



# **PILANI INVESTMENT AND INDUSTRIES CORPORATION LIMITED**

**70<sup>th</sup>**  
**ANNUAL REPORT  
AND ACCOUNTS  
2016 - 2017**

***DIRECTORS***

(as on 30.05.2017)

SHRI B. K. BIRLA

SHRI KUMAR MANGALAM BIRLA

SHRI D. K. MANTRI

SHRI A. V. JALAN

SHRI A. K. KOTHARI

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. 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

CIN : L24131WB1948PLC095302

Website : [www.pilaniinvestment.com](http://www.pilaniinvestment.com)

Email : [pilaniinvestment1@gmail.com](mailto:pilaniinvestment1@gmail.com)

Notice for 70th 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

### TO THE SHAREHOLDERS

Dear Shareholders,

We have pleasure in presenting the 70<sup>th</sup> Annual Report of the Company along with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2017. The Financial Results for the year are shown below:-

### FINANCIAL RESULTS

	(Amount in ₹ Millions)	
	<u>2016-2017</u>	<u>2015-2016</u>
Profit from operations, Dividend, Interest and Rent Income	<b>492.03</b>	403.59
Less: Depreciation	<u>6.31</u>	<u>2.08</u>
Profit before tax	<b>485.72</b>	401.51
Less: Provision for taxation	<b>46.00</b>	23.50
Add : MAT credit entitlement	<b>19.73</b>	11.09
Profit after taxation	<u>459.45</u>	<u>389.10</u>
Add: Balance brought forward	<b>1713.07</b>	1739.76
Profit available for appropriation	<u>2172.52</u>	<u>2128.86</u>
Appropriations :		
Special Reserve	<b>91.89</b>	77.82
Proposed Dividend	-	197.72
Corporate Dividend Tax	-	40.25
General Reserve	-	100.00
Balance carried forward	<b>2080.63</b>	1713.07
	<u>2172.52</u>	<u>2128.86</u>

### 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.

### MATERIAL CHANGES AND COMMITMENTS AFTER THE BALANCE SHEET DATE

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

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

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

## **DIRECTORS' REPORT — (Contd.)**

### **ADEQUACY OF INTERNAL FINANCIAL CONTROL**

The Company has in place an internal financial 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 31<sup>st</sup> March, 2017 which is same as 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 about 20.358 % on the dividend amount so distributed.

### **TRANSFER TO RESERVES**

The Company does not propose to transfer any amount to the General Reserves for the Financial Year ended 31<sup>st</sup> March, 2017 but an amount of ₹2080.63 millions is proposed to be retained in the profit and loss account.

### **DIRECTORS**

On the recommendations of the Nomination and Remuneration Committee, the Board of Directors had appointed Shri A. K. Kothari (DIN: 00051900 ) as an Additional Director and Shri R. P. Pansari (DIN: 00869222) as the Managing Director of the Company with effect from 25<sup>th</sup> July, 2016 and 14<sup>th</sup> February, 2017 respectively. Shri R. P. Pansari had resigned as Managing Director effective from 7<sup>th</sup> May, 2017 which has been accepted by the Board. Shri A. K. Kothari holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment. Details of the proposal for the appointment of Shri A. K. Kothari as an Independent Director with effect from 25<sup>th</sup> July, 2016 is mentioned in the Notice of the 70<sup>th</sup> Annual General Meeting of the Company alongwith the Explanatory Statement as required under Section 102 of the Companies Act, 2013. The aforesaid appointment is appropriate and in the best interest of the Company.

Shri A. V. Jalan (DIN: 01455782) will be retiring by rotation at the ensuing 70<sup>th</sup> Annual General Meeting and being eligible, offers himself for being re-elected.

Shri R. A. Makharia, Executive Director had retired from the services of the Company with effect from 23<sup>rd</sup> September, 2016. The Board of Directors has placed on record its warm appreciation of the contribution made by Shri R.A. Makharia during his tenure as Executive Director of the Company.

### **PERFORMANCE EVALUATION**

All the Independent Directors of the Company had a separate meeting on 29<sup>th</sup> December, 2016 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 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 the Directors individually (including Independent Directors) as well as the working of its Committees. The overall outcome from the evaluation was that the Board, its Committees and the

## **DIRECTORS' REPORT — (Contd.)**

individual Directors have performed effectively.

### **DECLARATION BY INDEPENDENT DIRECTORS**

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.

### **CODE OF CONDUCT**

All the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct applicable to the Board Members and Senior Management Personnel of the Company. A declaration made by the Chief Executive Officer to this effect forms a part of this report as an Annexure.

### **BOARD MEETINGS**

Detailed information on the numbers and dates of Board Meetings and Committee Meetings including attendance of Directors is given in the attached Corporate Governance Report. The intervening gap between any two 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 as at 31<sup>st</sup> March, 2017 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 were adequate and 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 read with Part B of Schedule II of the Listing Regulations, the CEO and CFO certification regarding Financial Statements and internal controls relating to financial report has been submitted to the Board and a copy thereof is annexed and forms part of this Annual Report.

### **LISTING OF EQUITY SHARES**

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

## **DIRECTORS' REPORT — (Contd.)**

BSE Limited.

### **EXTRACT OF ANNUAL RETURN**

An extract of the Annual Return as at 31<sup>st</sup> March, 2017 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, and on the recommendations of the Nomination and Remuneration Committee, the Board has appointed Shri R. P. Pansari as the Chief Executive Officer of the Company effective from 7<sup>th</sup> May, 2017. Accordingly, the Key Managerial Personnel now are Shri R. P. Pansari, Chief Executive Officer, Shri N. K. Baheti, Chief Financial Officer and Shri R. S. Kashyap, Company Secretary.

During the year, Shri R. A. Makharia, Managing Director designated as Executive Director retired from the services of the company w. e. f. 23<sup>rd</sup> September, 2016 and Shri R. P. Pansari appointed as Managing Director on 14<sup>th</sup> February, 2017 had resigned effective from 7<sup>th</sup> May, 2017. Further, Shri R. P. Pansari has been appointed as Chief Executive Officer of the Company effective from 7<sup>th</sup> May, 2017. Remuneration and other details of the Key Managerial Personnel for the year ended 31<sup>st</sup> March, 2017 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.

### **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 the Statutory Auditors of the Company regarding compliance of Corporate Governance is annexed to the Report on Corporate Governance.

### **AUDIT COMMITTEE**

The composition and terms of reference of the Audit Committee has been furnished in the Corporate Governance Report forming part of this Annual Report. The Company Secretary is acting as the Secretary of the Committee. The Managing Director/ Chief Executive Officer 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](http://www.pilaniinvestment.com).

Other details relating to number of meetings and dates on which held including the attendance of each member has 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 has been furnished in the Corporate Governance Report forming part of this Annual Report. The Company Secretary is acting as the Secretary of the Committee. The said Committee had devised a policy named as Nomination and Remuneration Policy which has been approved by the Board and a copy

## **DIRECTORS' REPORT — (Contd.)**

of the same is available on the Company's website [www.pilaniinvestment.com](http://www.pilaniinvestment.com) and is also attached as Annexure – B and forms part of this Report.

Other details relating to number of meetings and dates on which held including the attendance of each member had 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) has been given in the Corporate Governance Report forming part of this Annual Report. 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](http://www.pilaniinvestment.com) and is also attached as Annexure - C and forms a part of this report. Other details relating to number of meetings and dates on which held including the attendance of each member had been given separately in the attached Corporate Governance Report. During the year, your Company has contributed ₹2.5 million 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.

### **SUBSIDIARIES/ASSOCIATE COMPANIES**

The Company has two Subsidiaries and two Associates as on 31<sup>st</sup> March, 2017. 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/Associates in Form AOC-1 is attached with this report.

### **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 Auditor's Report are self explanatory.

### **STATUTORY AUDITORS**

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No: 301003E/ E300005), the Statutory Auditors of the Company, will hold office up to the forthcoming 70<sup>th</sup> Annual General Meeting as they will complete their term as Statutory Auditors provided under the Companies Act, 2013 and the relevant Rules thereunder.

The Board has placed on record its appreciation for the services rendered by M/s. S. R. Batliboi & Co. LLP, as Statutory Auditors of the Company.

The Board of Directors on the recommendation of the Audit Committee has approved and recommend to the Members, the appointment of M/s. Vidyarthi & Sons, Chartered Accountants (ICAI Firm Registration No: 000112C) as Statutory Auditors of the Company for a term of 5 years, commencing from the conclusion of the forthcoming Annual General Meeting of the Company, subject to ratification of their appointment by the Members every year. M/s. Vidyarthi & Sons have confirmed their eligibility under Section 141 of the Act, and the Rules framed thereunder, for their appointment as Statutory Auditors of the Company.



## **DIRECTORS' REPORT — (Contd.)**

### **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/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, 2016.

### **LOANS, GUARANTEES AND INVESTMENTS**

The Company had not given loans, directly or indirectly, to any person or other body corporate or gave any guarantee or provided any security in connection with a loan to any other body corporate or person.

### **CONSOLIDATED FINANCIAL STATEMENT**

The Consolidated Financial Statements, prepared in accordance with the requirements of Accounting Standard – 21 prescribed by the Institute of Chartered Accountants of India, along with the Auditors' Report form part of this Annual Report.

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

The Company has no manufacturing activity and therefore, the disclosure of particulars as required to be appended under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, in so far as it relates to the Conservation of the Energy and Technology Absorption is not applicable. 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 2008-2009 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, 2017

**A. K. Kothari**  
Director  
(DIN: 00051900)

**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 ₹ Millions)

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	31.03.2017	31.03.2017	31.03.2017
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	0.72	0.50	0.50
5.	Reserves & surplus	-	6.46	20.17
6.	Total assets	-	34.06	45.72
7.	Total Liabilities	-	34.06	45.72
8.	Investments	-	3.57	44.60
9.	Turnover	-	2.20	4.51
10.	Profit before taxation	-	1.64	4.47
11.	Provision for taxation	-	0.21	-
12.	Profit after taxation	-	1.43	4.47
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