



PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

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**ANNUAL REPORT
AND ACCOUNTS
2008-2009**

DIRECTORS

SHRI B. K. BIRLA
SHRI P. K. KHAITAN
SHRI D. K. MANTRI
SHRI A. V. JALAN
SHRI R. A. MAKHARIA

– *Executive Director*

SECRETARY

SHRI B. D. DALMIA

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AUDITORS

M/S. S. R. BATLIBOI & CO.
CHARTERED ACCOUNTANTS
KOLKATA - 700 016

REGISTERED OFFICE

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

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting to you the Annual Report together with the Audited Accounts of your Company for the year ended 31st March, 2009.

FINANCIAL RESULTS

	Rs.	<i>Previous Year</i> Rs.
Profit from operations, Dividend, Interest and Rent Income	45,78,61,157	34,54,62,311
Add : Provision written back for diminution in value of Long Term Unquoted Investments and Mutual Funds	80,98,426	77,02,405
	46,59,59,583	35,31,64,716
Less: Depreciation	2,36,462	1,35,152
Profit before tax	46,57,23,121	35,30,29,564
Less: Provision for taxation	48,38,262	2,35,53,000
Less: Deferred taxation	32,82,173	24,18,120
Profit after taxation	45,76,02,686	32,70,58,444
Add: Balance brought forward from last year	50,59,85,628	50,49,84,025
Profit available for appropriation	96,35,88,314	83,20,42,469
Appropriation		
(i) Special Reserve	9,16,00,000	6,60,00,000
(ii) Proposed Dividend	19,77,18,750	15,81,75,000
(iii) Tax on dividend	3,36,02,302	2,68,81,841
(iv) General Reserve	4,80,00,000	7,50,00,000
(v) Balance carried forward to next year	59,26,67,262	50,59,85,628
	96,35,88,314	83,20,42,469

The profitability of the Company during the year under review has increased compared to the previous year because of improved performance of the Companies for the year 2007-08 in which the Company holds major shares. Since January, 2008 global meltdown has greatly affected the capital markets all over the world resulting in decline in the market values of the investment portfolio of the Company

PROXY FORM

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Regd. Office : 9/1, R. N. Mukherjee Road, Kolkata - 700 001

I/We.....
of.....
being a Member/Members of Pilani Investment and Industries Corporation Limited hereby appoint
.....of.....
.....or failing him.....
of.....

as my/our proxy to attend and vote for me/us, and on my/our behalf, at the Annual General Meeting of the Company, to be held on Friday, the 21st August, 2009 and at any adjournment thereof.

AS WITNESS my/our hand(s) this.....day of.....2009.

Signature.....

Affix a
Re. 1
Revenue
Stamp

Note : The proxy must be deposited at the Registered Office of the Company 9/1, R. N. Mukherjee Road, Kolkata - 700 001 not less than forty eight hours before the time for holding the meeting.

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

Regd. Office : 9/1, R. N. Mukherjee Road, Kolkata - 700 001

Annual General Meeting on Friday, the 21st August, 2009

A member/Proxy wishing to attend the meeting may please complete this Admission Slip and hand it over at the entrance.

Full name of the member in block letters

Signature

Folio No. / C.I.D. No.

No. of Shares held

Pilani Investment and Industries Corporation Ltd.

Birla Building

9/1 R.N. Mukherjee Road

Kolkata – 700001**Re : Payment of dividend through ECS**

I wish to participate in the Electronic Clearing Service (ECS) introduced by Reserve Bank of India.

I do not wish to participate in the ECS. However, kindly print the bank particulars given below on the dividend warrant being issued to me.

1. Name of the Holder : _____
2. Ref. Folio No. : _____
3. Particulars of Bank
- a. Name of the Bank : _____
- b. Branch Address : _____
- * c. 9 digit Code Number of the Bank & Branch as appearing on the MICR Cheque issued by the Bank :

--	--	--	--	--	--	--	--	--
- d. Account (Please tick) : ☐ Savings ☐ Current ☐ Cash Credit
- e. Ledger Folio No. (if any) : _____
- f. Account No. : _____

I hereby declare that the particulars above given are correct and complete. I undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s). If the payment is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company responsible.

Date : _____

Signature of the first holder

Notes: (1) Please ensure that the details submitted by you are correct as any error therein could result in the dividend amount being credited to a wrong account.

* The nine digit code number of your bank and branch is mentioned on the MICR band next to the cheque number.

Delete whichever is not applicable.

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED will be held at Birla Building, 9/1 R.N. Mukherjee Road, Kolkata – 700001 on Friday the 21st August, 2009 at 3.00 p.m. to transact, with or without modification(s) as may be permissible, the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the year ended on that date, Report of the Directors and the Auditors thereon.
2. To sanction the declaration and the payment of dividend on Equity shares for the year ended 31st March, 2009.
3. To appoint a director in place of Shri D. K. Mantri, who retires from office by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri A. V. Jalan, who retires from office by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Registered Office :
Birla Building
9/1, R.N. Mukherjee Road,
Kolkata – 700001
Dated, the 6th day of July 2009

By Order of the Board of Directors
B.D. Dalmia
Secretary

NOTES :

1. A member entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of himself/herself and the proxy need not be a Member. The Company must receive proxy form(s) not less than 48 before the Meeting. The instrument appointing a proxy should however, be deposited at the Registered Office of the company at Birla Building, 9/1 R.N. Mukherjee Road, Kolkata-700001 not less than 48 hours before the commencement of the meeting.
2. Register of Members and Transfer Books of the Equity Shares of the Company will remain closed from 11th August, 2009 to 21st August 2009 (both days inclusive).
3. The Dividend on the Ordinary Shares of the Company, as recommended by the Board of Directors of the company, when sanctioned at the Annual General Meeting of the company will be paid to those shareholders or their mandates whose names stand registered on the company's Register of Members :
 - a. as Beneficial Owners as at the end of business on 10th August, 2009 as per the lists to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in Electronic Form, and
 - b. as Member in the Register of Members of the company after giving effect to valid share transfers in physical form lodged with the company on or before 10th August, 2009.
4. In order to avoid the risk of loss/interception of dividend warrants, Shareholders are advised

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

to avail of **ECS** facility whereby the dividend will be directly credited electronically to their respective Bank accounts. This will ensure speedier credit of dividend. You may use the enclosed '**ECS Mandate Form**' and forward necessary details to the Company and/or Depository Participant, as the case may be, to avail benefit of this service.

5. a. Under the provisions of Section 205A of the Companies Act, 1956, the Company has already deposited all unclaimed dividends declared upto and including financial year 2000-2001.
- b. Members are hereby informed that dividends for the financial year 2001-2002 and thereafter, which remain unpaid or unclaimed over a period of 7 years have to be transferred by the Company to INVESTOR EDUCATION & PROTECTION FUND constituted by the Central Government under Section 205(A) & 205(C) of the Companies Act, 1956. It may be noted that once the unclaimed dividend amount is transferred to the Fund as stated above, no claim shall lie in respect of such amount against the Company or the Fund.
6. In case the mailing address mentioned on this Annual Report is either without Pin Code or with incorrect Pin Code, members are requested to kindly inform the Company and/or Depository Participant, as the case may be, their Pin Code immediately for speedy and proper delivery.
7. a. Members who are holding Shares in identical order of names in more than one Folio are requested to apply to the Company alongwith the relevant Share Certificate for consolidation of such folios in one folio.
- b. Members are also requested to notify change in address, if any, immediately to the company at its Registered Office by quoting their Registered Folio Number(s) in respect of their physical shares and to their Depository Participants in respect of their electronic share account.
8. Reappointment of Directors : As per requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the particulars of Directors retairing by rotation and eligible for re-appointment are given herein below :-
 - a. Shri D. K. Mantri, Aged 53 years, is a renowned industrialist with vast experience. He heads the DM Group which is a multi-divisional group with interests in Tea, Engineering, Trading and Financial Services. He is actively involved with Sangeet Kala Mandir, a most prestigious Cultural Institution in the country, for more than last two decades. He is the Director of Suprabha Industries Ltd., Mantry Udyog Ltd. and various other Pvt. Ltd. Companies. Shri D. K. Mantri does not hold any Equity Share in the Company.
Except Shri D. K. Mantri, no other Directors of the Company are interested in the aforesaid resolution.
 - b. Shri A.V. Jalan, aged 33 years is a B.Com (Hons.) from St. Xavier's College, Calcutta and has completed management course on Marketing and Corporate Finance from London School of Economics, U.K. He has been involved in management of several manufacturing companies since 1998 and having rich experience in business administration. Shri A.V. Jalan does not hold any Equity Share in the Company.
Shri A. V. Jalan and Shri B. K. Birla, are related to each other and interested in the aforesaid resolution.

DIRECTORS' REPORT — (Contd.)

also. Despite the deepest economic crisis facing the global economy in six decades, the country has registered an impressive 6.7% growth in the fiscal year 2008-09 and the capital markets are also now showing signs of revival.

DIVIDEND

A dividend of Rs.25/- per share (Previous year Rs.20.00 per share) is recommended for payment. The aggregate amount of dividend will absorb Rs.19.77 Crores and the tax on proposed dividend will be Rs.3.36 Crores.

DIRECTORS

Shri A. V. Jalan has been appointed as a Director of the Company with effect from 30th October, 2008.

Shri D. K. Mantri and Shri A. V. Jalan, Directors of the Company retire from the office by rotation at the forthcoming Annual General Meeting but being eligible offer themselves for re-election.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA) of the Companies Act, 1956, the Directors to the best of their knowledge and belief confirm that –

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies as mentioned in Schedule 'H' of the annual accounts and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2009 and the Profit or Loss of the Company for the financial year ended on that date;
- (iii) proper and sufficient care has been taken 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.

CORPORATE GOVERNANCE

The Company has in place a system of Corporate Governance. A separate Report on Corporate Governance is enclosed as a part of this Annual Report of the Company. A certificate from Auditors of the Company regarding compliance of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to the Report on Corporate Governance.

SUBSIDIARY COMPANY

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

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

AUDITORS

S.R. Batliboi & Co., the Auditors of the Company, retire, and being eligible, offer themselves for reappointment.

AUDITORS REPORT

The observations made in the Auditors Report are self explanatory and, therefore, do not call for any further explanation under Section 217(3) of the Companies Act, 1956.

EMPLOYEES

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are not applicable as no employee was in receipt of such remuneration as provided under the said Section.

DEPOSITS

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

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 217(1)(a) of the Companies Act, 1956, 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 appear in Schedule 'H' to the accounts and forming part of this Report.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 issued by the Institute of Chartered Accountants of India and as stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges with which the Shares of the Company are listed. The audited Consolidated Financial Statements form part of the Annual Report.

APPRECIATION

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

For and on behalf of the Board of Directors

Kolkata
June 10, 2009

R. A. MAKHARIA
Executive Director

B. K. BIRLA
Director

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

A. Atlas Iron & Alloys Limited

- i) Atlas Iron & Alloys Limited, subsidiary of the company went into Creditors Voluntary winding up vide its resolution dated 16th June, 1975 and the winding up proceedings are in progress.

The information required to be given pursuant to Section 212 of the Companies Act, 1956, in respect of the Subsidiary as is applicable in view of the aforesaid is given below.

- ii) Pilani Investment and Industries Corporation Limited held 72,000 Equity Shares of Rs. 10/- each amounting to 96.83% of the total paid up Capital of 74,358 Equity Shares of Rs. 10/- each of Atlas Iron & Alloys Ltd. and continues to hold the same. In view of the Subsidiary being in liquidation and losses sustained by it, the investment of Rs. 7.20 lacs in the shares of the subsidiary as aforesaid is taken at nil value.

B. PIC Properties Limited

Pilani Investment and Industries Corporation Limited held 50,002 Equity Shares of Rs. 10/- each being the whole of the subscribed capital of PIC Properties Ltd. as on 31st March, 2009. The Financial year of the Company as well as the subsidiary ended on 31st March, 2009.

- a) The net aggregate amount, so far as it concerns members of holding company and is not dealt with in the Company accounts, of the Subsidiary's profits after deducting its losses or vice versa.

For the Financial year of the Subsidiary Rs. 4,05,641 [Previous year Rs. 6,96,852]

- b) The net aggregate amount of the profits of the Subsidiary after deducting its losses or vice versa, so far such profits/losses are dealt with in the company's profits for the financial year of the Subsidiary is nil.

For and on behalf of the Board of Directors

Kolkata
June 10, 2009

R. A. MAKHARIA
Executive Director

B. K. BIRLA
Director