

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED



ANNUAL REPORT AND ACCOUNTS
2003-2004



PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

DIRECTORS

DR. K. K. BIRLA
SHRI B. K. BIRLA
SHRI G. P. BIRLA
SMT. PRIYAMVADA BIRLA (Since deceased on 03.07.2004)
SHRI S. K. BIRLA
SHRI G. D. KOTHARI
SHRI D. N. PATODIA
SHRI ARVIND C. DALAL
SHRI P. K. KHAITAN
SHRI R. A. MAKHARIA
– Executive Director

SECRETARY

SHRI B. D. DALMIA

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, 2004.

FINANCIAL RESULTS

	Rs.	Previous Year Rs.
Net Profit from operations, Dividend, Interest and Rent Income	18,59,19,840	17,08,24,318
Add : Provision written back for diminution in value of Long Term Unquoted Investments	16,05,903	9,78,687
	18,75,25,743	17,18,03,005
Less : Depreciation	2,03,880	2,28,485
Profit before tax	18,73,21,863	17,15,74,520
Less : Provision for taxation	75,00,000	3,40,00,000
Add : Deferred taxation	8,28,472	(3,04,116)
Profit after taxation	18,06,50,335	13,72,70,404
Add : Balance brought forward from last year	6,67,43,778	5,99,43,960
Profit available for appropriation	24,73,94,113	19,72,14,364
Appropriation		
(i) Special Reserve	3,65,00,000	2,75,00,000
(ii) Proposed Dividend	9,49,05,000	7,90,87,500
(iii) Tax on dividend	1,21,59,703	1,01,33,086
(iv) General Reserve	1,82,50,000	1,37,50,000
(v) Balance carried forward to next year	8,55,79,410	6,67,43,778
	24,73,94,113	19,72,14,364

DIVIDEND

A dividend of Rs. 12.00 per share (Previous year Rs. 10.00 per share) is recommended for payment. The aggregate amount of dividend will absorb Rs. 9.49 crores and the tax on proposed dividend will be 1.22 crores.

REVALUATION

In terms of the Scheme of Arrangement sanctioned by Hon'ble Calcutta High Court, the book value of the investments as reflected in the financial statements of the company as on 31st March, 2003 would be the cost. Any diminution in the value of investments in Shares & Securities owned and held

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 - 700 001 on Wednesday, the 29th September, 2004 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, 2004 and the Profit & Loss Account for the year ended 31st March, 2004 and the Reports of the Directors and Auditors thereon.
2. To sanction the declaration and payment of dividend on ordinary shares for the year ended 31st March, 2004.
3. To appoint a director in place of Shri G. P. Birla, who retires from office by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri D. N. Patodia, who retires from office by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri Arvind C. Dalal, who retires from office by rotation, and being eligible, offers himself for re-appointment.
6. To appoint Auditors for the current year and fix their remuneration.
7. To consider, and if thought fit to pass with or without modification the following resolution, as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 311, 314 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for reappointment of Shri R. A. Makharia as Managing Director to be designated as Executive director of the Company for a further period of five years with effect from 23rd September, 2003 to 22nd September, 2008 upon the following terms as to remuneration as set out hereinafter and with further liberty to the Directors from time to time to alter the said terms in such a manner as may be in the best interest of the Company within the limitations in that behalf as contained in Schedule XIII to the said Act and any amendment thereof or otherwise as may be permissible at law viz."

Salary : Rs. 65,000/- (Rupees sixty five thousand only) per month with authority to the Board to fix increments in salary and perquisites, from time to time.

Perquisites : It shall be as per details given below subject to the ceiling laid down in Schedule XIII of the Companies Act, 1956 so far as applicable.

- a) (i) Provident Fund and Superannuation : In accordance with the company's rules and regulations in force from time to time.
- (ii) Medical and Hospital Benefit : For self and family under the Company's regulations subject to a ceiling of one month's salary in a year or 3 months salary for a period of 3 years.

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

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| (iii) Leave Travel Concession | : | Once in a year for self and family in accordance with rules specified by the company. |
| (iv) Leave | : | With full pay and allowance as per rules of the Company. |
| (v) Club Fees | : | For two clubs excluding admission and Life Membership Fees. |
| (vi) Personal Accident Insurance | : | Premium not exceeding Rs. 1000/- per annum. |
| (vii) Conveyance | : | Car for use of Company's business and Telephone at residence. |
| (viii) Gratuity | : | As per rules of the Company not exceeding half a month's salary for each financial year of service. |
| b) Housing | : | The Company shall provide fully furnished accommodation and the expenditure incurred thereon by the Company shall be valued as per Income-Tax Rules, 1962. |

In the event of loss or inadequacy of profit in any financial year, the remuneration payable to him shall be subject to the limits, if any, set out in Schedule XIII of the Companies Act, 1956 and as may be applicable.

Shri R. A. Makharia shall be entitled to sitting fee for attending the meetings of the Board of Directors or Committee of the Directors.

The Register of Members and Transfer Books of the Ordinary Shares of the Company will remain closed from 21st September, 2004 to 29th September, 2004 (both days inclusive).

Registered Office :
Birla Building
9/1, R. N. Mukherjee Road
Kolkata - 700 001
August 18, 2004

By order of the Board of Director
B. D. Dalmia
Secretary

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. 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-700 001 not less than 48 hours before the commencement of the meeting.
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

PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED

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 20th September, 2004, as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the ordinary shares held in electronic form, and
 - b. as Member in the Register of Members of the company after giving effect to valid share transfer in physical form lodged with the company on or before 20th September, 2004.
4. 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 1995-96.
- b. Members are hereby informed that dividends for the financial year 1996-97 and thereafter, which remain unclaimed/unencashed 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.
5. 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.
6. 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.
7. Reappointment of Directors : At the ensuing Annual General Meeting Shri G. P. Birla, Shri D. N. Patodia and Shri Arvind C. Dalal, Directors retire by rotation and being eligible offer themselves for reappointment. As per Clause 49 of the Listing Agreement dealing with Corporate Governance, the Company is required to provide a brief resume expertise and names of the Companies in which the proposed Directors hold the Directorship and membership of Committee of Directors; accordingly the said information is given herein below.
- a. Shri G. P. Birla, aged about 82 years, is renowned industrialist with vast experience. He is the Managing Director of Birla Bros. Pvt. Ltd.
 - b. Shri D. N. Patodia, aged about 76 years, is a Industrialist having vast business experience. He is the Director of Avijit Estate & Holdings Ltd., Hindustan Times Ltd., Orient Paper & Industries Ltd., Control Electronics Ltd. and Chairman/Member of the Committees of Orient Paper & Industries Ltd.. and Hindustan Times Ltd.
 - c. Shri Arvind C. Dalal, aged 83 years, is having wide experience in the field of commercial and Capital Market. He is the Director and Member of the Audit Committee of Century Textiles and Industries Ltd., Birla Global Finance Ltd., Borosil Glass Works Ltd. & Sutlej Industries Ltd. He is also the Director of Vidhula Chemicals & Mfg. Industries Ltd.
8. The relevant Explanatory Statement pursuant to Section 173(2) of the companies Act, 1956, in respect of item 7 of Notice set out above, is annexed hereto.
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EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**Item No. 7**

The term of appointment of Shri R. A. Makharia as a Managing Director designated as Executive Director of the company approved by the shareholders at Annual General Meeting held on 29th September, 1999, expired on 22nd September, 2003. The Board of Directors at their meeting held on 30th July, 2003 decided to reappointment Shri R. A. Makharia as Executive Director of the company for the period of 5 years from 23rd September, 2003 to 22nd September, 2008. Approval of the shareholders is sought for his reappointment as Executive Director on remuneration to him as set out in Resolution No. 7. The details of remuneration are set out in the Resolution and the same may be treated as an abstract circulated to the shareholders under Section 302 of the Companies Act, 1956.

The Board of Directors recommends for passing of this Resolution.

Shri R. A. Makharia is deemed to be concerned or interested in the above, since it relates to his reappointment. No other Directors is interested or concerned.





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 Wednesday, the 29th September, 2004 and at any adjournment thereof.

AS WITNESS my/our hand(s) this.....day of.....2004.

Report Junction.com

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 Wednesday, the 29th September, 2004

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.

No. of Shares held