



PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

69th
**ANNUAL REPORT
AND ACCOUNTS
2015 - 2016**

DIRECTORS

SHRI B. K. BIRLA
SHRI KUMAR MANGALAM BIRLA
SHRI D. K. MANTRI
SHRI A. V. JALAN
SHRI K. K. DAGA
SMT. SURBHI SINGHI
SHRI R. A. MAKHARIA
– Executive Director

CHIEF FINANCIAL OFFICER

SHRI N. K. BAHETI

COMPANY SECRETARY

SHRI R. S. KASHYAP

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

BIRLA BUILDING
9/1, R. N. MUKHERJEE ROAD
KOLKATA - 700 001
Phone : 033-30573700 / 30410900
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Website : www.pilaniinvestment.com
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Notice for 69th Annual
General Meeting is being
sent separately through
Speed Post/Registered
Post as required under the
Companies Act, 2013 and
Rules made thereunder

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DIRECTORS' REPORT

TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting the 69th Annual Report of the Company along with the Audited Statements of Accounts for the year ended 31st March, 2016. The Financial Results for the year are shown below :-

FINANCIAL RESULTS

	<i>(Amount in ₹ '000)</i>	
	2015-2016	2014-2015
Profit from operations, Dividend, Interest and Rent Income	4,03,587	4,43,593
Less: Depreciation	2,077	1,346
Profit before tax	4,01,510	4,42,247
Less: Provision for taxation	23,500	31,000
Add : MAT credit entitlement	11,095	12,943
Profit after taxation	3,89,105	4,24,190
Add: Balance brought forward	17,39,757	17,38,375
Profit available for appropriation	21,28,862	21,62,565
Appropriations :		
Special Reserve	77,821	84,838
Proposed Dividend	1,97,719	1,97,719
Corporate Dividend Tax	40,251	40,251
General Reserve	1,00,000	1,00,000
Balance carried forward	17,13,071	17,39,757
	21,28,862	21,62,565

The profitability of the Company for the year under review appears less, the reason being less dividend and interest received in the current year. International Markets were not favourable and disappointments on macro front locally were the major factors affecting the capital markets. In order to control high inflation, RBI has continued tighter monetary policies resulting in higher interest rates on the borrowings by the various Companies affecting their margins.

The economy has grown by about 7.3% in 2015-2016 and RBI has pegged the 7.5% GDP growth for the current fiscal year.

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

DIRECTORS' REPORT — (Contd.)

position of the company.

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, 2016 as against ₹ 25/- (Rupees Twenty Five only) equivalent to 250% (two hundred fifty percent) paid in the previous year on the equity shares of ₹ 10/- each. The dividend will be paid when declared by the shareholders in accordance with law. The dividend will be free of tax in the hands of the shareholders. The Company will have to pay dividend distribution tax at the rate of 15% plus applicable surcharge and education cess, aggregating about 20.358% on the dividend amount so distributed.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 1,000 lacs to the General Reserve out of the amount available for appropriation and an amount of ₹ 17,130.71 lacs is proposed to be retained in the profit and loss account.

DIRECTORS

The Board of Directors at their meeting held on 6th November, 2015 appointed Smt. Surbhi Singhi (DIN : 03275338) as an Additional Director and Independent Non-Executive Director of the Company. Smt. Surbhi Singhi holds office upto the date of the forthcoming Annual General Meeting and is eligible for appointment. Details of the proposal for the appointment of Smt. Surbhi Singhi as an Independent Director are mentioned in the Notice of the 69th Annual General Meeting of the Company alongwith the Explanatory Statement as required under Section of 102 of the Companies Act, 2013. Her appointment is appropriate and in the best interest of the Company.

Shri Basant Kumar Birla (DIN: 00055856) will be retiring at the ensuing Annual General Meeting and being eligible, offers himself for being re-elected.

All the Independent Directors of the Company had a separate meeting on 30th December, 2015 to review the performance and evaluation of Independent Directors and Board as a whole. The overall outcome from the evaluation was that the Board and its individual Directors have performed effectively. The Independent Directors of the Company have confirmed and declared that they are not disqualified to act as an Independent Director pursuant to the provisions of section 149 of the Companies Act, 2013 and the Board is also of the opinion that the Independent Directors fulfill all the conditions specified in the Companies Act, 2013 making them eligible to act as an Independent Director.

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

DIRECTORS' REPORT — (Contd.)

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) the Directors have selected such accounting policies as mentioned in Note 2.1 of Notes to Financial Statements and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2016 and the Profit or Loss of the Company for the financial year ended on that date;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) there is a proper system to ensure compliance with the provisions with all applicable laws and that such systems are adequate and operating effectively.

LISTING OF EQUITY SHARES

During the year under review the Company had made an application for listing of the Equity Shares directly with National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited. You will be pleased to know that the Equity Shares of the Company had been listed with National Stock Exchange of India Limited and BSE Limited with effect from 8th December, 2015 and 18th May, 2016 respectively. The listing application made to The Calcutta Stock Exchange had been withdrawn.

EXTRACT OF ANNUAL RETURN

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

KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are – Shri R. A. Makharia, Executive Director, Shri N. K. Baheti, Chief Financial

DIRECTORS' REPORT — (Contd.)

Officer and Shri R. S. Kashyap, Company Secretary. There has been no change in the Key Managerial Personnel during the year.

Remuneration and other details of the Key Managerial Personnel for the year ended 31st March, 2016 are mentioned in the Extract of the Annual Return which is attached as Annexure - A and forms part of this report.

TRANSACTIONS WITH RELATED PARTIES

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

AUDIT COMMITTEE

The Audit Committee of the Company comprises of Shri D. K. Mantri, Shri K. K. Daga and Shri A. V. Jalan as members. The Company Secretary is acting as the Secretary of the Committee. The Executive Director and the Chief Financial Officer are permanent invitees to the meeting to give clarifications on accounts related issues. The Board had accepted all the recommendations as and when forwarded by the Audit Committee. The Company has in place a vigil mechanism viz. Whistle Blower Policy the details of which are available on the Company's website www.pilaniinvestment.com.

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board comprises of Shri D. K. Mantri, Shri K. K. Daga and Shri A. V. Jalan. The Company Secretary is acting as the Secretary of the Committee. The said Committee had devised a policy named as Nomination and Remuneration Policy which has been approved by the Board and a copy of the same is available on the Company's website www.pilaniinvestment.com and is attached as Annexure – B and forms part of this Report.

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSR Committee) of the Board comprises of Shri B. K. Birla, Shri D. K. Mantri and Shri R. A. Makharia. The said Committee had devised a policy named as Corporate Social Responsibility Policy which has been approved by the Board and a copy of the same is available on the Company's website www.pilaniinvestment.com and is attached as Annexure - C and forms a part of this report.

The details of terms of reference of the Corporate Social Responsibility Committee and other details relating to number of meetings and dates on which held including the attendance of each member

DIRECTORS' REPORT — (Contd.)

are given separately in the attached Corporate Governance Report.

During the year your Company had contributed Rs. 115.15 lacs to various Trusts/Institutions working in the areas which is strictly in consonance with the CSR policy of the Company. The details of CSR expenditure in prescribed form is annexed as Annexure- D and forms part of this report.

SUBSIDIARY COMPANIES

The Company has two subsidiaries as on 31st March, 2016. 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 in Form AOC-1 is attached with this report. The Audited Accounts and Directors Report of the Subsidiaries are annexed hereto.

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.

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

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

AUDITORS REPORT

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

EMPLOYEES

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

DEPOSITS

The Company has not accepted 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

DIRECTORS' REPORT — (Contd.)

Deposits (Reserve Bank) Directions, 1998.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard – 21 and forms 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. Particulars with regard to Foreign Exchange Earnings and Outgo – The Company has no such transactions.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, unpaid/unclaimed dividend for the Financial Year 2007-2008 has been transferred to the Investor Education and Protection Fund.

APPRECIATION

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

For and on behalf of the Board of Directors

Kolkata
May 30, 2016

R. A. Makharia
Executive Director
(DIN: 00103430)

D.K. Mantri
Director
(DIN: 00075664)

Form AOC-I

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

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ '000s)

Sl.				
1.	Name of the subsidiary	Atlas Iron & Alloys Limited (In Liquidation)	PIC Properties Limited	PIC Realcon Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31.03.2016	31.03.2016	31.03.2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	N. A.	N. A.	N. A.
4.	Share Capital	720	500	500
5.	Reserves & Surplus	-	5031	15707
6.	Total assets	-	32309	47703
7.	Total Liabilities	-	32309	47703
8.	Investments	-	4800	44601
9.	Turnover	-	769	6136
10.	Profit before taxation	-	513	6089
11.	Provision for taxation	-	114	-
12.	Profit after taxation	-	399	6089
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