. F-078296
Place : Gwalior
Dated : May 29, 2018

For and on behalf of the Board of Directors

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

R. P. PANSARI
Chief Executive Officer

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

1. Corporate Information

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

2. Basis of Preparation

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

The accounting policies applied by the Company, are consistent with those used in the previous year.

2.1 Significant Accounting Policies

(i) Use of estimates

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

(ii) Revenue Recognition

a. Dividend

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

b. Interest

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

c. Profit on Sale / Redemption of Mutual Fund Units

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

(iii) Provisioning on Standard Assets

In terms of Master Direction - Non Banking Financial Company :- systemically important non Deposit taking Company and Deposit taking Company (Reserve Banks Directions, 2016 issued vide Notification No. DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

from time to time (“the NBFC Master Direction 2016”) issued by the Reserve Bank of India, contingent provision @0.40% on standard assets are made in the accounts.

(iv) Provision / Write - off against Non - Performing Assets

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

(v) Fixed Assets

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

(vi) Depreciation

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

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

(vii) Investments

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

b) Long-term investments are valued at cost, i.e. book value of the investments as reflected in the financial statements as on 31st March, 2003 and for subsequent diminution, provision is made by way of adjustment against Investment Reserve (Created in earlier years by revaluation of quoted investments) in terms of Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court during an earlier year. Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

c) Investment property

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

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

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

(viii) Cash & Cash Equivalents

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

(ix) Provision for Retirement benefits

- a) Retirement benefits in the form of Provident Fund and Superannuation are defined contribution schemes and the contributions are charged to Statement of Profit and Loss of the year when an employee renders the related service. There are no obligations other than the contribution payable to the respective funds.
- b) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- c) Short term compensated absences are provided for based on estimates. The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The company does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.
- d) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

(x) Earnings per share

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

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

(xi) Income Taxes

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

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

tax asset can be realized.

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

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

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

(xii) Foreign Currency Transactions

a) Initial Recognition

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

b) Conversion

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

c) Exchange Differences

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

d) Foreign Exchange Contracts Not Intended For Trading Or Speculation Purpose

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

(xiii) **Assets acquired under lease**

Operating Lease:

Where the Company is lessee

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

Where the Company is the lessor

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

(xiv) **Contingent Liabilities**

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

(xv) **Provision**

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

3. SHARE CAPITAL	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
	Authorised Shares 90,00,000 (90,00,000) Equity Shares of ₹ 10/- each	900.00
Issued, Subscribed & Fully Paid up Shares 79,08,750 (79,08,750) Equity Shares of ₹ 10/- each	790.88	790.88
	790.88	790.88

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

(b) Terms / rights attached to Equity Shares

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

During the year ended 31st March, 2018, the amount of per share dividend recognized as distributions to shareholders was ₹25 (Nil) per share. The Board of Directors at its meeting held on 29th May, 2018, have proposed a final dividend of ₹25 per equity share for the financial year ended 31st March, 2018. The proposal is subject to the approval at the forthcoming Annual General Meeting. Total Cash out flow would be ₹2379.65 Lakhs including corporate dividend tax and the same will be accounted for in the financial year 2018-19 in terms of Revised Accounting Standard 4 notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

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

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

	As At 31st March, 2018		As At 31st March, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Aditya Marketing & Manufacturing Limited	27,35,494	34.59	27,35,494	34.59
Padmavati Investment Ltd.	14,06,986	17.79	13,98,486	17.68
The Punjab Produce & Trading Co. Limited	13,85,223	17.52	13,85,223	17.52
Gwalior Webbing Co. Ltd.	4,54,168	5.74	4,54,168	5.74

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

4. Reserve & Surplus	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Investment Reserve		
Balance as per the last Financial Statements	34,600.82	34,600.82
General Reserve		
Balance as per the last Financial Statements	19,713.33	19,713.33
	19,713.33	19,713.33
Statutory Reserve		
Balance as per the last Financial Statements	16,487.09	15,568.19
Add: Transfer from the Statement of Profit & Loss	721.26	918.90
	17,208.35	16,487.09
Surplus in the statement of Profit & Loss		
Balance as per the last Financial Statements	20,806.28	17,130.67
Profit for the year	3,606.28	4,594.51
Less : Appropriations		
Equity Dividend	1,977.18	-
Tax on Equity Dividend	402.47	-
Transfer to Statutory Reserve	721.26	918.90
Surplus in the Statement of Profit and Loss	21,311.65	20,806.28
Total Reserves & Surplus	92,834.15	91,607.52

5. Provisions	Long Term As At		Short Term As At	
	31st March, 2018 (₹ in Lakhs)	31st March, 2017 (₹ in Lakhs)	31st March, 2018 (₹ in Lakhs)	31st March, 2017 (₹ in Lakhs)
Provisions for Employee Benefits				
Provision for Gratuity (Refer Note 21)	2.32	2.30	19.64	11.23
Provision for Leave Benefits	-	-	13.37	10.43
	2.32	2.30	33.01	21.66
Other Provisions				
Provision for tax (net of advance tax & tax deducted at source ₹ 3510.20 Lakhs (31st March, 2017 ₹ 3510.20 Lakhs)	-	-	2.76	2.76
Contingent Provisions against Standard Assets	-	-	27.48	27.48
Provision towards Demand for Municipal Taxes* (Refer Note 20)	-	-	116.70	116.70
	-	-	146.94	146.94
	2.32	2.30	179.95	168.60

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
6. Trade Payables and Other Current Liabilities		
Trade Payables (Refer Note 26)	60.00	44.60
Other Liabilities		
Payable to Employees	12.76	4.60
Unpaid Dividends*	42.71	42.40
Others		
Security Deposits	0.26	0.30
Statutory Dues	16.35	4.60
Miscellaneous	3.18	3.10
	75.26	55.00
	135.26	99.60

*Will be credited to Investor Education and Protection Fund as and when due.

7. Tangible Assets	Furniture & Fixtures	Office Equipments	Vehicles	TOTAL
	(₹ in Lakhs)			
Cost or Valuation				
As at 1st April 2016	1.93	0.40	7.80	10.13
Addition/(Disposal)	–	–	(7.80)	(7.80)
As at 31st March 2017	1.93	0.40	–	2.33
Addition/(Disposal)	–	0.60	–	0.60
As at 31st March 2018	1.93	1.00	–	2.93
DEPRECIATION				
As at 1st April 2016	1.93	0.22	5.90	8.05
Charge for the year	–	0.08	0.30	0.38
Addition/(Disposal)	–	–	(6.20)	(6.20)
As at 31st March 2017	1.93	0.30	–	2.23
Charge for the year	–	0.24	–	0.24
As at 31st March 2018	1.93	0.54	–	2.47
Net Block				
As at 31st March 2017	–	0.10	–	0.10
As at 31st March 2018	–	0.46	–	0.46

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

			As At	As At
			31st March, 2018	31st March, 2017
			(₹ in Lakhs)	(₹ in Lakhs)
8. Non-Current Investments				
Investment Property (valued at cost less accumulated depreciation)				
Cost of Land, Building & Furniture given on Operating Lease			453.30	453.30
Sub Total (A)			453.30	453.30
Depreciation as at 1st April 2017			159.61	96.91
Add : Depreciation for the year			53.87	62.70
Sub Total (B)			213.48	159.61
Net Amount (A-B)			239.82	293.69
Non-Trade Investments (valued at cost)	No. of	Face Value		
Unquoted equity instruments (Fully Paid)	shares	per share		
In Subsidiaries				
PIC Properties Limited	50,002	₹ 10	5.00	5.00
PIC Realcon Limited	50,000	₹ 10	5.00	5.00
In Other Companies				
Birla Building Limited	15,000	₹ 10	1.52	1.52
Birla Consultants Limited	12,000	₹ 10	1.20	1.20
Indo Thai Synthetics Co. Limited	2,07,900	Baht10	11.42	11.42
Indo Phil Textile Mills Inc., Manila	2,11,248	Pesos10	2.03	2.03
The Eastern Economist Limited	400	₹100	0.40	0.40
The Industry House Limited	2,812	₹100	1.89	1.89
			28.46	28.46
Quoted Equity Instruments (Fully Paid)				
In Associates				
Century Textiles & Industries Limited	3,42,20,520	₹ 10	15,857.51	15,857.51
Kesoram Industries Limited #	2,73,38,750	₹ 10	16,824.42	16,824.42
In Other Companies				
Aditya Birla Fashion & Retail Limited	9,72,909	₹ 10	2.56	2.56
Aditya Birla Nuvo Limited	1,87,098	₹ 10	-	291.53
Aditya Birla Capital Limited	3,16,73,756	₹ 10	675.40	-
Grasim Industries Limited	2,26,24,112	₹ 2	11,972.24	12,356.13
	(2,23,43,465)			
Hindalco Industries Limited	2,91,85,398	₹ 1	18,363.32	18,363.32
Idea Cellular Limited	81,68,500	₹ 10	5,859.40	5,859.40
Jayshree Tea & Industries Limited	2,844	₹5	0.41	0.41

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

			As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Kesoram Textile Mills Limited	24,15,750	₹2	6.04	6.04
Mangalam Cement Limited	11,20,000	₹10	75.60	75.60
Tanfac Industries Limited	498,000	₹10	56.27	56.27
Ultra Tech Cement Limited	24,57,309	₹10	8,073.28	8,073.28
Zuari Global Limited	4,34,000	₹10	39.49	39.49
Zuari Agro Chemicals Limited	4,34,000	₹10	39.49	39.49
			77,845.43	77,845.45
			78,113.71	78,167.60
Aggregated Value of Investment Property			239.82	293.69
Aggregated Value of Quoted Investments			77,845.43	77,845.45
Aggregated Value of Unquoted Investments			28.46	28.46
Market Value of Quoted Investments			8,77,230.25	8,06,149.60
# Ceased to be an associate w.e.f. 28.03.2018				

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

	No. of Shares	Face Value (₹ per share)
QUOTED (Fully Paid)		
Equity Shares		
Jiyajeerao Cotton Mills Limited	150	10
Kalyan Sundaram Cement Industries Limited	50,000	10
Tungbhadra Industries Limited	1,865	10
Umi Special Steels Limited	1,00,000	10
UNQUOTED (Fully Paid)		
Equity Shares		
Bombay Industrial Traders Limited (In liquidation)	915	100
Hind Cycles Limited (In liquidation)	400	100
Industrial Plants Limited (in liquidation)	75,000	10
Mckenzie's Limited	753	10
In Subsidiary Companies		
Atlas Iron and Alloys Limited (in liquidation)	72,000	10
Debentures		
Hind Cycles Limited (In liquidation)	66	100

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

			<u>No. of Shares</u>	<u>Face Value</u>
				(₹ per share)
UNQUOTED (Partly Paid)				
Equity Shares				
Central Distributors Limited (in Liquidation)				
(Paid up ₹ 7.50 per share)			1,284	10
9. Loans and Advances				
	Long Term		Short Term	
	(Non-Current Portion)		(Current Portion)	
	As At	As At	As At	As At
	31st March, 2018	31st March, 2017	31st March, 2018	31st March, 2017
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Security Deposits				
Unsecured, Considered Good	17.46	17.50	–	–
(A)	17.46	17.50	–	–
Loans				
Unsecured, Considered Good				
To Wholly Owned Subsidiary	225.03	298.40	–	–
Companies (Interest Free)				
(B)	225.03	298.40	–	–
Advances recoverable (Unsecured)				
Considered Good	–	–	36.71	14.90
Considered Doubtful	16.65	16.65	–	–
	16.65	16.65	36.71	14.90
Less Provision for doubtful advances	16.65	16.65	–	–
(C)	–	–	36.71	14.90
Other Loans and Advances				
Unsecured, Considered Good				
Advance income tax, Refund Receivable				
(net of provisions)	405.23	354.22	–	–
Deposits made against				
Demand Notice (Refer Note 19)	–	69.28	–	–
(D)	405.23	423.50	–	–
(A+B+C+D)	647.72	739.40	36.71	14.90

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

10. Current Investments :			As At	As At
Trade Investments	No.	Face Value	31st March, 2018	31st March, 2017
Investments in Mutual Funds (Unquoted)	of Units	per unit	(₹ in Lakhs)	(₹ in Lakhs)
(Valued at Lower of Cost or Fair Value)				
Aditya Birla Sunlife Saving Fund - Dividend	-	₹ 100	-	1,455.26
	(14,60,801)			
Aditya Birla Sunlife Cash Manager Fund - Dividend	-	₹ 100	-	1,767.79
	(17,63,327)			
Aditya Birla Sunlife Cash Manager Fund - Growth	9,80,314	₹ 100	3,827.25	2,000.00
	(5,34,746)			
Aditya Birla Sunlife Saving Fund - Growth	26,15,662	₹ 100	8,245.50	4,700.00
	(15,49,836)			
HDFC Cash Management Fund - Growth	39,93,241	₹ 10	1,335.00	1,085.00
	(32,85,260)			
ICICI Prudential Flexible Income Plus-Growth	1,00,459	₹ 100	325.31	-
	(-)			
Reliance Money Manager Fund - Dividend	-	₹ 1000	-	2,126.04
	(2,14,509)			
Reliance Money Manager Fund - Growth	55,202	₹ 1000	1,205.34	241.21
	(14,213)			
UTI Treasury Advantage Fund - Growth	5,605	₹ 1000	130.00	-
	(-)			
			15,068.40	13,375.30
11. Trade Receivables and Other Assets			As At	As At
			31st March, 2018	31st March, 2017
			(₹ in Lakhs)	(₹ in Lakhs)
Trade Receivables				
Unsecured, Considered good				
Outstanding for a period exceeding six months			9.23	6.40
Other Debts			15.32	20.90
			24.55	27.30
Other Current Assets				
Unsecured, Considered good				
Interest Accrued on Deposits			-	8.40
			-	8.40
			24.55	35.70

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

12. Cash and Bank Balances

	Current	
	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Cash and cash equivalents		
Balance with Banks		
On Current Accounts	8.25	23.30
On Unpaid Dividend Account	42.71	42.40
Cash on Hand	0.05	0.10
	51.01	65.80
Other Bank Balances		
Deposits with original maturity for more than 12 months	-	270.10
	-	270.10
	51.01	335.90
	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
13. Revenue from Operations		
Dividend Income		
Non Current Investments	3713.74	3,433.50
Current Investments	207.57	452.60
Profit on sale of current investments (Units of Mutual Fund)	11.23	1,094.10
Interest Income		
– On Fixed Deposit with Banks	14.83	85.00
Other Operating Revenue		
Rent Income	138.22	144.30
Service Charges	52.17	63.00
	4,137.76	5,272.50
	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
14. Other Income		
Miscellaneous Receipts	0.30	0.37
	0.30	0.37

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
15. Employee Benefits Expenses		
Salaries and Bonus	103.39	64.00
Gratuity (Refer Note 21)	8.42	19.50
Contribution to Provident and Other Funds	11.09	6.50
Staff Welfare Expenses	14.34	8.30
	137.24	98.30
	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
16. Other Expenses		
Director's sitting Fees	5.18	7.06
Insurance Charges	-	0.07
Repairs & Maintenance (others)	0.17	0.30
CSR Expenses (as contribution to various trusts/societies)	20.00	25.00
Building Maintenance & Service Expenses	118.49	92.94
Rates & Taxes (Net)	26.64	22.80
Rent	1.10	5.20
Irrecoverable balances / advances written off	69.28	20.40
Miscellaneous Expenses	79.45	71.83
Payment to Auditors -		
As Auditors		
Audit Fee	3.15	3.15
Limited Review	1.95	1.95
In Other Capacity		
For Certification, etc.	1.80	2.40
For Expenses, etc.	1.30	1.20
	328.51	254.30
	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
17. Depreciation and Amortization Expense		
Depreciation on Tangible Assets	0.24	0.40
Depreciation on Investment Property	53.87	62.70
	54.11	63.10

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

18.1 Capital & Other Commitments :

- a) Uncalled liability on partly paid Shares held as Investments ₹ 0.03 lakhs
(₹ 0.03 lakhs)

18.2 Contingent Liabilities :

Income Tax demands for earlier years aggregating to ₹ 120.39 lakhs (₹ 163.30 lakhs) disputed by the Company.

19. Deposit of ₹ 69.28 lakhs with the Debt Recovery Appellate Tribunal against the claim made by a bank on the basis of a guarantee given in earlier years is fully provided for as the Debt Recovery Appellate Tribunal has passed an Order in favour of the Bank.
20. 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.

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

A. Defined Contribution Plan	For the year ended 31st March, 2018 (₹ in Lakhs)	For the year ended 31st March, 2017 (₹ in Lakhs)
Contribution to Provident Fund	10.32	5.97

B. Defined Benefit Plan

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

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

Statement of Profit & Loss

Net employee benefit expense recognized in the employee cost :

	31st March, 2018 (₹ in Lakhs)	31st March, 2017 (₹ in Lakhs)
Current Service Cost	1.23	0.37
Interest cost on benefit obligation	0.93	1.66
Curtailment Cost / (Credit)	7.45	(94.68)
Net actuarial (gain)/loss recognized in the year	(1.19)	112.14
Net benefit expense	8.42	19.49

Balance Sheet

Benefit asset / liability	31st March, 2018 (₹ in Lakhs)	31st March, 2017 (₹ in Lakhs)
Present value of defined benefit obligation	21.96	13.54
Plan liability / (asset)	21.96	13.54

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

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

	<u>31st March, 2018</u> (₹ in Lakhs)	<u>31st March, 2017</u> (₹ in Lakhs)
Opening defined benefit obligation	13.54	116.60
Current service cost	1.23	0.37
Interest cost	0.93	1.66
Curtailement Cost / (Credit)	7.45	(94.68)
Actuarial (gains)/losses on obligation	(1.19)	112.14
Benefits Paid	-	(122.55)
Closing defined benefit obligation	<u>21.96</u>	<u>13.54</u>

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

	<u>31st March 2018</u>	<u>31st March 2017</u>
Discount rate	7.20% p.a.	6.88% p.a.
Expected rate of return on assets	N. A.	N.A.

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

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

	<u>31st March, 2018</u> (₹ in lakhs)	<u>31st March, 2017</u> (₹ in lakhs)	<u>31st March, 2016</u> (₹ in lakhs)	<u>31st March, 2015</u> (₹ in lakhs)	<u>31st March, 2014</u> (₹ in lakhs)
Defined Benefit					
Obligation	21.96	13.54	116.59	99.73	83.79
Surplus / (Deficit)	(21.96)	(13.54)	(116.59)	(99.73)	(83.79)
Experience adjustments					
on plan liabilities	(1.09)	111.98	4.37	4.07	4.88

22. No effect has been given in the accounts in respect of the following Equity Shares received by way of fully paid Bonus Shares on shares not belonging to the Company and the shares of other companies apportionable to the holding of these shares received pursuant to Scheme of Arrangements, same are being held in trust by the Company :

<u>Sl. Name of the Company</u>	<u>No. of Equity Shares</u>	<u>Face Value per Share (₹)</u>
(a) Grasim Industries Ltd.	5755	2/-
(b) Hindustan Motors Ltd.	440	10/-
(c) Century Textiles & Industries Ltd	220	10/-
(d) Tungabhadra Industries Ltd.	4	10/-
(e) Hindustan Everest Tools Ltd.	60	10/-
(f) Aditya Birla Capital Limited	8057	10/-

23. **Segment Reporting :**

The company has only one business segment viz. investment and related activities and its operations are also confined to one geographical segment i.e. India. As such, no further

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

disclosure under Accounting Standard 17 "Segment Reporting" is required.

24. Earnings Per Share (EPS) :

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

	For the year ended 31st March, 2018 (₹ in lakhs)	For the year ended 31st March, 2017 (₹ in lakhs)
Profit after Tax as per Statement of Profit & Loss	3,606.28	4,594.51
Weighted Average No. of Equity Shares (Nos.)	79,08,750	79,08,750
Earnings per Equity Share nominal value of share (₹ 10) Basic & Diluted (₹ per share)	45.60	58.09

25. Related Party Disclosures

Names of related parties and related party relationship

a. Name of the related parties where control exists :

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

b. Names of other related parties :

Associate Company	Century Textiles & Industries Limited
Key Management Personnel	Shri R.P.Pansari -CEO (Managing Director upto 06.05.2017)
	Shri N.K.Baheti -(CFO)
	Shri R.S.Kashyap -(Company Secretary)

Related Party Transactions

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

	2017-2018 (₹ in lakhs)	2016-2017 (₹ in lakhs)
Subsidiary Company		
Loans & Advances received back		
PIC Realcon Limited	73.33	64.50
Loans and advances outstanding		
PIC Properties Limited	48.09	48.09
PIC Realcon Ltd.	176.94	250.30
Associate Company		
Dividend Income		
Century Textiles & Industries Limited	1,882.13	1,882.13

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

	<u>2017-2018</u> (₹ in Lakhs)	<u>2016-2017</u> (₹ in Lakhs)
<u>Key Management Personnel</u>		
Remuneration		
Shri R. A. Makharia	-	26.21
Shri R. P. Pansari (as Managing Director up to 06.05.2017)	8.08	9.75
Shri R. P. Pansari (as CEO from 07.05.2017)	73.12	-
Shri N. K. Baheti	21.20	13.40
Shri R. S. Kashyap	7.42	5.20
<u>Director Sitting Fees</u>		
Shri R.A.Makharia	-	0.40
<u>Loan Received back</u>		
Shri N.K.Baheti	-	0.80
26.	Based on the informations/documents available with the Company, no creditor is covered under Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provisions / payments have been made by the company to such creditors, if any, and no disclosures are made in these accounts.	
27.	Leases :	
	Operating Lease : Company as a Lessee	
	The office premises is obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the company. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease arrangements. The lease is cancellable.	
	<u>For the year ended</u> <u>31st March, 2018</u> (₹ in lakhs)	<u>For the year ended</u> <u>31st March, 2017</u> (₹ in lakhs)
	1.10	5.20
	Operating Lease : Company as a Lessor	
	The company has leased certain office space on operating leases. The lease term is for 1-3 years and thereafter renewable as per mutual agreement. There is escalation clause in the lease agreements. The rent is not based on any contingencies. There are no restrictions imposed by lease arrangements. The leases are cancellable.	
28.	Minimum Alternative Tax (MAT) Credit entitlement of ₹ 2898.22 lakhs (after adjusting utilised during the current year ₹ 43.08 lakhs), has not been recognized by the Company in the absence of convincing evidence to claim the above tax credit in future years.	
29.	The Company has applied to 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.	

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

- 30.** Additional disclosure required by NBFC-ND-SI in terms of the notification issued by RBI vide Circular No. RBI/DNBR/2016-17/45 DNBR.PD.008/03.10.119/2016-17 dated September 01, 2016 are as follows:

Particulars	Remarks
1. Capital to Risk (Weighted) Assets Ratio	Refer Note No. 30 (B)
2. Investments	Refer Note No. 30 (C)
3. Derivatives	The Company has no transaction or exposure in Derivatives in the current and previous year.
i) Forward Rate Agreement / Interest Rate Swap	
ii) Exchange Traded Interest Rate (IR) Derivatives	The Company has no unhedged foreign currency exposure as on March 31, 2018 and March 31, 2017
iii) Disclosure on Risk Exposure in Derivatives	
4. Disclosures relating to Securitisation	
i) Information duly certified by the SPV's auditors obtained by the originating NBFC from the SPV.	The Company does not have any outstanding amount of securitised assets in the current year and previous year end. Hence, no such information is duly certified by the SPV's auditors obtained.
ii) Details of Financial Assets sold to Securitisation / Reconstruction for Asset Reconstruction.	The Company has not sold financial assets to securitisation or reconstruction company for asset reconstruction during the current and previous year.
iii) Details of Assignment transaction undertaken by NBFC's	The Company has not undertaken any assignment transactions during the current and previous year.
5. Details of Non Performing financial assets purchased / sold	
i) Details of Non Performing financial assets purchased :	The Company has not purchased / sold Non Performing financial assets during the current and previous year.
ii) Details of Non Performing financial assets sold :	
6. Asset Liability Management Maturity pattern of certain items of Assets and Liabilities	Refer to Note No. 30(E)
7. Exposures	
i) Exposure to Real Estate Sector	The Company has no Exposure to Real Estate directly or indirectly.
ii) Exposure to Capital Market	The Company has no Exposure to Capital Market directly or indirectly.
iii) Details of financing of parent company products :	The Disclosure is not applicable as the Company does not have any holding or parent company.
8. Details of financing of parent company products :	Not applicable.
9. Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the NBFC	Not applicable.
10. Unsecured Advances	Not applicable.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Remarks	
11. Miscellaneous		
i) Registration obtained from other financial sector regulators	Regulator	Registration No.
	Ministry of Company Affairs	L24131WB1948PLC095302
	Reserve Bank of India	B-05.06669
ii) Disclosure of Penalties imposed by RBI and other regulators	No Penalties were imposed by RBI and other regulators during the current and previous year.	
iii) Related Party Transactions	Refer Note No. 25	
iv) Ratings assigned by credit rating agencies and migration of ratings during the year	The Company has not opted any credit ratings during the year ended March 31, 2018 and previous year ended March 31, 2017.	
v) Remuneration to Directors	Refer Note No. 25	
vi) Net Profit or Loss for the period, prior period items and changes in accounting policies.	Refer Note No. 2 & 2.1	
vii) Revenue Recognition	Refer Note No. 2.1 (ii)	
viii) Accounting Standard 21 -Consolidated Financial Statements (CFS)	A Separate Consolidated Financial Statement has been prepared by the Company during the year ended March 31, 2018 and previous year ended March 31, 2017.	
12. Additional Disclosures		
i) Provisions and Contingencies	Refer to Note No. 30 (D)	
ii) Draw Down from Reserves	There has been no draw down from reserves during the current and previous year	
iii) Concentration of Deposits, Advances, Exposures and NPAs		
a) Concentration of Deposits (for deposit taking NBFCs)	This Disclosure is not applicable to the Company as it is not a deposit taking NBFC	
b) Concentration of Advances	Not applicable as no such advances is being made.	
c) Concentration of Exposure	Not applicable as no such Exposure is being made.	
d) Concentration of NPAs	The Company does not have any such exposure.	
e) Sector-wise NPAs	The Company does not have any such exposure.	
f) Movement of NPAs	The Company does not have any such exposure.	
iv) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad.	The Company has no exposure or transaction with overseas assets.	
v) Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)	There are no Off-balance Sheet exposure as on March 31, 2018 and March 31, 2017.	
13. Disclosure of Complaints	Not applicable to the company	

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

B) Capital to Risk Assets Ratio (CRAR)

Particulars	As At 31st March, 2018	As At 31st March, 2017
(i) CRAR (%)	66.46	65.97
(ii) CRAR - Tier I Capital (%)	38.46	37.07
(iii) CRAR - Tier II Capital (%)	28.00	28.90
(iv) Amount of subordinated debt raised as Tier-II Capital	-	-
(v) Amount raised by issue of perpetual Debt Instruments	-	-

C) Investment

₹ in Lakhs

Particulars	As At 31st March, 2018	As At 31st March, 2017
1) Value of Investments		
(i) Gross Value of Investments		
a) In India	92942.29	91249.19
b) Outside India	-	-
ii) Provisions for depreciation		
a) In India	1.70	1.70
b) Outside India	-	-
ii) Net value of Investments		
a) In India	92,940.59	91,247.49
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments		
i) Opening Balance	1.70	1.70
ii) Add : Provisions made during the year	-	-
iii) Less : Write-off / write-back of excess provisions during the year	-	-
iv) Closing Balance	1.70	1.70

D) Provisions and contingencies

₹ in Lakhs

Break up of Provisions and contingencies shown under the head Expenditure in Profit & Loss Account	As At 31st March, 2018	As At 31st March, 2017
(i) Provision for depreciation on Investment	-	-
(ii) Provision towards NPA	-	-
(iii) Provision made towards Income tax	11.92	262.7
(iv) Other provisios and Contingencies (with details)		
a) Provision for Gratuity	8.42	19.50
b) Provision for Leave Benefit	2.95	1.80
(v) Provision for Standard Assets	-	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

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

(₹ in Lakhs)

	1 day to 30/31 days (one month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities	–	–	–	–	–	–	–	–	–
Assets									
Advances	–	–	–	–	84.80	176.94	–	422.69	684.43
	–	–	–	–	(0.40)	(368.70)	–	(385.20)	(754.30)
Investments	–	–	–	–	15,068.40	–	–	78,113.71	93182.11
	–	–	–	–	(13,375.30)	–	–	(78,167.60)	(91,542.90)

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018

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

As per our report of even date.

For Vidyarthi & Sons

Chartered Accountants

Firm Registration No.: 000112C

Per Amit S. Vidyarthi

Partner

Membership No. F-078296

Place : Gwalior

Dated : May 29, 2018

For and on behalf of the Board of Directors

D. K. MANTRI

Director

(DIN:00075664)

A. K. KOTHARI

Director

(DIN:00051900)

R. P. PANSARI

Chief Executive Officer

N. K. BAHETI

Chief Financial Officer

R. S. KASHYAP

Company Secretary

DIRECTORS

SHRI G. K. TULSIAN

SHRI S. N. NEOTIA

SHRI S. K. DAGA

SHRI K. K. MEHRA

AUDITORS

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

REGISTERED OFFICE

10, CAMAC STREET
KOLKATA - 700 017
CIN - U70109WB1985PLC038472

To
The Members

Your Directors have pleasure in presenting their Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. Financial summary or highlights / Performance of the Company

Items	Year Ended 31st March, 2018	Year Ended 31st March, 2017
	₹	₹
Turnover (incl. Other Income)	23,54,926	22,08,321
Less :		
Employees Cost	12,000	7,000
Finance Cost	34,68,821	----
Operation Expenses	8,72,673	5,07,450
Depreciation	52,762	52,762
Profit / (Loss) for the year before Exceptional Items and tax	(20,51,330)	16,41,109
Exceptional Items	2,62,80,000	----
Profit / (Loss) Before Tax	(2,83,31,330)	----
Provision for Taxation	60,347	2,12,645
Profit / (Loss) after tax	(2,83,91,677)	14,28,464
Profit / (Loss) brought forward from previous year	64,31,518	50,03,054
Balance Carried to Balance Sheet	(2,19,60,159)	64,31,518

2. Operational Review :

During the year under review, the turnover (incl. other income) of the Company was around ₹ 23.55 Lacs. The Company is reporting a Loss of ₹ 283.92 Lacs (After tax) for the year 2017-18 as compared to a Profit of ₹ 14.28 Lacs (After tax) during the previous year.

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

3. Dividend :

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

4. Directors :

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

5. Particular of Employees :

The Company has no employees requiring disclosures pursuant to provisions of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014.

6. Meetings :

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

7. Auditor :

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

8. Auditor's Report :

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

9. Extract of Annual Return :

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

10. Directors' Responsibility Statement :

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

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

11. Acknowledgements :

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

For and on behalf of the Board

G. K. Tulsian
DIN : 00017786
Director

S. N. Neotia
DIN : 01259207
Director

Place: Kolkata.
Date 21.05.2018

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS :

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31st March, 2017)				No. of Shares held at the end of the year (as on 31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	50,002	50,002	100%	NIL	50,002	50,002	100%	No Change
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A)	NIL	50,002	50,002	100%	NIL	50,002	50,002	100%	No Change
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIS	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

PIC PROPERTIES LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31st March, 2017)				No. of Shares held at the end of the year (as on 31st March, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Fund	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2.Non-Institutions									
a) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C) Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
NonResident Indians Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies-DR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	50,002	50,002	100%	NIL	50,002	50,002	100%	No Change

B) Shareholding of Promoters

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

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

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

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

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

E) Shareholding of Directors and Key Managerial Personnel:

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

F) INDEBTEDNESS -

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness ₹
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	Nil	2,67,09,182	Nil	2,67,09,182
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	Nil	2,67,09,182	Nil	2,67,09,182
Change in indebtedness during the Financial Year				
*Addition	Nil	7,22,48,821	Nil	7,22,48,821
*Reduction	Nil	4,62,31,621	Nil	4,62,31,621
(Net Change)	Nil	Nil	Nil	Nil
Indebtedness at the end of the Financial Year				
i) Principal Amount	Nil	2,67,09,182	Nil	2,67,09,182
ii) Interest due but not paid	Nil	2,60,17,200	Nil	2,60,17,200
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i + ii + iii)	Nil	5,27,26,382	Nil	5,27,26,382

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

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

B. Remuneration to other directors:-

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

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD
(Amount in ₹)

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

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

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

INDEPENDENT AUDITORS' REPORT

To the Members of PIC PROPERTIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PIC Properties Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its loss and its cash flows for the financial year ended on that date.

Emphasis of Matter

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

- a) Note No. 20 of notes to financial statements, regarding demand of ₹ 4,37,77,380/- raised by New Delhi Municipal Council towards Property Tax with retrospective effect from Financial year 2000-01 to 2016-17. The Company has filed an appeal against the same at the Court of District Judge, Patiala House, New Delhi and has not made any provision in the accounts as the management is optimistic of its favorable outcome. We have relied upon the contention of the management in this matter.
- b) Note No. 25 of notes to financial statements, regarding balance of ₹ 219 lakhs which has been admitted as loan, shall be repaid alongwith interest amounting to ₹ 289 lakhs. Short term provision regarding the repayment of loan with interest has been made in the books.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements of the Company.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note no. 20 to financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November, 2016 to 30th December, 2016 have not been made since they do not pertain to the financial year ended 31st March, 2018.

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

(Anurag Singhi)
Partner
Membership No. 066274

Place : Kolkata
Date : 21st Day of May, 2018

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 with the heading "Report on other legal and regulatory requirement" of our Report of even date to the members of PIC Properties Limited on the accounts of the company for the year ended 31st March, 2018.

- i) In respect of its fixed assets:
 - a) The Company has maintained proper records to show full particulars including quantitative details and situation of the fixed assets.
 - b) The fixed assets were physically verified during the year by the management which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii) The Company is not trading in any goods. Therefore, the provision of clause 3(ii) of the Order relating to inventories is not applicable to the Company.
- iii) The Company has taken unsecured loan from its holding company. The maximum amount involved was ₹ 48,09,182/- and the year-end balance was ₹ 48,09,182/-. As explained this loan is interest free and repayable on demand. In our opinion other terms and conditions of such loan are prima facie not prejudicial to the interest of the Company.
- iv) In our opinion and according to the information and explanations given to us, the company has not given any loans, investments, guarantees and security. Therefore, this clause is not applicable to the company.
- v) In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under with regard to deposits accepted from the public during the year.
- vi) The company is not required to maintain cost records as prescribed by Central Government under section 148 (1) (d) of the Companies Act 2013.
- vii) In respect of statutory and other dues:
 - a) According to the information and explanations given to us and on the basis of our examination of the books and account, the Company has generally been regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, duty of customs, GST, cess and any other statutory dues during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at 31st March 2018 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, duty of customs, GST and cess as at 31st March, 2018 which have not been deposited on account of dispute and the forum where the dispute is pending as on 31st March, 2018 is as under:

Name of the Statute	Nature of dues	Amount (₹ Crores)	Year	Forum where Dispute is pending
New Delhi Municipal Corporation Property Tax	New Delhi Property Tax	4.38	2016-17	Court of District Judge, Patiala House, New Delhi

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

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

Place: Kolkata.
Dated: 21st day of May, 2018

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to the internal financial control under clause (i) of sub-section 3 of section 143 of the Act of **PIC Properties Limited** for the year ended 31st March 2018, we report that:

We have audited the internal financial controls over financial reporting of **PIC Properties Limited** ('the Company') as on 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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..

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

Place : Kolkata
Dated : 21st day of May, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUND			
Share Capital	2	5,00,020	5,00,020
Reserves and Surplus	3	(2,19,31,772)	64,59,905
NON-CURRENT LIABILITIES			
Long-term borrowings	4	48,09,182	2,67,09,182
Other long-term liabilities	5	30,000	30,000
CURRENT LIABILITIES			
Trade payables	6	59,000	97,650
Other Current Liabilities	7	5,08,08,000	27,000
Short term provisions	8	60,347	2,41,545
TOTAL		3,43,34,777	3,40,65,302
ASSETS			
NON-CURRENT ASSETS			
<i>Fixed assets</i>			
Tangible assets	9	2,64,08,487	2,64,61,249
Non-current investments	10	35,74,455	35,74,455
Long term loans and advances	11	2,12,899	2,12,899
CURRENT ASSETS			
Cash and cash equivalents	12	19,91,493	17,73,835
Short-term loans and advances	13	21,47,443	20,42,864
TOTAL		3,43,34,777	3,40,65,302

Summary of Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For SINGHI & CO.

Chartered Accountants

Firm Registration no. 302049E

CA Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata

Date: 21.05.2018

G. K. TULSIAN

DIN : 00017786

Director

S. N. NEOTIA

DIN : 01259207

Director

Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Note	For the year ended 31st March, 2018	For the year ended 31st March, 2017
		₹	₹
Revenue from operations	14	6,37,765	5,79,780
Other Income	15	17,17,161	16,28,541
Total Revenue		23,54,926	22,08,321
Expenses			
Employee benefit expenses	16	12,000	7,000
Finance Cost	17	34,68,821	–
Depreciation and amortization exp.	9	52,762	52,762
Other expenses	18	8,72,673	5,07,450
Total Expenses		44,06,256	5,67,212
Profit Before Exceptional Items & Tax		(20,51,330)	16,41,109
Exceptional Items:	19	2,62,80,000	–
Profit Before Tax		(2,83,31,330)	16,41,109
Tax expense :			
-Current Tax		60,347	2,99,529
-MAT Credit Utilisation		–	–
-MAT Credit Entitlement		–	(92,224)
-Income Tax for Earlier Years		–	5,340
-Deferred Tax		–	–
PROFIT AFTER TAX		(2,83,91,677)	14,28,464
Earning per equity share			
Basic		(567.81)	28.57
Diluted		(567.81)	28.57

See Accompanying Notes to
the Financial Statements

1

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For SINGHI & CO.

Chartered Accountants

Firm Registration no. 302049E

CA Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata

Date: 21.05.2018

G. K. TULSIAN

DIN : 00017786

Director

S. N. NEOTIA

DIN : 01259207

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	₹	₹
Cash flow from Operating Activities		
Net (Loss)/Profit Before taxation	(20,51,330)	1,641,109
Adjustment for :		
Depreciation	52,762	52,762
Profit on Sales of Mutual Fund Units	–	(1,475,870)
Finance Cost	34,68,821	–
Income from Investments	(2,03,746)	(152,671)
Operating cash flow before working capital changes	12,66,507	65,330
Increase / (Decrease) in Trade Payable/ Other Current Liabilities	(65,650)	90,150
Decrease / (Increase) in Trade Receivable / Short Term Loans & Advances	9,201	(19,44,666)
Cash from/(Used in) operating activities	12,10,058	(17,89,186)
Income Tax Paid	(3,55,325)	(62,834)
Net Cash from operations/(Used in) operating activities	8,54,733	18,52,020
Cash Flow from investing activities		
Non-current investments	–	27,01,910
Income from Investments	2,03,746	152,671
Net Cash from Investing Activities	2,03,746	28,54,581
Cash Flow from Financing Activities		
Proceeds from Short Term Borrowings	4,25,00,000	–
Payment of Short Term Borrowings	(4,33,40,821)	–
Net Cash used in financing activities	(8,40,821)	–
Net Increase/(Decrease) in Cash & Cash equivalents	2,17,658	10,02,561
Cash & Cash equivalents at the beginning of the year	17,73,835	7,71,274
Cash & Cash equivalents at the end of the year	19,91,493	17,73,835

Summary of Significant accounting policies

1

The accompanying notes are an integral part of the financial statements

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

As per our Report of even date

For SINGHI & CO.

Chartered Accountants

Firm Registration no. 302049E

CA Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata

Date: 21.05.2018

G. K. TULSIAN

DIN : 00017786

Director

S. N. NEOTIA

DIN : 01259207

Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****i) Basis for preparation of Accounts :**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rules, 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

iii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- a) Rental Income is recognized on time proportionate basis over the period of the rent.
- b) Dividend Income is recognised when the shareholder's right to receive dividend is established by the balance sheet date.
- c) Transaction in respect of Investment / dealing in securities are recognised on trade date

iv) Fixed Assets:

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price.

Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

v) Depreciation :

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

vi) Impairment of Fixed Assets :

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the 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 risks specific to the asset.

After impairment, depreciation / amortization is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

vii) Investments :

Investments that are readily realisable and intended to be held for not more than one year from the date of such investment are classified as "Current Investments". All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

viii) Taxes on Income :

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred Income tax reflects the impact of current year timing differences

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

between taxable income and accounting income for the year and reversal of timing differences of earlier years.

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

ix) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and Cash / Cheque on hand and short-term investments with an original maturity of three months or less.

x) Earnings Per Share

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

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

xi) Provisions

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation, at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xii) Contingent Liabilities

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**2. SHARE CAPITAL**

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Authorised		₹		₹
Equity Shares of par value ₹10/- each	90,000	900,000	90,000	900,000
1,000-6% Non Cumulative Redeemable Preference Shares of ₹100/- each	1,000	100,000	1,000	100,000
Total	91,000	10,00,000	91,000	10,00,000
Issued, subscribed and fully paid				
Equity Shares of par value ₹10/- each	50,002	5,00,020	50,002	5,00,020

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

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

In the event of liquidation, the ordinary shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts in proportion to their shareholding.

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

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

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

3. RESERVES & SURPLUS

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
i) Capital Redemption Reserve		
Balance at beginning of the year	200	200
Add/ Less : Movements during the year	–	–
Balance at the end of the year	200	200
ii) General Reserve		
Balance at beginning of the year	28,187	28,187
Add/ Less : Movements during the year	–	–
Balance at the end of the year	28,187	28,187
iii) Surplus in statement of Profit & Loss		
Balance at beginning of the year	64,31,518	50,03,054
Add : Net Profit for the current year	(2,83,91,677)	14,28,464
Balance at the end of the year	(2,19,60,159)	64,31,518
	(2,19,31,772)	64,59,905

4. LONG-TERM BORROWINGS

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Unsecured		
* Loan from Holding Co. i.e. M/s Pilani Investment & Ind. Corpn. Ltd.	48,09,182	48,09,182
Advance from - Body Corporate	--	2,19,00,000
* Interest Free		
TOTAL	48,09,182	2,67,09,182

5. OTHER LONG-TERM LIABILITIES

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Secured		
Security Deposit against Rent	30,000	30,000
TOTAL	30,000	30,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

9. TANGIBLE ASSETS

Fixed Assets	Gross Block				Accumulated Depreciation				Net Block		
	Opening Bal. as at 1 April 2017	Additions	Sales/ Adjustment	Balance as at 31 March 2018	Opening Bal.as at 1 April 2017	Depreciation charge for the year	*Adjustment	Sales / Adjustment	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 31 March 2017
	₹	₹	₹	₹	₹	₹		₹	₹	₹	₹
Tangible Assets											
Freehold Land	2,48,22,151	-	-	2,48,22,151	-	-	-	-	-	2,48,22,151	2,48,22,151
Buildings	34,26,308	-	-	34,26,308	17,87,210	52,762	-	-	18,39,972	15,86,336	16,39,098
Total	2,82,48,459	-	-	2,82,48,459	17,87,210	52,762	-	-	18,39,972	2,64,08,487	2,64,61,249
Previous Year	2,82,48,459	-		2,82,48,459	17,34,448	52,762	-	-	17,87,210	2,64,61,249	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**6. TRADE PAYABLE**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Trade Payable		
Audit Fees Payable	59,000	34,650
Sundry Creditors for expenses	--	63,000
TOTAL	59,000	97,650

7. OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Advance from - Body Corporate	2,19,00,000	-
TDS Payable	28,90,800	27,000
Interest accrued and due on borrowings	2,60,17,200	
TOTAL	5,08,08,000	27,000

8. SHORT TERM PROVISIONS

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Provision for Income Tax (net off TDS & Advance Tax)	60,347	2,41,545
TOTAL	60,347	2,41,545

10. NON CURRENT INVESTMENTS**Particulars**

As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
--------------------------------	--------------------------------

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

Investment in Equity Instruments (Quoted)

200 (31st March 2017 : 200) Equity Shares of ₹10/- each fully paid in Mangalore Refinery Petrochemicals Ltd.

2,000	2,000
2,000	2,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

Details of Investments in liquid mutual fund units :	Units	As at 31st March, 2018	Units	As at 31st March, 2017
		₹		₹
Birla Sunlife Dividend Yied Plus- Div.	18,811.136	2,50,000	18,811.136	2,50,000
Birla Sunlife Midcap - Plan A - Div.	33,472.804	8,00,000	33,472.804	8,00,000
Birla Sunlife Short Term Opportunity Fund - Growth	16,671.767	310,970	16,671.767	310,970
Birla Sunlife Medium Term Plan - Growth	50,782.902	711,585	50,782.902	711,585
Birla Sunlife Medium Term Plan - Growth	58,746.460	999,900	58,746.460	999,900
		30,72,455		30,72,455
Details of Investments in Tax Free Bonds :				
Housing and Urban Dev. Crpn. Ltd.	500	5,00,000	500	5,00,000
TOTAL		35,74,455		35,74,455

Particulars	2018	2017
	₹	₹
Aggregate Book Value of quoted investments	30,74,455	30,74,455
Aggregate Book Value of Tax Free Bonds	5,00,000	5,00,000
Aggregate NAV of quoted investments	43,91,748	42,19,295

11. LONG-TERM LOANS & ADVANCES

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Unsecured, Considered good		
Deposit with Govt. & Other Authorities	8,100	8,100
MAT Credit Entitlement	2,04,799	2,04,799
Total	2,12,899	2,12,899

12. CASH AND CASH EQUIVALENTS

Particulars	As at 31st March, 2018	As at 31st March, 2017
	₹	₹
Balance with Scheduled Banks : in Current Account	19,87,569	17,68,531
Cash in hand (As certified by the Management)	3,924	5,304
Total	19,91,493	17,73,835

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**13. SHORT-TERM LOANS & ADVANCES**

Particulars	As at 31st March, 2018 ₹	As at 31st March, 2017 ₹
Unsecured, Considered good		
Prepaid Insurance	20,798	16,823
Advance to Others	-	13,176
Advance Payment of Income Tax & Tax Deducted at Source (net of Provision)	1,13,780	-
Income Tax Refundable	22,465	22,465
Deposit with New Delhi Municipal Corpn. against Appeal (Property Tax Demand)	19,90,400	19,90,400
Total	21,47,443	20,42,864

14. REVENUE FROM OPERATIONS

Particulars	For the year ended 31st March, 2018 ₹	For the year ended 31st March, 2017 ₹
Rent Income	6,37,765	5,79,780
Total	6,37,765	5,79,780

15. OTHER INCOME

Particulars	For the year ended 31st March, 2018 ₹	For the year ended 31st March, 2017 ₹
Dividends		
From Mutual Fund Units - Long Term	1,63,046	1,11,971
Interest Income		
Interest on Tax Free Bonds - Long Term	40,700	40,700
Recovery of Expenses	15,13,415	-
Profit on sales of Mutual Fund Units - Long Term	-	14,75,870
Total	17,17,161	16,28,541

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018**16. EMPLOYEE BENEFITS EXPENSES**

Particulars	For the year ended 31st March, 2018 ₹	For the year ended 31st March, 2017 ₹
Salaries and Bonus	12,000	7,000
Total	12,000	7,000

17. FINANCIAL COSTS

Particulars	For the year ended 31st March, 2018 ₹	For the year ended 31st March, 2017 ₹
Interest on inter Corporate Deposits	8,40,821	-
Interest on Long Term Borrowings	26,28,000	-
Total	34,68,821	-

18. OTHER EXPENSES

Particulars	For the year ended 31st March, 2018 ₹	For the year ended 31st March, 2017 ₹
Rates and Taxes	1,09,456	1,60,856
Insurance Charges	17,902	21,190
Bank Charges	46,893	9,809
General Expenses	28,207	4,115
Filing Fees	1,200	1,200
Audit Fees	59,000	34,500
Professional Fees	5,74,500	2,75,750
Printing & Stationery	-	30
Travel & Conveyance	35,515	-
Total	8,72,673	5,07,450

19. EXCEPTIONAL ITEMS

Particulars	For the year ended 31st March, 2018 ₹	For the year ended 31st March, 2017 ₹
Interest on Long Term Borrowings	2,62,80,000	-
Total	2,62,80,000	-

20. CONTINGENT LIABILITIES :

A demand of ₹ 4,37,77,380/- was raised by New Delhi Municipal Council towards Property Tax with retrospective effect from Financial year 2000-01 to 2016-17. The Company has not

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

recognized it as a Liability in the Account for Financial year 2016-17, being contingent in nature. The Company has filed an Appeal on 02.03.2017 against the same at the Court of District Judge, Patiala House, New Delhi and is optimistic of its favourable outcome.

21. Going Concern :

As at 31.03.2018, the Company's Losses are in excess of its Paid-up Capital and Reserves. However, the Company is in process of restructuring its revenue Resources in the coming financial years to generate an operating Income before Interest, Depreciation & Taxes. Further the Company is fully supported by its Holding Company and in view of the commitment of the promoter (Holding Co.) to provide Funds as and when need arises, the financial statements of the company have been prepared on going concern basis.

- 22.** There are no other timing differences between taxable income & accounting income of the company primarily because tax benefit of Depreciation is not available to the Company, it being assessed under the head Income from House Property.
- 23.** As there is only one segment in the Company, AS-17 is not applicable.
- 24.** Minimum Alternate tax ("MAT") under the provision of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit & Loss. The credit available under the Act in respect of MAT paid is recognised as an asset of ₹ 2,04,799/-. Based on projections made by the management and the current working trend of the company the management is virtually certain of recovering the MAT credit entitlement.
- 25.** i) During the year, the Company agreed to repay ₹ 219 Lakhs (alongwith Interest) taken by the Company in an earlier year from a Body Corporate. Accordingly, the Interest liability of ₹ 289.08 Lakhs has been provided in the Accounts for the current Financial Year.
ii) Out of the above Interest of ₹ 289.08 lakhs, Interest for the earlier period ₹ 262.80 lakhs has been considered and reflected as "Exceptional Items" in the Statement of Profit & Loss.
- 26.** M/s Pilani Investment & Industries Corporation Ltd. being our 100% Holding Co. is the only related party but there has been no transaction with them during the Accounting Year 2017-18 ₹ 48,09,182/- being the opening balance (as on 01.04.17) and the year-end balance (as on 31.03.18) in respect of Unsecured Loan (interest free) from M/s Pilani Investment & Industries Corporation Limited to its 100% subsidiary PIC Properties Ltd.
- 27.** The company has reclassified previous year figures to confirm to this year's classification.

As per our Report of even date

For SINGHI & CO.

Chartered Accountants

Firm Registration No. 302049E

CA. Anurag Singhi

Partner

Membership No. 066274

Place : Kolkata

Date : 21.05.2018

G. K. TULSIAN

DIN : 00017786

Director

S. N. NEOTIA

DIN : 01259207

Director

DIRECTORS

SHRI TRIDIB KUMAR DAS

SHRI GAUTAM GANGULI

SHRI SURESH KUMAR SHARMA

AUDITORS

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

REGISTERED OFFICE

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

DIRECTORS' REPORT

DEAR SHAREHOLDERS

Your Directors have the pleasure in presenting before you the 6th Annual Report and Accounts of the Company for the year ended 31st March, 2018.

FINANCIAL RESULTS :

	2017-2018	(Amount in ₹) 2016-2017
Gross Profit for the year	64,10,610	44,69,661
Add : Balance brought forward from previous year	2,01,76,521	1,57,06,860
	2,65,87,131	2,01,76,521

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

There was no significant orders passed by the regulators or Courts tribunals impacting the Company's going concern status and its future operations during the financial year under reference.

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

DIVIDEND

The Board of Directors did not recommend any dividend for the year ended 31st March, 2018.

DIRECTORS

During the year, there was no change in the Board.

Shri Tridib Kumar Das (DIN: 01063824), Director of the Company retire from the office by rotation and, being eligible, offers himself for re-appointment.

During the year ended 31st March, 2018 five Board meetings were held on 15.05.2017, 17.07.2017, 25.08.2017, 30.11.2017 and 27.02.2018. All the Board meetings were attended by Shri Tridib Kumar Das, Shri Gautam Ganguli and Shri Suresh Kumar Sharma.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments 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, 2018 and of the Profit of the Company for the financial year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) there is a proper system to ensure compliance with the provisions with all applicable laws and that such systems are adequate and operating effectively.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as at 31st March, 2018 is attached as Annexure – 1 in the prescribed Form MGT- 9, which forms part of this report.

RELATED PARTY TRANSACTIONS

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

AUDITORS

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

AUDITORS REPORT

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

EMPLOYEES

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

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

FIXED DEPOSITS

Your Company has not accepted deposits from the public during the financial year ended 31st March, 2018.

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

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

For and on behalf of the Board of Directors

Kolkata
May 22, 2018

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

ANNEXURE- 1**Form No. MGT - 9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March, 2018**

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

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

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

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

(ii) Shareholding of Promoters

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

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

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

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Directors & KMP				
1.	Shri Tridib Kumar Das and Pilani Investment and Industries Corporation Ltd. *	1	-	1	-
2.	Shri Gautam Ganguli	-	-	-	-
3.	Shri Suresh Kumar Sharma	-	-	-	-

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

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year i. e. on 01.04.2017				
i) Principal Amount	Nil	2,50,27,226	Nil	2,50,27,226
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ ii + iii)	Nil	2,50,27,226	Nil	2,50,27,226
Change in indebtedness during the Financial Year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	73,33,004	Nil	73,33,004
(Net Change)	Nil	73,33,004	Nil	73,33,004
Indebtedness at the end of the Financial Year i. e. on 31.03.2018				
i) Principal Amount	Nil	1,76,94,222	Nil	1,76,94,222
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	1,76,94,222	Nil	1,76,94,222

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

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

B. Remuneration to other directors:

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

Independent Directors :

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

Other Non-Executive Directors :

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

Total (B) = (1 + 2)

Total Managerial Remuneration	-
Overall ceiling as per the Act	-

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

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

VII. PENTALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

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

Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

B. Directors

Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

C. Other Officers in Default

Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

Annexure- 2

Form No. AOC-2

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

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

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

For and on behalf of the Board of Directors

TRIDIB KUMAR DAS

(DIN : 01063824)

Director

GAUTAM GANGULI

(DIN : 00871416)

Director

Kolkata
May 22, 2018

INDEPENDENT AUDITORS' REPORT

To
The Members of
PIC REALCON LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **PIC REALCON LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and Cash Flow Statement for the period from 1st April, 2017 to 31st March, 2018 then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

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

Auditor's responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the

INDEPENDENT AUDITORS' REPORT - (Contd.)

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory requirements

As required by the Companies (Auditor's Report) Order, 2018 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i The Company has no pending litigations on its financial position;
 - ii. The Company has no long-term contracts including derivative contracts hence no provision is required under the applicable law or accounting standards;
 - iii. There are no amounts, required to be transferred, to the Investor Education & Protection Fund by the Company.

Place : Kolkata
Date : The 22nd May, 2018

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

Annexure - A to the Auditors' Report

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

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

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

- (xii) The company is not a nidhi company and hence provisions of clause (xii) of the order are not applicable to the company.
- (xiii) In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the Accounting Standards (AS) 18, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies(Account) Rules, 2014.
- (xiv) During the year under review the company has not made any preferential allotment on private placement of shares or fully or partly convertible debentures.
- (xv) The company has not entered into any non cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934

Place : Kolkata
Date : The 22nd May, 2018

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

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

We have audited the internal financial controls over financial reporting of **PIC REALCON LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

Place : Kolkata
Date : The 22nd May, 2018

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

BALANCE SHEET AS AT 31ST MARCH, 2018

	Notes	31st March, 2018 ₹	31st March, 2017 ₹
EQUITY AND LIABILITIES			
SHAREHOLDER'S FUNDS			
Share Capital	2	5,00,000	5,00,000
Reserves and Surplus	3	2,65,87,131	2,01,76,521
NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	1,76,94,222	2,50,27,226
CURRENT LIABILITIES			
Other current liabilities	5	23,600	20,127
TOTAL		4,48,04,953	4,57,23,874
ASSETS			
NON-CURRENT ASSETS			
Non-Current Investments	6	4,46,01,000	4,46,01,000
Other Non Current Assets	7	-	16,485
CURRENT ASSETS			
Cash and Bank Balances	8	1,09,219	3,63,387
Other Current Assets	9	94,734	7,43,002
TOTAL		4,48,04,953	4,57,23,874

Significant accounting policies 1

The accompanying notes are an integral part of the financial statements

"As per our Report of even date"

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

L. K. Shroff
Partner
Membership No. 060742

Place : Kolkata
Dated: 22nd May, 2018

For and on behalf of the Board of Directors

TRIDIB KUMAR DAS
DIN : 01063824
Director

GAUTAM GANGULI
DIN : 00871416
Director

Statement of Profit and Loss for the year ended 31st March, 2018

	Notes	31st March, 2018 ₹	31st March, 2017 ₹
Income			
Revenue from operations	10	64,79,565	45,12,960
Total Revenue (I)		64,79,565	45,12,960
Expenses			
Other expenses	11	68,955	43,299
Total Expenses (II)		68,955	43,299
PROFIT BEFORE TAX (I) - (II)		64,10,610	44,69,661
Tax expense :			
Current Tax		-	-
Deferred Tax		-	-
Total Tax Expenses		-	-
PROFIT AFTERTAX		64,10,610	44,69,661
Earnings per Equity Shares [Nominal Value of Rs. 10/- each]			
Basic & Diluted	12	128.21	89.39
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

"As per our Report of even date"

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

L. K. Shroff
Partner
Membership No. 060742

Place : Kolkata
Dated: 22nd May, 2018

For and on behalf of the Board of Directors

TRIDIB KUMAR DAS
DIN : 01063824
Director

GAUTAM GANGULI
DIN : 00871416
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	For the year ended	For the year ended
	31st March, 2018	31st March, 2017
	₹	₹
A. Cash Flow from Operating Activities		
Profit before Tax	64,10,610	44,69,661
Adjustment for :		
Preliminary Expenses - Written Off	3,297	3,297
Operating profit before working capital changes	<u>64,13,907</u>	<u>44,72,958</u>
Increase / (Decrease) in other current liabilities	3,473	1,451
(Increase) / Decrease in other current assets	6,48,268	(7,43,002)
Cash generated from operations	<u>70,65,648</u>	<u>37,31,407</u>
Direct Tax Paid	-	-
Net Cash Flow from Operating Activities	<u>70,65,648</u>	<u>37,31,407</u>
B. Cash Flow from investing activities	-	-
Net Cash Flow from/(used in) investing activities	-	-
C. Cash Flow from Financing activities		
Repayment of Long Term Borrowing	(73,33,004)	(64,50,000)
Net Cash Flow from/(used in) Financing activities	<u>(73,33,004)</u>	<u>(64,50,000)</u>
D. Net Increase in Cash & Cash equivalents (A+B+C)	<u>(2,67,356)</u>	<u>(27,18,593)</u>
E. Cash & Cash equivalents at the beginning of the year	<u>3,63,387</u>	<u>30,81,979</u>
F. Cash & Cash equivalents at the end of the year	<u>96,031</u>	<u>3,63,387</u>
Components of Cash & Cash equivalents as indicated in Note 8 Comprises of :		
Cash on hand	9,216	9,216
Balances with schedule banks on current account	1,00,003	3,54,171
Total	<u>1,09,219</u>	<u>3,63,387</u>

"As per our Report of even date"

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

L. K. Shroff
Partner
Membership No. 060742

Place : Kolkata
Dated: 22nd May, 2018

For and on behalf of the Board of Directors

TRIDIB KUMAR DAS
DIN : 01063824
Director

GAUTAM GANGULI
DIN : 00871416
Director

Notes to financial statements for the year ended 31st March, 2018

Corporate Information

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

1. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation :

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

ii) Revenue Recognition :

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

iii) Investments :

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

iv) Earning per share :

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

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

v) Taxes on Income

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

Notes to financial statements for the year ended 31st March, 2018

2. SHARE CAPITAL

	31st March, 2018	31st March, 2017
	₹	₹
Authorised Shares		
50,000 Equity Shares of ₹10/- each (P.Y. - 50,000 Equity Shares)	5,00,000	5,00,000
Issued, subscribed and fully paid up shares		
50,000 Equity Shares of ₹10/- each (P.Y. - 50,000 Equity Shares)	5,00,000	5,00,000
	5,00,000	5,00,000

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

	31st March, 2018		31st March, 2017	
	No. of Shares	(₹)	No. of Shares	(₹)
Equity Shares				
At the beginning of the Period	50,000	500,000	-	-
Add: Issued during the period	-	-	50,000	500,000
Outstanding at the end of the period	50,000	500,000	50,000	500,000

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

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

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

	31st March, 2018		31st March, 2017	
	No. of Shares Held	% Holding	No. of Shares Held	% of Holding
Pilani Investment & Industries Corpn. Ltd.	50,000	100.00	50,000	100.00

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

3. Reserves & Surplus

	31st March, 2018	31st March, 2017
	(₹)	(₹)
Surplus in the statement of Profit & Loss		
Balance as per the last Financial Statements	2,01,76,521	1,57,06,860
Profit for the year	64,10,610	44,69,661
Less : Appropriations	-	-
Surplus in the statement of Profit & Loss	2,65,87,131	2,01,76,521
Total Reserves & Surplus	2,65,87,131	2,01,76,521

Notes to financial statements for the year ended 31st March, 2018

4. Long-Term borrowings	31st March, 2018 (₹)	31st March, 2017 (₹)
Loan From Companies		
Unsecured Loan from Holding Company :- Pilani Investment & Industries Corpn. Ltd. (Interest Free Loan)	<u>1,76,94,222</u> <u>1,76,94,222</u>	<u>2,50,27,226</u> <u>2,50,27,226</u>
5. Other Current Liabilities		
Liabilities for Expenses	<u>23,600</u> <u>23,600</u>	<u>20,127</u> <u>20,127</u>
6. Non-Current Investments		
NonTrade investments (Valued at cost) No. Shares FaceValue	31st March, 2018	31st March, 2017
Unquoted equity instruments(Fully Paid)	(₹)	(₹)
The Hindustan Times Ltd. 1,92,000 10	2,18,493	2,18,493
Gmmco Limited 68,249 10	3,42,09,811	3,42,09,811
Orient Electric Limited* 4,25,260 1	7,29,406	-
	<u>3,51,57,710</u>	<u>34,428,304</u>
Quoted equity instruments (Fully Paid)		
Cimmco Limited 70,780 10	5,03,016	5,03,016
Hindustan Everest Tools Ltd. 52,175 10	4,46,227	4,46,227
KDDL Ltd. 35,000 10	3,05,830	3,05,830
Orient Cement Ltd. 4,25,260 1	25,58,148	25,58,148
Orient Paper & Industries Ltd. 4,25,260 1	11,29,901	18,59,307
Sutlej Textiles & Industries Ltd. 1,71,463 10	24,70,700	24,70,700
SIL Investment Limited 1,14,309 10	20,14,376	20,14,376
Zenith Birla Limited 3,432 10	15,092	15,092
	<u>94,43,290</u>	<u>1,01,72,696</u>
	<u>4,46,01,000</u>	<u>4,46,01,000</u>
Aggregate Value of Quoted Investments	94,43,290	1,01,72,696
Aggregate Value of Unquoted Investments	3,51,57,710	3,44,28,304
Market Value of Quoted Investments	14,94,20,249	26,47,47,272
*During the year, 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. and such shares were listed on 14.05.2018 on NSE.		
7. Other Non Current Assets	31st March, 2018	31st March, 2017
	(₹)	(₹)
Miscellaneous Expenditures		
Preliminary Expenses	-	16,485
	-	<u>16,485</u>

Notes to financial statements for the year ended 31st March, 2018

8. Cash and Bank Balances	31st March, 2018 (₹)	31st March, 2017 (₹)
Balance with Scheduled Banks		
On Current Accounts	1,00,003	3,54,171
Cash on Hand	9,216	9,216
	1,09,219	3,63,387
9. Other Current Assets		
Others		
Dividend Receivable	94,734	7,43,002
	94,734	7,43,002
10. Revenue from Operations		
Dividend Income on		
– Non Current Investments	64,79,565	45,12,960
	64,79,565	45,12,960
11. Other Expenses		
Professional Charges	19,500	15,000
Demat / Bank Charges	1,696	–
Filing Fees	4,800	2,000
Payment to Auditors		
– As Audit Fee	17,700	17,250
– For Others	8,774	5,752
Preliminary Expenses -Written Off	16,485	3,297
	68,955	43,299
12. Earning Per Share		
Profit after Tax as per Statement of Profit & Loss	64,10,610	44,69,661
Weighted Average no. of Equity Shares (Nos.)	50,000	50,000
Basic & Diluted Earning Per Share	128.21	89.39
13. In the earlier year, all the Non Current Investment in Equity instruments amounting ₹ 4,46,01,000/- has received/transferred from holding company i.e. 'Pilani Investment & Industries Corpn. Ltd.'		
a) 4,25,260 shares Orient Cement Limited transferred from Holding Company, out of which 1,05,260 shares in dematerialised form which were transferred in the name of the company. However, balance 3,20,000 shares are in physical form and process for transfer in the name of the company.		
b) During the process of transfer, 57,154 shares of Suttlej Textiles & Industries Limited received as bonus in F.Y. 2013-14 by the holding company in respect of above shares and transfer of the same in the name of the Company is under process.		

Notes to financial statements for the year ended 31st March, 2018

14. Related Party Disclosures

Names of related parties and related party relationship

a. Name of the related parties where control exists :

Holding Company Pilani Investment & Industries Corporation Limited

b. Name of other related parties :

Key Management Personnel	Shri Suresh Kumar Sharma		Director
	Shri Gautam Ganguli		
	Shri T. K. Das		

Related Party Transactions for the relevant period :

	2017-2018 (₹ in lakhs)	2016-2017 (₹ in lakhs)
Holding Company		
Repayment of Borrowings		
Pilani Investment & Industries Corporation Ltd.	<u>73,33,004</u>	<u>64,50,000</u>
Borrowings Outstanding		
Pilani Investment & Industries Corporation Ltd.	<u>1,76,94,222</u>	<u>2,50,27,226</u>

15. Figures have been rounded off to nearest Rupee.

“As per our Report of even date”

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

L. K. Shroff
Partner
Membership No. 060742

Place : Kolkata
Dated: 22nd May, 2018

For and on behalf of the Board of Directors

TRIDIB KUMAR DAS
DIN : 01063824
Director

GAUTAM GANGULI
DIN : 00871416
Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Pilani Investment and Industries Corporation Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Pilani Investment and Industries Corporation Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

Basis for qualified opinion

As indicated in Note 1(ii) (c) to the Consolidated Financial Statements, a difference of ₹ 15387.64 lakhs between the Company's investments and share of equity in Associate Company has been credited to revenue reserves since such differences on various dates of acquisitions were not available, the appropriateness or otherwise of which we are unable to comment on including compliance with GAAP.

In respect of above, the audit report dated May 30, 2017 on consolidated financial statements for the previous year was also qualified by our predecessor auditors.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a True and Fair view in conformity with the Accounting Principles generally accepted in India, of the Consolidated State of Affairs of the Group, and its associates as at March 31, 2018, of their consolidated Profit and their consolidated Cash Flows for the year ended on that date.

Emphasis of Matter

- i. Note 19.2(b) to the consolidated financial statements regarding demand of ₹ 437.77 lakhs towards property tax in a subsidiary company. The subsidiary company has filed an appeal against the same with Hon'ble district Judge at Delhi and is optimistic of its favourable outcome.
- ii. Note 19.5 to the consolidated financial statements regarding a balance of ₹ 219 lakhs which have been admitted as loan, shall be repaid along with interest amounting to ₹ 289.08 lakhs. Short Term provisions regarding the repayment of loan with interest has been made in the books.

Our opinion is not qualified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other information of subsidiaries and associates as noted in the 'other matter' paragraph, to the extent applicable, we report that:
 - (a) Except for the matters described in the Basis for Qualified Opinion paragraph, We/ the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) Except for the effects of matter described in the Basis of Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - (d) Except for the effects of matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies & associate companies incorporated in India, none of the directors of the Group companies and its associates incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
 - (f) The qualifications relating to the maintenance of accounts and other matters connected there with are as stated in the Basis for Qualified Opinion paragraph above;
 - (g) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies and associate company in India, refer to our separate report in "Annexure A" to this report;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates as noted in the Other

matter paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associates – Refer Note 19.2 to the consolidated financial statements.
- ii. The Holding Company, its subsidiaries and a associate company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2018.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and associates companies incorporated in India during the year ended March 31, 2018. In case of subsidiary companies, there were no amounts which were required to be transferred to the Investor Education and Protection Fund.
- iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Holding Company and subsidiaries incorporated in India for the year ended March 31, 2018.

Other Matter

We did not audit the financial statements and other financial information, in respect of subsidiaries whose financial statements include total assets of ₹ 791.40 lakhs and net assets of ₹ 56.55 lakhs as at March 31, 2018, and total revenues of ₹ 88.33 lakhs and net cash outflows of ₹ 0.50 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Company's share of net profit of ₹ 10,417 lakhs for the year ended March 31, 2018, as considered in the consolidated financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the report(s) of such other auditors.

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

The comparative consolidated financial information of the Group for the year ended March 31, 2017, included in these consolidated financial results, have been audited by another

firm of Chartered Accountants whose report dated May 30, 2017 expressed a qualified opinion that,

- a) No provision has been made in respect of deposit of ₹ 6.93 million (₹ 69.28 lakhs) with the Debt Recovery Tribunal against claim made by a Bank on the basis of guarantee given in earlier years since the matter is pending with Debt Recovery Appellate Tribunal as per the Hon'ble Bombay High Court order. Consequently, we are unable to comment on the effect of the above on the consolidated financial statements.
- b) A balance of ₹ 21.90 million (₹ 219 lakhs) payable to M/s Birla Group Holdings Private Limited has been carried in the Balance Sheet of one of the Subsidiary Company under Long Term Borrowings. In absence of underlying document, the auditors of that subsidiary company are unable to comment on the nature and balance of the same.

With respect to a) above, as per Note 20, the company has since made provisions of ₹ 69.28 lakhs in the year ended March 31, 2018, therefore, our report is not qualified with respect to this matter on these financial statements. Whereas in case of b) above the audit report of auditors of subsidiary company is no longer qualified in this respect.

For **VIDYARTHI & SONS**
Chartered Accountants
(Firm Registration No. : 000112C)

AMIT S. VIDYARTHI
Partner
Membership No. : F-078296

Place : Gwalior
Date : May 29, 2018

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

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

In conjunction with our audit of the consolidated financial statements of Pilani Investment and Industries Corporation Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Pilani Investment and Industries Corporation Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial

controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of report issued by other auditors, as referred to in the Other Matters paragraph, the Holding Company, its subsidiaries and associate which are incorporated in India, have, in all material respects, maintained adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as at March, 31, 2018 based on internal financial controls over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

Other Matters

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

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2018 and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 29, 2018 expressed qualified audit opinion.

For **VIDYARTHI & SONS**
Chartered Accountants
(Firm Registration No. : 000112C)

AMIT S. VIDYARTHI
Partner
Membership No. : F-078296

Place : Gwalior
Date : May 29, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

	Notes	As At 31st March, 2018 ₹ in Lakhs	As At 31st March, 2017 ₹ in Lakhs
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	3	790.88	790.88
Reserves and Surplus	4	1,47,052.35	1,21,069.22
		1,47,843.23	1,21,860.10
Non-Current Liabilities			
Long Term Borrowings	5	-	219.00
Long Term Provisions	6	2.32	2.30
		2.32	221.30
Current Liabilities			
Trade Payables	7	60.59	45.30
Other Current Liabilities	7	583.88	55.80
Short Term Provisions	6	180.56	171.00
		825.03	272.10
		1,48,670.58	1,22,353.50
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible Assets	8	264.54	264.70
Non-Current Investments	9	1,32,755.44	1,07,834.60
Long Term Loans and Advances	10	427.63	443.10
Other Non Current Assets	12	-	0.20
		1,33,447.61	1,08,542.60
Current Assets			
Current Investments	11	15,068.40	13,375.30
Trade Receivables	12	24.55	27.30
Cash and Bank Balances	13	72.02	357.20
Short Term Loans and advances	10	57.05	35.30
Other Current Assets	12	0.95	15.80
		15,222.97	13,810.90
		1,48,670.58	1,22,353.50
TOTAL			
Summary of Significant Accounting Policies 2.1			

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

As per our report of even date.

For Vidyarthi & Sons

Chartered Accountants
Firm Registration No.: 000112C

Per Amit S. Vidyarthi

Partner
Membership No. F-078296
Place : Gwalior
Dated : May 29, 2018

For and on behalf of the Board of Directors

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

R. P. PANSARI
Chief Executive Officer

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	Notes	For the year ended 31st March, 2018 ₹ in Lakhs	For the year ended 31st March, 2017 ₹ in Lakhs
INCOME			
Revenue from operations	14	2,328.95	3,457.60
Other Income	15	15.43	0.40
Total Revenue (I)		2,344.38	3,458.00
EXPENSES			
Employee benefits expenses	16	137.35	98.40
Finance Cost		34.69	-
Depreciation and amortization expense	18	54.63	63.70
Other expenses	17	337.92	259.70
Total Expenses (II)		564.59	421.80
Profit before Exceptional Items (I) - (II)		1,779.79	3,036.20
Exceptional Items (Refer Note 19.5)		262.80	-
Profit Before Tax		1,516.99	3,036.20
Tax Expense :			
Current Tax		55.61	463.00
MAT Credit Entitlement		(43.08)	(198.24)
Total Tax Expense		12.53	264.76
Profit for the year (A)		1,504.46	2,771.44
Share of Profit / (Loss) in Associate Companies (Net) (B)		10,417.00	1,501.69
Profit / (Loss) for the year (A -B)		11,921.46	4,273.13

Earnings per Equity Shares [Nominal Value of ₹ 10/- each (₹ 10/-)]

Basic & Diluted (₹)	24	150.74	54.03
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Summary of Significant Accounting Policies 2.1

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

As per our report of even date.

For Vidyarthi & Sons
Chartered Accountants
Firm Registration No.: 000112C
Per Amit S. Vidyarthi
Partner
Membership No. F-078296
Place : Gwalior
Dated : May 29, 2018

For and on behalf of the Board of Directors

D. K. MANTRI Director (DIN:00075664)	A. K. KOTHARI Director (DIN:00051900)
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R. P. PANSARI
Chief Executive Officer

N. K. BAHETI Chief Financial Officer	R. S. KASHYAP Company Secretary
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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	For the year ended 31st March, 2018 ₹ in Lakhs	For the year ended 31st March, 2017 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit Before Tax	1,516.99	3,036.20
Adjustment for :		
Finance Cost	34.69	–
Depreciation and amortisation expense	54.63	63.70
Operating Profit Before Working Capital Changes :	1,606.31	3,099.90
(Decrease) / Increase in Long Term provisions	0.02	(0.20)
Increase / (Decrease) in Trade Payables	15.29	41.90
(Decrease) / Increase in other current liabilities	308.96	(134.80)
(Decrease) / Increase in Short-term provisions	11.35	(129.00)
Decrease in Non-Current Loans and Advances	67.65	8.00
(Increase) / Decrease in Non Current Investments	1,883.61	(10,132.40)
Decrease in Short-Term Loans and Advances	(21.75)	20.00
Decrease in Other Non-Current Assets	–	–
Decrease / (Increase) in Current Investments	(1,693.10)	9,057.30
Decrease in Other Current Assets	14.85	21.60
Decrease in Trade Receivables	2.75	16.30
Cash Generated from Operations :	2,195.94	1,868.60
Direct Tax paid	(66.48)	(303.30)
Net Cash Flow from Operating Activities	2,129.46	1,565.30
B. Cash Flow from Investing Activities		
Finance Cost	(34.69)	–
Sale of Fixed Asset	–	1.60
Purchase of Fixed Asset	(0.60)	–
Matured/(Investment) in Fixed Deposits with original maturity for more than 12 months	270.10	789.90
Net Cash Flow used in Investing Activities	234.81	791.50
C. Cash Flows from Financing Activities		
Dividend Paid	(1,976.88)	(1976.60)
Tax on Dividend Paid	(402.47)	(402.50)
Net Cash Flow used in Financing Activities	(2,379.35)	(2,379.10)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	For the year ended 31st March, 2018 ₹ in Lakhs	For the year ended 31st March, 2017 ₹ in Lakhs
D. Net Decrease in Cash and Cash Equivalents (A+B+C)	(15.08)	(22.30)
E. Cash and Cash Equivalents at the Beginning of the year	87.10	109.40
F. Cash and Cash Equivalents at the End of the year	72.02	87.10
Components of cash & cash equivalents as indicated in Note 13 comprises of:		
Cash on Hand	0.18	0.20
Balances with scheduled banks on current account*	71.84	86.90
Total	72.02	87.10

* Includes ₹ 42.71 Lakhs (31st March, 2017 ₹ 42.40 Lakhs) lying in Unpaid Dividend Account, not available for use by the Company.

As per our report of even date.
For Vidyarthi & Sons
 Chartered Accountants
 Firm Registration No.: 000112C
Per Amit S. Vidyarthi
 Partner
 Membership No. F-078296
 Place : Gwalior
 Dated : May 29, 2018

For and on behalf of the Board of Directors
D. K. MANTRI **A. K. KOTHARI**
Director *Director*
 (DIN:00075664) (DIN:00051900)
R. P. PANSARI
Chief Executive Officer
N. K. BAHETI **R. S. KASHYAP**
Chief Financial Officer *Company Secretary*

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

1. Principles of consolidation of financial statements

(i) The Consolidated Financial Statements which relates to Pilani Investment and Industries Corporation Limited, its subsidiary companies and an associate company, have been prepared on the following basis:

- (a) The Consolidated Financial Statements of the company and its subsidiaries are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized profit /loss included therein.
- (b) The Consolidated Financial Statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements. The accounting year followed by the subsidiary companies is uniform with the holding company.
- (c) The excess / shortfall of cost to the company of its investments in the subsidiary companies as on the date of investment is recognised in the financial statements as goodwill / capital reserve as the case may be. Any such difference arising subsequently is adjusted against the Statement of Profit & Loss.

(d) The subsidiary companies considered in the financial statements are as follows:

Name	Country of Incorporation	% of voting power
PIC Properties Limited	India	100
PIC Realcon Limited	India	100

(e) The other subsidiary company Atlas Iron & Alloys Limited incorporated in India in which the Company has got 98.33% (98.33%) voting power, has not been considered in the financial statements, since the subsidiary company is in liquidation.

(ii) Investment in Associates

(a) In terms of Accounting Standard 23 "Accounting for Investment in Associates in Consolidated Financial Statements", the company has prepared the accompanying Consolidated Financial Statements by Accounting for investment in the associates under equity method.

(b) The associate company considered in the financial statement are as follows:-

Name	Country of Incorporation	% of voting power
Century Textiles & Industries Limited	India	30.64

(c) The difference of ₹15387.64 lakhs between the cost of company's investments in its Associate Company namely Century Textiles & Industries Limited and the proportionate share in the equity of the associate company as on 31st March, 2002 has been credited to the Revenue Reserve in the financial statements, since the details of such differences on the various dates of acquisition were not available. However, ₹1167.70 lakhs being the excess of the cost of the company's investments in the said associate company acquired during the years 2005-06 & 2006-07 over the proportionate share in the equity of the company

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

as on the date of the investment has been identified as Goodwill & included in the carrying value of the investments.

2. Basis of Preparation

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

The accounting policies applied by the Company, are consistent with those used in the previous year.

2.1 Significant Accounting Policies

(i) Use of estimates

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

(ii) Revenue Recognition

a. Dividend

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

b. Interest

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

c. Profit on Sale / Redemption of Mutual Fund Units

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

(iii) Provisioning on Standard Assets

In terms of Master directions - Non Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued vide Notification No. DNBR.PD. 008/03.10.119/2016-17 dated September 01, 2016, as amended from time to time ('the NBFC Master Directions 2016') issued by the Reserve Bank of India, contingent provision @0.40% on standard assets are made in the accounts.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(iv) Provision / Write-off against Non-Performing Assets

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

(v) Fixed Assets

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

(vi) Depreciation

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

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

(vii) Investments

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

b) Long-term investments are valued at cost, i.e. book value of the investments as reflected in the financial statements as on 31st March, 2003 and for subsequent diminution, provision is made by way of adjustment against Investment Reserve (Created in earlier years by revaluation of quoted investments) in terms of Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court during an earlier year. Provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

c) Investment property

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

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

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

(viii) Cash & Cash Equivalents

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

(ix) Provision for Retirement benefits

- a) Retirement benefits in the form of Provident Fund and Superannuation are defined contribution schemes and the contributions are charged to Statement of Profit and Loss of the year when an employee renders the related service. There are no obligations other than the contribution payable to the respective funds.
- b) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- c) Short term compensated absences are provided for based on estimates. The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The company does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.
- d) Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

(x) Earnings per share

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

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

(xi) Income Taxes

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

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

At each balance sheet date the Company re-assesses unrecognized deferred tax assets.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

It recognizes unrecognized deferred tax assets to the extent it has become reasonably certain or virtual certain, as the case may be that sufficient future taxable income will be available against which such deferred tax asset can be realized.

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

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

(xii) Foreign Currency Transaction

a) Initial Recognition

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

b) Conversion

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

c) Exchange Differences

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

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

The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expenses for the year.

(xiii) Assets acquired under lease

Operating Lease:

Where the Company is lessee

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

Where the Company is the lessor

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

(xiv) Contingent Liabilities

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

(xv) Provision

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

3. Share Capital

	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Authorised Shares		
90,00,000 (90,00,000) Equity Shares of ₹ 10/- each	900.00	900.00
Issued, Subscribed & Fully Paid up Shares		
79,08,750 (79,08,750) Equity Shares of ₹ 10/- each	790.88	790.88
	790.88	790.88

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

(b) Terms / rights attached to Equity Shares

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

During the year ended 31st March 2018, the amount of per share dividend recognized as distribution to shareholders was ₹ Nil (₹ 25) per share. The Board of Directors at its meeting held on 29th May, 2018, have proposed a final dividend of ₹ 25 per equity share for the financial year ended 31st March, 2018. The proposal is subject to the approval at the forthcoming Annual General Meeting. Total Cash out flow would be ₹ 2379.65 lakhs including corporate dividend tax and the same will be accounted for in the financial year 2018-19 in terms of Revised Accounting Standard 4 notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

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

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

	As At 31st March, 2018		As At 31st March, 2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Aditya Marketing & Manufacturing Limited	27,35,494	34.59	27,35,494	34.59
Padmavati Investment Ltd.	14,06,986	17.79	13,98,486	17.68
The Punjab Produce & Trading Co. Limited	13,85,223	17.52	13,85,223	17.52
Gwalior Webbing Co. Ltd.	4,54,168	5.74	4,54,168	5.74

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

4. Reserves & Surplus	As At	As At
	31st March, 2018	31st March, 2017
	(₹ in Lakhs)	(₹ in Lakhs)
Investment Reserve		
Balance as per the last Financial Statements	3,4600.82	3,4600.82
Revaluation Reserve		
Proportionate share in associate company	59.29	59.29
General Reserve		
Balance as per last Financial Statements	25,554.47	25,554.47
Statutory Reserve		
Balance as per last Financial Statements	16,489.90	15,571.00
Add: Transfer from Statement of Profit & Loss	721.26	918.90
	17,211.16	16,489.90
Surplus in the Statement of Profit & Loss		
Balance as per the last Financial Statements	44,364.74	41,393.84
Profit / (Loss) for the year	11,921.46	4,273.13
Share of Profit of Ceased Associate Company	16,824.42	-
Less :- Appropriations		
Dividend Tax on profit of associate	383.10	383.33
Equity Dividend	1,977.18	-
Tax on Equity Dividend	402.47	-
Transfer to Statutory Reserve	721.26	918.90
Surplus in the Statement of Profit and Loss	69,626.61	44,364.74
Total Reserves & Surplus	1,47,052.35	1,21,069.22

5. Long-Term borrowings

	Non-Current	
	As At	As At
	31st March, 2018	31st March, 2017
	(₹ in Lakhs)	(₹ in Lakhs)
Unsecured		
From - M/s Birla Group Holdings Pvt. Ltd.	-	219.00
	-	219.00

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

6. Provisions

	Long Term		Short Term	
	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Provisions for Employee Benefits				
Provision for Gratuity (Refer Note 21)	2.32	2.30	19.64	11.23
Provision for Leave Benefits	–	–	13.37	10.43
	2.32	2.30	33.01	21.66
Other Provisions				
Provision for tax (net of advance tax & tax deducted at source ₹ 3510.20 Lakhs (31st March 2017 ₹ 3510.20 Lakhs)	–	–	3.37	5.16
Contingent Provisions against Standard Assets	–	–	27.48	27.48
Provision towards Demand for Municipal Taxes	–	–	116.70	116.70
	–	–	147.55	149.34
	2.32	2.30	180.56	171.00

7. Trade Payable and Other Current Liabilities

	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Trade Payables (Refer Note 26)	60.59	45.30
Other Liabilities		
Payable towards purchase of capital goods	–	–
Payable to Employees	12.76	4.60
Unpaid Dividend*	42.71	42.40
Birla Group Holding Pvt. Ltd.	479.17	–
Others		
Security Deposits	0.56	0.60
Statutory Dues	45.26	4.90
Miscellaneous	3.42	3.30
	583.88	55.80
	644.47	101.10

* will be credited to Investor Education and Protection Fund as and when due.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

8. Tangible Assets	(₹ in Lakhs)					
	Land	Buildings	Furnitures & Fixtures	Office Equipments	Vehicles	TOTAL
Cost or Valuation						
As at 1st April 2016	248.20	34.30	1.93	0.40	7.80	292.63
Addition	–	–	–	–	(7.80)	(7.80)
As at 31st March 2017	248.20	34.30	1.93	0.40	–	284.83
Addition / (Disposal)	–	–	–	0.60	–	0.60
As at 31st March 2018	248.20	34.30	1.93	1.00	–	285.43
Depreciation						
As at 1st April 2016	–	17.30	1.93	0.22	5.90	25.35
Charge for the year	–	0.60	–	0.08	0.30	0.98
Addition / (Disposal)	–	–	–	–	(6.20)	(6.20)
As at 31st March 2017	–	17.90	1.93	0.30	–	20.13
Charge for the year	–	0.52	–	0.24	–	0.76
Addition / (Disposal)	–	–	–	–	–	–
As at 31st March 2018	–	18.42	1.93	0.54	–	20.89
Net Block						
As at 31st March 2017	248.20	16.40	–	0.10	–	264.70
As at 31st March 2018	248.20	15.88	–	0.46	–	264.54

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

	As At	As At
	31st March, 2018	31st March, 2017
	(₹ in Lakhs)	(₹ in Lakhs)
9. Non-Current Investments		
Investment Property (valued at cost less accumulated depreciation)		
Cost of Land, Building & Furniture given on Operating Lease	453.30	453.30
Add : Additions during the year	—	—
Sub Total (A)	453.30	453.30
Depreciation as at 1st April 2017	159.61	96.91
Add : Depreciation for the year	53.87	62.70
Sub Total (B)	213.48	159.61
Net Block (A-B)	239.82	293.69
Non-Trade Investments (valued at cost)		
	No. of	Face Value
	shares	per share
Unquoted Equity Instruments (Fully Paid)	/ Units	
Birla Buildings Limited	15,000	₹10
Birla Consultants Limited	12,000	₹10
Indo Thai Synthetics Co. Limited	2,07,900	Baht10
Indo Phil Textile Mills Inc., Manila	2,11,248	Pesos10
The Eastern Economist Limited	400	₹100
The Hindusthan Times Ltd.	1,92,000	₹10
The Industry House Limited	2,812	₹100
Gmmco Limited	68,249	₹10
Orient Electric Limited	4,25,260	₹10
		1.52
		1.20
		11.42
		2.03
		0.40
		2.18
		1.89
		342.10
		7.29
		370.03
		362.74
Unquoted Mutual Funds (Fully Paid)		
Aditya Birla Sunlife Dividend Yield Plus-Dividend	18,811	2.50
Aditya Birla Sunlife Midcap Fund Plan -Dividend	33,473	8.00
Aditya Birla Sunlife Short Term Opportunity – –Fund-Growth	16,672	3.11
Aditya Birla Sunlife Medium Term Plan-Growth	50,783	7.12
Aditya Birla Sunlife Medium Term Plan-Growth	58,746	10.00
		30.73
		30.73

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

	No. of shares	Face Value per share	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Quoted Equity Investments (Fully Paid)				
In Associates				
Century Textiles & Industries Limited	3,42,20,520	₹ 10	15,857.51	# 15,857.51
Add : Proportionate Share of Accumulated Profit of the Associate Company upto 31st March 2018			54,169.98	46,019.67
			70,027.49	61,877.18
# includes Goodwill ₹ 1167.70 Lakhs arisen on acquisition of shares [Refer Note : 1.(ii).(c)]				
Kesoram Industries Limited*	2,73,38,750	₹ 10	16,824.42	* 16,824.42
Add : Proportionate Share of Accumulated Loss of the Associate Company upto 31st March 2018			–	(16,824.42)
			16,824.42	–
* Ceased to be an associate w.e.f. 28.03.2018				
In Other Companies				
Aditya Birla Fashion & Retail Limited	9,72,909	₹ 10	2.56	2.56
Aditya Birla Nuvo Limited	1,87,098	₹ 10	–	291.53
Aditya Birla Capital Limited	3,16,73,756	₹ 10	675.40	–
Cimmco Limited	70,780	₹ 10	5.04	5.04
Grasim Industries Limited @	2,26,24,112 (2,23,43,465)	₹ 2	11,972.24	12,356.13
Hindalco Industries Limited	2,91,85,398	₹ 1	18,363.32	18,363.32
Hindustan Everest Tools Limited	52,175	₹ 10	4.46	4.46
Jayshree Tea & Industries Limited	2,844	₹ 5	0.41	0.41
Idea Cellular Limited	81,68,500	₹ 10	5,859.40	5,859.40
KDDL Limited	35,000	₹ 10	3.05	3.05
Kesoram Textile Mills Limited	24,15,750	₹ 2	6.04	6.04
Mangalam Cement Limited	11,20,000	₹ 10	75.60	75.60
Mangalore Refinery Petro Chemicals Limited	200	₹ 10	0.02	0.02
Orient Cement Limited	4,25,260	₹ 1	25.58	25.58
Orient Paper & Industries Limited	4,25,260	₹ 1	11.30	18.59
Sutlej Textile & Industries Limited	1,71,463	₹ 10	24.71	24.71

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

	No. of shares	Face Value per share	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
SIL Investment Limited	1,14,309	₹ 10	20.14	20.14
Tanfac Industries Limited	4,98,000	₹ 10	56.27	56.27
Ultra Tech Cement Limited	24,57,309	₹ 10	8,073.28	8,073.28
Zenith Birla Limited	3,432	₹ 10	0.15	0.15
Zuari Global Limited	4,34,000	₹ 10	39.49	39.49
Zuari Agro Chemicals Limited	4,34,000	₹ 10	39.49	39.49
			45,257.95	45,265.26
Investment in Tax Free Bond				
Housing & Urban Development Corporation	500	₹1000	5.00	5.00
			5.00	5.00
			1,32,755.44	1,07,834.60
Aggregate Value of Investment Property			239.82	293.69
Aggregate Value of Quoted Investments			1,32,109.86	1,07,142.44
Aggregate Value of Unquoted Investments			405.76	398.47
Market Value of Quoted Investments			8,78,768.36	8,08,797.10

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

	No. of Shares	Face Value (₹ per share)
QUOTED (Fully Paid)		
Equity Shares		
Jiyajeerao Cotton Mills Limited	150	10
Kalyan Sundaram Cement Industries Limited	50,000	10
Tungbhadra Industries Limited	1,865	10
Umi Special Steels Limited	1,00,000	10
UNQUOTED (Fully Paid)		
Equity Shares		
Bombay Industrial Traders Limited (In liquidation)	915	100
Hind Cycles Limited (In liquidation)	400	100
Industrial Plants Limited (in liquidation)	75,000	10
Mckenzie's Limited	753	10

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

			No. of Shares	Face Value (₹ per share)
In Subsidiary Companies				
Atlas Iron and Alloys Limited (in liquidation)			72,000	10
Debentures				
Hind Cycles Limited (In liquidation)			66	100
UNQUOTED (Partly Paid)				
Equity Shares				
Central Distributors Limited (in Liquidation) (Paid up ₹ 7.50 per share)			1,284	10
10. Loans and Advances				
	Long Term (Non-Current Portion)		Short Term (Current Portion)	
	As At 31st March, 2018	As At 31st March, 2017	As At 31st March, 2018	As At 31st March, 2017
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Security Deposits				
Unsecured, Considered Good (A)	17.55	17.60	-	-
Loans				
Unsecured, Considered Good				
To a Body Corporate (B)	-	-	-	-
Advances recoverable Unsecured				
Considered good	-	-	36.71	15.00
Considered doubtful	16.65	16.65	-	-
	16.65	16.65	36.71	15.00
Less Provision for doubtful Advances	(16.65)	(16.65)	-	-
(B)	-	-	36.71	15.00
Other Loans and Advances				
Unsecured, Considered good				
Advance income tax, Refund receivable (net of provisions)	408.03	354.17	0.22	0.20
Prepaid Expenses	-	-	0.22	0.20
MAT Credit Entitlement	2.05	2.05	-	-
Deposits against Appeal (Property Tax Demand)	-	-	19.90	19.90

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

	Long Term (Non-Current Portion)		Short Term (Current Portion)	
	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
	Deposit made against Demand			
Notice (Refer Note No.20)	–	69.28	–	–
(C)	410.08	425.50	20.34	20.30
(A+B+C)	427.63	443.10	57.05	35.30

11. Current Investments :

	No. of Units	Face Value (₹ per unit)	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Trade Investments				
Investments in Mutual Funds (Unquoted)				
(Valued at Lower of Cost or Fair Value)				
Aditya Birla Sunlife Cash Manager Fund - Growth	9,80,314	₹ 100	3,827.25	2,000.00
	(5,34,746)			
Aditya Birla Sunlife Saving Fund - Dividend		₹ 100	–	1,455.26
	(14,60,801)			
Aditya Birla Sunlife Cash Manager Fund - Dividend		₹ 100	–	1,767.79
	(17,63,327)			
Aditya Birla Sunlife Saving Fund - Growth	26,15,662	₹ 100	8,245.50	4,700.00
	(15,49,836)			
HDFC Cash Management Fund - Growth	39,93,241	₹ 10	1,335.00	1,085.00
	(32,85,260)			
ICICI Prudential Flexible Income Plus - Growth	1,00,459	₹ 100	325.31	
Reliance Money Manager Fund - Dividend	–	₹ 1000	–	2,126.04
	(2,14,509)			
Reliance Money Manager Fund - Growth	55,202	₹ 1000	1,205.34	241.21
	(14,213)			
UTI Treasury Advantage Fund - Growth	5605	₹ 1000	130.00	–
			15,068.40	13,375.30

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

12. Trade Receivables and Other Assets

	Non-Current Portion		Current	
	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Trade Receivables				
Unsecured, Considered good				
Outstanding for a period exceeding six months from due date of payment	—	—	9.23	6.40
Other Debts	—	—	15.32	20.90
	—	—	24.55	27.30
Other Current Assets				
Unsecured, Considered good				
Interest Accrued on Deposits	—	—	—	8.40
Dividend Receivable			0.95	7.40
Preliminary Expenses	—	0.20	—	—
	—	0.20	0.95	15.80
	—	0.20	25.50	43.10

13. Cash and Bank Balances

	Current	
	As At 31st March, 2018 (₹ in Lakhs)	As At 31st March, 2017 (₹ in Lakhs)
Cash & cash equivalents		
Balances with Banks		
On Current Accounts	29.13	44.51
On Unpaid Dividend Account	42.71	42.40
Cash on Hand	0.18	0.19
	72.02	87.10
Other Bank Balances		
Deposits with original maturity for more than 12 months	—	270.10
	—	270.10
	72.02	357.20

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

14. Revenue from Operations	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
Dividend Income		
– Non Current Investments	1898.14	1,597.60
– Current Investments	207.57	452.60
Profit on sale of Current Investments (Units of Mutual Fund)	11.23	1,094.10
Profit on sale of Non Current Investments (Units of Mutual Fund)	-	14.79
Interest Income		
– On Fixed Deposit with Banks	14.83	85.00
– On Bonds	0.41	0.41
Other Operating Revenue		
– Rent Income	144.60	150.10
– Service Charges	52.17	63.00
	2,328.95	3,457.60
15. Other Income	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
Miscellaneous Receipts	15.43	0.40
	15.43	0.40
16. Employee Benefits Expenses	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
Salaries and Bonus	103.50	64.06
Gratuity (Refer Note 21)	8.42	19.50
Contribution to Provident and Other Funds	11.09	6.50
Staff Welfare Expenses	14.34	8.34
	137.35	98.40
17. Other Expenses	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
Director's Sitting Fees	5.18	7.06
Insurance Charges	0.18	0.28
Repairs & Maintenance (others)	0.17	0.30
CSR Expenses (as contribution to various trusts / societies)	20.00	25.00
Building Maintenance & Service Expenses	118.49	92.94

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
Rates & Taxes (Net)	27.73	24.42
Rent	1.10	5.20
Irrecoverable balances written off	69.28	20.40
Miscellaneous Expenses	86.73	74.89
Payment to Auditors		
As Auditors		
-Audit Fee	3.92	3.66
-Limited Review	1.95	1.95
In Other Capacity		
For Certification, etc.	1.89	2.40
For Expenses, etc.	1.30	1.20
	337.92	259.70
18. Depreciation and Amortization Expenses		
	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
Depreciation on Tangible Assets	0.76	1.00
Depreciation on Investment Property	53.87	62.70
	54.63	63.70

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

19. 1. Capital & Other Commitments :

- a) Uncalled liability on partly paid Shares held as Investments ₹ **0.03 Lakhs** (₹ **0.03 Lakhs**).

19.2. Contingent Liabilities :

- (a) Income Tax demands for earlier years aggregating to ₹ **120.39 Lakhs** (₹ 163.30 Lakhs) disputed by the Company.
- (b) A demand of ₹ 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 Company. The Subsidiary Company has not recognized it as a liability in the Accounts for Financial year 2016-17, being contingent in nature. The Subsidiary Company has filed an appeal on 02.03.2017 against the same at the Court of District Judge, Patiala House, New Delhi and is optimistic of its favourable outcome.

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

- a) Outstanding Capital and other Commitment

₹ **32,874.88 Lakhs** (₹ 45,659.40 Lakhs)

- b) Contingent Liabilities

Guarantees given

- | | 2017 - 18 | 2016 - 17 |
|--|------------------|--------------|
| | (₹ in Lakhs) | (₹ in Lakhs) |
| i. by Banks on behalf of other Company | - | 119.60 |
| ii. to excise authorities | - | 2.80 |
| iii. by Banks on behalf of other Companies | - | 6.10 |

Claims against the Company not acknowledged as debts

- | | | |
|--|---------------|-----------|
| i. Rates, taxes & duties demanded by various authorities | 24,509 | 33,822.70 |
| ii. Amount demanded by Provident fund authorities which is sub-judice. | - | 20.30 |
| iii. Others | 1,246 | 714.20 |

For Income Tax matters

	2,072	1,640.10
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Penalty imposed by Competition Commission of India (CCI)	8,396	8,396.00
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- 19.4** 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 still under consideration of the concerned authorities.

- 19.5** During the year a Subsidiary Company agreed to pay ₹ 219 lakhs (alongwith interest) taken by the Subsidiary in an earlier year from a Body Corporate. Accordingly, the interest liability of ₹ 289.08 lakhs including prior period interest of ₹ 262.80 lakhs has been provided in the amount for the current Financial Year. The prior period interest of ₹ 262.80 lakhs has been considered and reflected as Exceptional Item in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

20 Deposit of ₹ 69.28 lakhs with the Debt Recovery Appellate Tribunal against the claim made by a Bank on the basis a guarantee given in earlier year is fully provided for, as the Debt Recovery Appellate Tribunal has passed an Order in favour of the Bank.

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

A. Defined Contribution Plan	For the Year ended 31st March, 2018 (₹ in Lakhs)	For the Year ended 31st March, 2017 (₹ in Lakhs)
Contribution to Provident Fund	10.32	5.97

B. Defined Benefit Plan

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

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

Statement of Profit & Loss

Net employee benefit expense recognized in the employee cost :

	31st March, 2018 (₹ in Lakhs)	31st March, 2017 (₹ in Lakhs)
Current Service Cost	1.23	0.37
Interest cost on benefit obligation	0.93	1.66
Curtailement cost / (Credit)	7.45	(94.68)
Net actuarial (gain)/loss recognized in the year	(1.19)	112.14
Net benefit expense	8.42	19.49

Balance Sheet

Benefit asset/liability	31st March, 2018 (₹ in Lakhs)	31st March, 2017 (₹ in Lakhs)
Present value of defined benefit obligation	21.96	13.54
Plan liability / (asset)	21.96	13.54

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

	31st March, 2018	31st March, 2017
Opening defined benefit obligation	13.54	116.60
Current Service Cost	1.23	0.37
Interest Cost	0.93	1.66
Curtailement cost / (Credit)	7.45	(94.68)
Actuarial (gains) / losses on Obligation	(1.19)	112.14
Benefits Paid	-	(122.55)
Closing defined benefit obligation	21.96	13.54

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

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

	<u>31st March, 2018</u>	<u>31st March, 2017</u>
Discount rate	7.20 % p.a.	6.88 % p.a.
Expected rate of return on assets	N. A.	N.A.

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

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

	<u>31st March, 2018</u>	<u>31st March, 2017</u>	<u>31st March, 2016</u>	<u>31st March, 2015</u>	<u>31st March, 2014</u>
	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Defined Benefit Obligation	21.96	13.54	116.59	99.73	83.79
Surplus / (Deficit)	(21.96)	(13.54)	(116.59)	(99.73)	(83.79)
Experience adjustments on plan liabilities	(1.09)	111.98	4.37	4.07	4.88

22. No effect has been given in the accounts in respect of the following Equity Shares received by way of fully paid Bonus Shares on shares not belonging to the Company and the 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.

<u>Sl. Name of the Company</u>	<u>No. of Equity Shares</u>	<u>Face Value per Share (₹)</u>
(a) Grasim Industries Ltd.	5,755	2/-
(b) Hindustan Motors Ltd.	440	10/-
(c) Century Textiles & Industries Ltd.	220	10/-
(d) Tungabhadra Industries Ltd.	4	10/-
(e) Hindustan Everest Tools Ltd.	60	10/-
(f) Aditya Birla Capital Ltd.	8,057	10/-

23. **Segment Reporting :**

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

24. **Earnings Per Share (EPS) :**

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

	<u>For the year ended</u>	<u>For the Year ended</u>
	<u>31st March, 2018</u>	<u>31st March, 2017</u>
	(₹ in Lakhs)	(₹ in Lakhs)
Profit/(Loss) after Tax as per Consolidated statement of Profit & Loss	11,921.46	4,273.13
Weighted Average No. of Equity shares (Nos.)	79,08,750	79,08,750
Earnings per Equity Share (Nominal Value of share ₹ 10)		
Basic & Diluted (₹ per share)	150.74	54.03

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

25. Related Party Disclosures

Names of related parties & related party relationship :

a. Name of other related parties

Key Management Personnel Shri R. P. Pansari - CEO
(Managing Director upto 06.05.2017)
Shri N. K. Baheti - CFO
Shri R. S. Kashyap - Company Secretary

Related Party Transactions

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

	2017-18	2016-17
	₹ in Lakhs	₹ in Lakhs
Key Management Personnel		
Remuneration		
Shri R.A.Makharia	-	26.21
Shri R.P.Pansari (as Managing Director upto 06.05.2017)	8.08	9.75
Shri R.P.Pansari (as CEO from 07.05.2017)	73.12	-
Shri N.K.Baheti	21.20	13.40
Shri R.S.Kashyap	7.42	5.20
Director Sitting Fees		
Shri R.A.Makharia	-	0.40
Loan Received Back		
Shri N.K.Baheti	-	0.80

26. Based on the informations/documents available with the company, no creditor is covered under Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provisions/payments have been made by the company to such creditors, if any, and no disclosures are made in these accounts.

27. Leases

Operating Lease - Company as a Lessee

The office premises is obtained on operating lease. The lease term is for 1-3 years and renewable for further period either mutually or at the option of the company. There is no escalation clauses in the lease agreements. There are no restrictions imposed by lease arrangements. The lease is cancellable.

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
	(₹ in Lakhs)	(₹ in Lakhs)
Lease Payments made for the year	1.10	5.20

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

Operating Lease : Company as a Lessor

The company has leased certain office space on operating leases. The lease term is for 1-3 years and thereafter renewable as per mutual agreement. There is escalation clause in the lease agreements. The rent is not based on any contingencies. There are no restrictions imposed by lease arrangements. The leases are cancellable.

28. Minimum Alternative Tax (MAT) Credit entitlement of ₹ 2898.22 Lakhs (after adjusting utilised during the current year ₹ 43.08 Lakhs), has not been recognized by the Company in the absence of convincing evidence to claim the above tax credit in future years.
29. The company has applied to Reserve Bank of India ("RBI") for its conversion from Non-Banking Financial Company to Core Investment Company and the approval from RBI is awaited.
30. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

(₹ in Lakhs)

Name of the Entity	Net Assets		Share in Profit or (Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or (Loss)	Amount
Parent				
Pilani Investment & Industries Corporation Limited	52.44% (48.74%)	77,534.15 (59,408.20)	14.46% (63.47%)	1,724.27 (2,712.40)
Subsidiaries				
PIC Properties Limited	-0.11% (0.01%)	166.22 (117.68)	-2.38% (0.33%)	283.92 (14.28)
PIC Realcon Limited	0.30% (0.38%)	447.81 (457.04)	0.54% (1.05%)	64.11 (44.70)
Associates				
Century Textiles & Industries Limited	47.37% (50.78%)	70,027.49 (61,877.18)	87.38% (53.12%)	10,417.00 (2,269.70)
Kesoram Industries Limited	--	--	-- (17.97%)	-- (-768.00)
	100%	1,47,843.23	100%	11,921.46
	(100%)	(1,21,860.10)	(100%)	(4,273.13)

Notes to Consolidated Financial Statements as at and for the year ended 31st March, 2018

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

As per our report of even date.

For Vidyarthi & Sons

Chartered Accountants
Firm Registration No.: 000112C

Per Amit S. Vidyarthi

Partner
Membership No. F-078296
Place : Gwalior
Dated : May 29, 2018

For and on behalf of the Board of Directors

D. K. MANTRI

Director
(DIN:00075664)

A. K. KOTHARI

Director
(DIN:00051900)

R. P. PANSARI

Chief Executive Officer

N. K .BAHETI

Chief Financial Officer

R. S. KASHYAP

Company Secretary

Notes :