

PI Industries Ltd

ANNUAL REPORT 2014-15



Inspired by Science

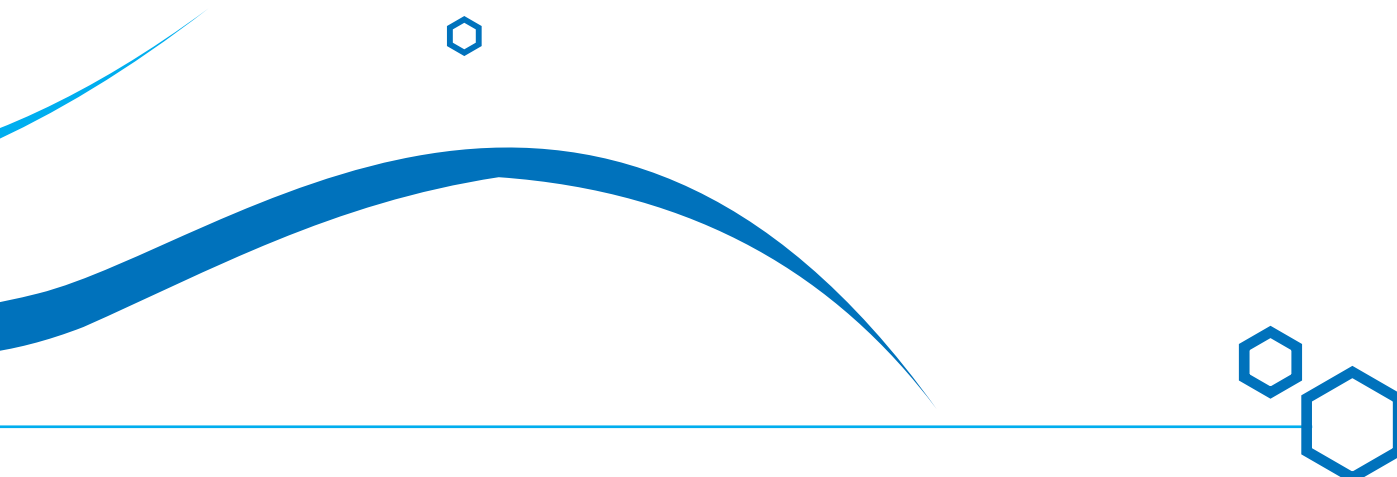
ROOTED
DYNAMISM





CONTENTS

Corporate Identity	04
PI Code	05
Performance over the years	06
Key Highlights	07
Chairman’s Message	08
Managing Director & CEO’s Message	10
Awards and Recognition	12
Events	15
Management Discussion and Analysis	22
Notice	35
Corporate Information	41
Director’s Report	42
Corporate Governance Report	70
Financial Statements	87
PILL Finance & Investments Ltd.	157
PI Life Science Research Ltd.	174
PI Japan Co. Ltd.	199



THEY SAY SCIENCE EXPLAINS THE WORLD

– for us science is our world.

⬡ The science of chemistry.

⬡ The science of relationships.

⬡ The science of inspiration.



Rooted Dynamism

We believe in progress. We believe in facing challenges and adapting to changing needs of the market. We believe in dynamism. It is this belief that has led us to explore and succeed in uncharted territories over 65 years of our existence.

From being a small generic agrochemical company few decades ago to successfully building a unique business model and becoming a leading player in the agrochemical value chain, PI has traversed boundaries, both national and international, setting new benchmarks.

But at the core of it all is our rootedness.

We are deep rooted in our values of Trust, Adaptability, Speed and Innovation which we believe has brought us here. At one end we are young and innovative in our ideas, at the other our knowledge, experience and competencies have demonstrated consistent maturity in our deliveries. The success & superiority of PI also lies in its strong corporate governance that has helped build deep-rooted relationships with our stakeholders.

With roots that hold us firmly to the ground, and branches that stem towards the dynamic world of opportunities, PI is progressively attaining new heights and creating a value of trust.

CORPORATE IDENTITY

About the Company

Incorporated in 1947 (as Mewar Oil & General Mills Ltd.) with its registered office in the lake city of Udaipur, Rajasthan, PI Industries Ltd. (PI) has grown to be the leading Agri-Input and Custom Synthesis Company.

Domestic Agri-Input

Today PI is one of the leading Agrochemical companies in India. With a pan India presence of more than 8,000 distributors, 35,000 plus retail outlets and 350 marketing professionals, PI has been contributing to the prosperity and well being of millions of farmers in India. PI's strong rural brand equity among millions of Indian farmers has been the result of a robust portfolio of differentiated products that bring about a substantial improvement in crop productivity.

Products

PI manufactures and markets agrochemicals, plant nutrients, specialty fertilizers and hybrid seeds that provide farmers solutions for improving crop productivity, save crops from pests, weeds and diseases and enhance their prosperity. PI's domestic Agri-Input portfolio consists of in-licensed products, which are newly launched / patented molecules by global innovators. Some of the key brands include NOMINEE GOLD, OSHEEN, KEEFUN, BIOVITA, KITAZIN, FORATOX, FOSMITE and ROKET. PI pioneered the introduction of granular formulations in India and, over the years, emerged as a market leader and the largest producer of some generic molecules.

Custom Synthesis Exports

PI does Custom Synthesis & Manufacturing for agro chemicals active ingredients, intermediates and other niche fine chemicals for global innovators. It provides right solutions for all chemical related needs with flexibility, precision and passion.

Service Offering

- Process R&D
- Analytical method development
- Synthesis of high-purity products and impurities for analytical reference standards
- Five batch analysis under GLP conditions
- Detailed engineering
- Large-scale chemical manufacturing

Location

The company's registered office is located in Udaipur and corporate office in Gurgaon. PI currently operates three manufacturing sites in Gujarat having three formulation units and six multi product plants for manufacturing of active ingredients and intermediates. The Company's R&D set up is located at Udaipur. These state-of-art facilities have integrated process development teams with in-house engineering capabilities. PI operates through its subsidiary in Japan for its business development activities there. It also has an office in Dusseldorf (Germany) for these activities and an office in Shanghai (China) for raw material sourcing activities.

Listing

PI is listed on the BSE and the NSE where its shares are traded actively. The market capitalization of the Company stood at ~₹8,300 Crore as on March 31, 2015.



OUR VISION



Building on the foundation of trust,
we shall be at the forefront of science-led opportunities
by delivering innovative solutions.

Our Values



TRUST

Like the earth,
we are dependable

We work with integrity of purpose, honesty
in action and fairness in all our dealings.



ADAPTABILITY

Adaptive, like water

Constantly transforming ourselves like water,
we are nimble footed and highly responsive
to change.



SPEED

Blazing ahead, like fire

Blazing ahead, we constantly strive to
work with speed in the way we observe,
think and act.

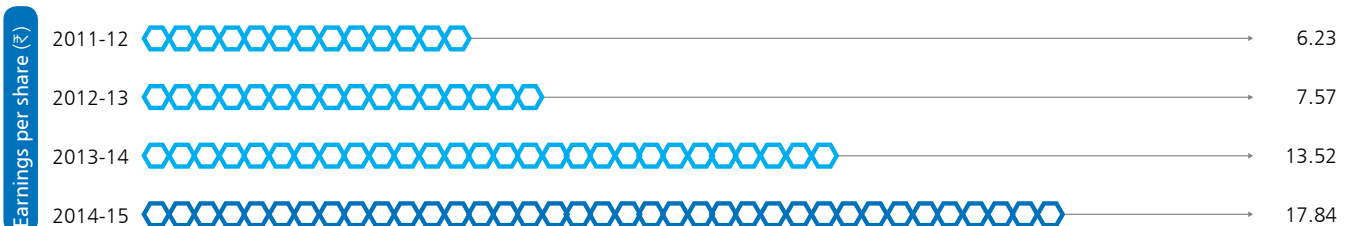
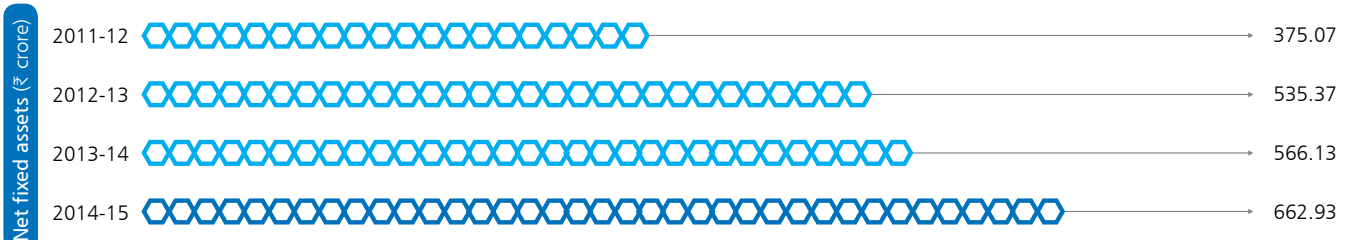
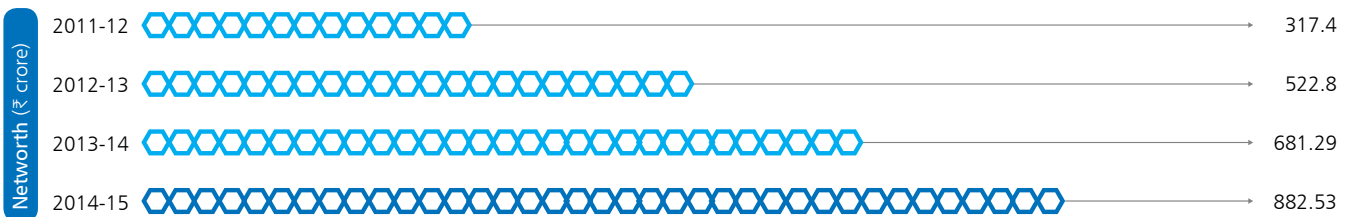
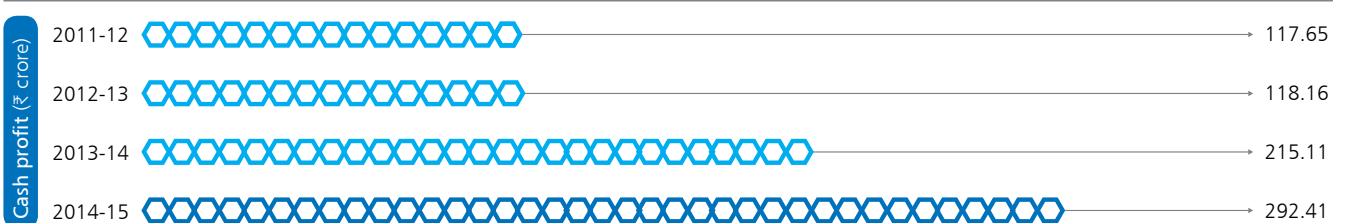
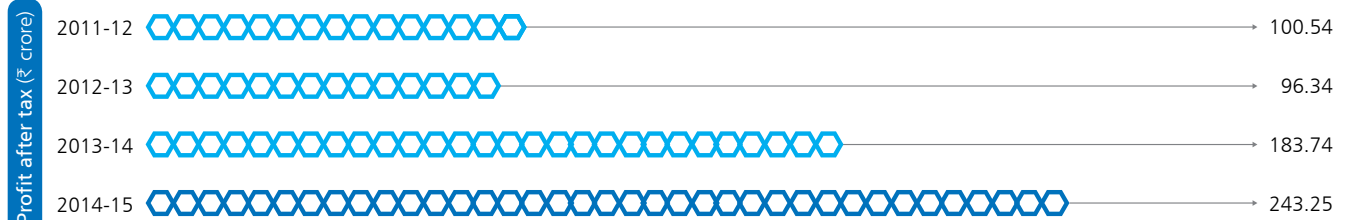
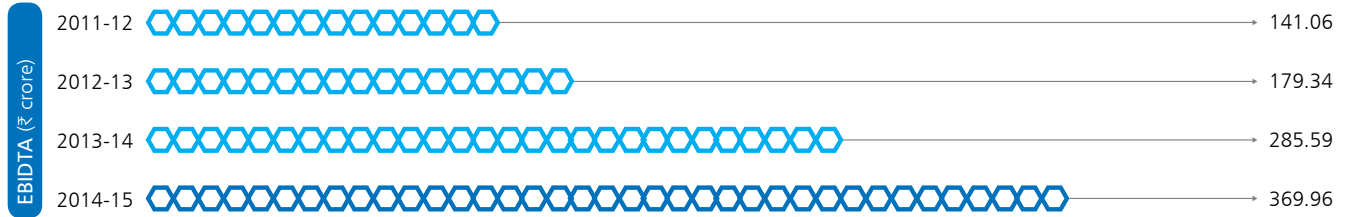
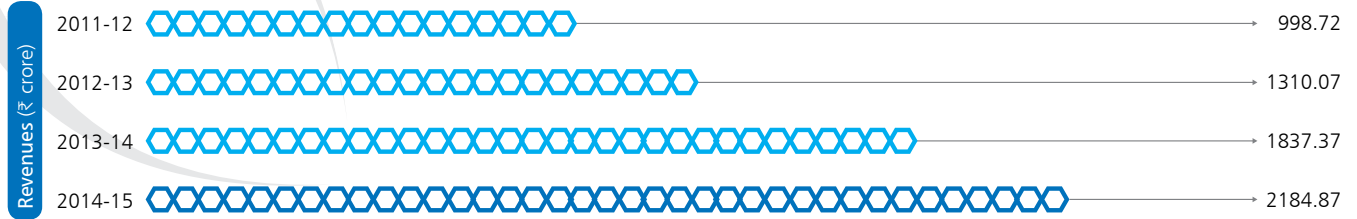


INNOVATION

Enlivening, like the air

The constant quest for horizon, the never
ending search for a better, newer way to do
things. Innovation is a way of life for us.

Performance over the years



Key highlights of FY 2014-15

Total net revenues increased by 21.61% to ₹1,939.65 Cr in 2014-15 from ₹1,594.92 Cr in 2013-14, due to volume expansion of key existing product, increased contribution from innovation based products and high momentum in commercialized molecules. The EBITDA for the year grew to ₹369.97 Cr from ₹285.59 Cr in 2013-14 an increase of 29.55% YoY. EBITDA margin improved 117 basis points to 19.07% in 2014-15 over 2013-14 and PAT margin strengthened 102 basis points to 12.54% in 2014-15 over 2013-14.

The Company's Bank facilities credit rating was reaffirmed at 'CRISIL AA-/Stable/CRISIL A1+' during the FY 2014-15.

The Company introduced two new products during the year under review – KEEFUN, a novel insecticide with broad spectrum focus under exclusive in-licensing agreement and BUNKER, a broad spectrum herbicide.

The earnings per share (EPS) for the year stood at ₹17.84, an increase of 31.95% compared to ₹13.52 per share in the previous year.

The Company commercialized two new molecules for custom synthesis exports, which are expected to gain traction over the next few years.

The Company's total dividend declared during the year under consideration was ₹2.5 per share (250%) on equity shares carrying a face value of ₹1 each.

The Company signed three new agreements with their patent holders in the insecticide/ herbicide/fungicide segments to evaluate their potential in the domestic market.

The debt-equity ratio significantly improved to 0.09 as on March 31, 2015 against 0.13 as on March 31, 2014 owing to increase in net worth coupled with significant reduction in long term borrowing.

During the year under review, Mr. Salil Singhal, the Chairman & Managing Director of the Company has won numerous accolades - the prestigious Entrepreneur of the Year Award 2014 from Ernst & Young, Best CEO Award 2014 from Business Today and Lifetime Achievement Award at 7th International Agriculture Summit 2014.

The Company invested ₹168.49 Cr in fixed assets, increasing production and R&D capabilities.

Recently, the Company had also won the 'Golden Peacock Award' 2015 in the Environment Management category.

Chairman's message



Dear Shareholders,

I am once again very pleased to address you. Your Company (PI) has gone through a journey of over six decades. Having seen many ups and downs in the past, PI has now over the last decade built a business model anchored by respect and trust of its customers due to its performance and growth. We have been bringing new generation molecules from global innovators and are marketing them in the country for many years. These products that we offer are acknowledged for the tremendous value they bring to the crop protection solutions for our farmers and greatly help them to reap higher yields and profits. Over the years, we have worked out unique models for launching early stage products thereby helping us to be able to reap the benefits of multiple years of growth.





We remain deeply invested in developing a strong brand for our in-licensed product portfolio. As a step towards this, PI has initiated measures to forge close, on-the-grounds connect with the farming community and which we believe is the essence in the sustainability of our business. Our pipeline of new products for registrations under the Indian Law remains robust. It is indeed a matter of satisfaction that global innovators have the confidence and faith to work with your Company for the Indian market.

The Indian monsoon conditions continue to impact the business of agri inputs particularly crop protection chemicals which are required to be used almost throughout the cropping season post the use of seeds and fertilisers.

It is therefore not uncommon that poor monsoons translate into slower agro chemicals off take and therefore affects the performance of the agro chemical Companies. Yet I am very pleased to report that despite the challenging monsoon conditions, your Company continues to deliver heartening performance and maintain our direction of growth.

We began our 'Make in India' journey years ago.

Our custom synthesis business now enjoys the reputation of an important global partner by the leading innovator agro chemical Companies and MNCs. Often a sole supplier, your Company's performance in terms of quality, quantity and on time deliveries, stands really well recognised. Given the strong reputation that we have built, we continue to receive many newer molecules at the early stages of their development, resulting in a very strong potential of organic growth in our business. I am pleased to report that your Company has a rich pipeline of high growth potential molecules in the agro chemical sector and we are very hopeful for their commercialisation over the coming years. We are also now exploring

the potential of custom synthesis in the fine chemicals arena other than agro chemicals.

The agrochemicals industry will play a key role in driving food security in the future. India is set to surpass China and emerge as the world's most populous country by 2028. We must recognise that factors like changing dietary habits, urbanisation and rising competition for land will exert greater demand on agriculture productivity. India loses more than 30% of its farm produce to pests, diseases and weeds. Thus the role of crop protection products like the ones PI offers, in addressing food security cannot be underestimated. Farmers are now realising that timely use of quality agro-chemical products is necessary for higher yields.

Numerous steps have been taken by the Government, to encourage the use of agri inputs to enhance crop yields and farmer incomes. MSPs have been enhanced successively year upon year, over the past few years to compensate farmers adequately as well as to help them maximize farm productivity. This has resulted in greater available income for farmers to invest, which in my opinion drive consumption of agrochemical products. Progressively easier accessibility to credit through regional rural banks, NBFCs and microfinance institutions is also expected to drive usage of agrochemicals.

Our exports are expected to sustain growth momentum. Within agrochemical exports the mix of products is broadly shifting towards more complex chemistries led by enhanced IPRs. Given the established capabilities of Indian manufacturers this trend of growth is expected to sustain. India has emerged as an alternative to China owing to cost increases in that country and the growing environmental issues in China. Over the years, your company has demonstrated its capabilities to

global innovators with on-time delivery of products, supply security, respect for product patents, and by its safety, health and environmental record.

The road ahead is promising. Domestically, we have focussed on new generation novel products for India. Going forward we aim to focus on doing what we do best- develop strong link up of branded products that help farmers generate superior returns and inspire repeat offtake for our brands.

Your Company's custom synthesis exports, now accounting for more than half of revenues, is poised to grow stronger on account of robust customer relationship reflecting in a strong order book. As we witness a rise in volumes one year after the other, there is a strong pipeline that is getting created on the other hand. Our Jambusar SEZ facility is being enhanced with 2 new plants, which we hope to commission during the present fiscal year. This unit will contribute strongly to the visible upsides in the business.


To conclude I remain optimistic that your Company will continually strengthen its operating profile and deliver superior performance in the coming years.

I also wish to take this opportunity to express my thanks to our entire stakeholder community. Our employees, customers, vendors, partners, suppliers, bankers have shown continuous support towards our growth story and for which we are deeply grateful. I will also like to extend my gratitude to my fellow Board Members for their guidance and direction and our shareholders who have supported our progress and growth.

May we all remain blessed by the Almighty in our journey ahead.

With my best regards,

Salil Singhal
Chairman



Message from the Managing Director and the CEO

“Quality of operations together with visibility of growth to help PI Industries deliver sustainable value to its stakeholders”

Dear Shareholders,

I am delighted to say that the year 2014-15 marks another year of growth oriented performance with topline showing ~22% improvement and bottom line growth even better at ~32%.

In the domestic agri-operations, with a strong line-up of brands your Company could focus on optimizing the product mix so as to deliver better results domestically. The ongoing introduction of new generation products year after year is beginning to have multiplier effect on the business. Farmers choose our brands every season because they see value proposition and superior results. Many of these products show robust growth in the past few years. We introduced Keefun, which is a broad spectrum insecticide, in India during the year.

At PI, we have established a model to ensure that the superior attributes and the 'value' proposition of our in-licensed products are well understood by our target audiences. Our farmer connect initiatives are very intensive where we focus on product attributes and the right methods of product application. What the farmer gets is a product that delivers consistently on the field and the value for the money he spends. This we believe is the source and strength of our brand equity.

Your company has worked closely with academia during the year, with a view of building better understanding of farming conditions leading to relevant education on superior farming techniques. A combination of these initiatives has translated into stronger customer

relationship for the PI Industries brand and has translated into repeat offtake of our products.

Again your Company has reported another year of robust growth. This followed strong volume momentum in commercialised molecules as per plan. During the first half of the year we focused on completing certain crucial capacity de-bottlenecking and product mix optimisation initiatives, both of which have set the stage for accelerated scale up in supplies for molecules to global requirements.

As usual we continued to focus on patented and early-stage development molecules that innovators intend to commercialise; these molecules generally enjoy a longer life cycle. In the commercialisation process, your company has remained the preferred supplier, making it a critical partner in the entire life cycle of the molecule, thus driving longer revenue visibility. We at PI are constantly finding better and newer ways of doing things and offering value added / knowledge based solutions to our customers in the area of technology and key business processes.

Going forward, we are set for a healthy performance in the present year. Even as the country faces another year of El Nino forecast, a good start to the monsoon has provided optimism to the country's agriculture sector. We are seeing higher sowing during Kharif season that will hopefully translate into better acreages contingent to the pattern of rainfall in key growing areas. At PI, we will continue to introduce high-value, new

generation products in line with evolving agricultural patterns; whereas products that have been launched over the past few years can be expected to deliver upsides.

Your company's custom synthesis exports are expected to stay robust on account of clear visibility. We see continued enhancement in volume requirements from molecules that have been commercialised already. The momentum of growth will be underlined by regular commercialisation of new molecules that we undertake every year. Our operations are reporting healthy capacity utilisation levels, and going forward, the capacity expansion at Jambusar will provide further impetus to growth. PI is recognized for its commitment to both quality and timeliness of deliveries, and this impels us to further our performance going forward.

Your company is set to deliver a sustainably, robust performance in light of the market advantages it enjoys, the quality of its operations and above all, owing to the commitment it has shown towards IPR of others.

Best Regards,

Mayank Singhal

Managing Director & CEO



Awards and Recognition



GOLDEN PEACOCK ENVIRONMENT AWARD

PI Industries won the Golden Peacock Environment Management Award 2015 at the 17th World Environment congress, organized by Institute of Directors. The Golden Peacock award is regarded as the benchmark of Corporate Excellence worldwide and is given to organizations which have attained significant achievements in 13 identified functional areas.

PI was presented with this most coveted award by Prakash Javadekar, Honourable Union Minister of State for Environment. The award is a recognition of PI's initiatives, its state-of-the-art environment management facilities and infrastructure, focus on waste minimization from process development stage through the commercial manufacturing stage, online tracking and controlling of waste generation and its disposal.



CERTIFICATE OF EXCELLENCE AWARD BY BAYER GROUP OF COMPANIES

PI Industries was awarded 'Global Sourcing- Outstanding Performance' by Bayer Group of Companies. The award was in recognition for PI's efforts in achieving high levels of customer satisfaction. The award was presented at the Suppliers' Day event at Hyatt Regency, Mumbai for outstanding performance as a strategic partner and supplier.



ENTREPRENEUR OF THE YEAR — MR. SALIL SINGHAL

The Chairman & MD of PI Industries, Mr. Salil Singhal received the 'Entrepreneur of the Year, 2014 in Life Sciences and Agrochemicals' award by EY India. The EY Entrepreneur of the Year is a global initiative that is run in over 50 countries, across six continents and is one of the most popular programs worldwide.



BEST CEO AWARD – MR. SALIL SINGHAL

The Chairman and MD of PI Industries Ltd., Mr. Salil Singhal was awarded as the best CEO in Chemical Industries by Business Today, Mind Rush. The award was presented by group Chairman & Editor in-Chief of India Today Group, Aron Purie and Management Guru & CEO Coach Prof. Ram Charan.



INDIA MANUFACTURING EXCELLENCE AWARD

— PI INDUSTRIES

One of the largest on-site assessment and awards program, India Manufacturing Excellence Awards (IMEA), awarded PI Industries the 'Silver Certificate of Merit in middle segment of Chemical Industries' for continuous improvement in its manufacturing facilities and processes to achieve the highest level of quality products.





AGRICULTURE LEADERSHIP AWARD – MR. SALIL SINGHAL

National Organising Committee of Agriculture Leadership Awards 2014, under the Chairmanship of Prof. MS Swaminathan, Pioneer of India's Green Revolution, awarded Mr. Salil Singhal, CMD PI Industries, the Agriculture Leadership Award 2014 for his significant contribution towards empowering the Indian farmers, serving the farm sector through Agri-Input products and services and championing the cause of industry, environment and agriculture.



NET APP INNOVATION AWARD – IT DEPARTMENT OF PI INDUSTRIES

PI Industries Ltd. won the Net App Innovation Award at a mega event held in Mumbai. The award is given to the companies who have implemented central data storage in the most innovative way. PI Industries won the award for their innovative efforts in setting up their IT department.



UDYOG RATAN AWARD – MR. MAYANK SINGHAL

The Managing Director and CEO of PI Industries Ltd. was bestowed with Udyog Rattan Award by the Institute of Economic Studies (IES) at India Habitat Centre, New Delhi.



IES CERTIFICATE OF EXCELLENCE

PI Industries received the Certificate of Excellence on the Current Economic Scenario by the Institute of Economic Studies (IES) at the India Habitat Centre, New Delhi.

Events

THE ART OF LIVING

In our daily hectic corporate life, it is important to take some time out for self relaxation & rejuvenation. Through Shri Shri Ravishankar's course - 'The Art of Living', conducted by Vyakti Vikas Kendra India at PI plant office Panoli; the employees learnt simple everyday exercises to keep oneself healthy and fit. The course was a three-hour session held everyday from 17th to 21st November. All the employees participated with complete dedication and benefitted from the learnings.



NATUROPATHY SESSION

A session on Naturopathy focusing on physical & mental health of employees was organized at PI plant office Panoli. More than 100 people participated and gained insights shared by naturopathic doctors. Since the remedies practiced in Naturopathy are easily available at home, a session was specially organized for the employees' family members at Hotel President.





CHILDREN'S DAY CELEBRATION

The PI family organized a drawing competition to celebrate Children's Day as an opportunity for budding child artists to showcase their talent. The competition's theme was 'Swachh Bharat Abhiyan - Clean India Drive - Cleanliness is next to Godliness'. It was surprising to see children explore the theme in creative ways and express their thoughts beautifully. PI selected some of the best paintings and printed them as part of their Annual Planner for the year 2015.



FOOTBALL WORLD CUP - QUIZ AND TRAINING SESSION

With the Football World Cup 2014 fever spread all across the world, PI organized a small football tournament of its own for the children of its employees at Lord's Plaza, Ankleshwar. It was a fun filled event with an informative session on how to set goals in life. A lucky draw was held and the winners were rewarded with a football. Around 80 participants were part of this event.





CREATIVE WORKSHOP

CRAFT WORKSHOP FOR WOMEN & CHILDREN

A creative art & craft workshop was organized on 19th October at Lord's Plaza, Ankleshwar by Camlin for the women and children. More than 100 participants took part in the workshop and created art that took everyone by surprise.



ART CORNER

PI's HR Team organized a Rangoli competition for its employees and their families. 67 families participated and created colourful patterns of rangoli in PI offices and also decorated their homes. The competition was a great way to provide a glimpse of the creativity and passion of the participants.



SPECIAL EVENTS

- To take a break from the daily routine, PI organized a Cake Decoration Competition where the employees, along with their families put their chef's caps on to present some of the most beautiful cakes. PI was surprised to discover the hidden talent in all the participants.
- PI values women power and is proud of every women employee in the organisation. To celebrate womanhood, Udaipur organized a special celebration on Women's Day. The women of the organization were taken out for a movie, which was followed by a grand lunch.
- Christmas is one of the most cheerful festivals and is celebrated across the world. As PI never leaves an opportunity to cheer up its members it celebrated Christmas at Panoli with a big cake. PI also made sure to invite Santa, without whom a Christmas party is never complete.



PI Founder's Day 2015

PI takes great pride in its lineage that has been passed through generations by its founder late Rajpriye P.P. Singhal. To celebrate his life and his success, PI organizes the Founder's Day annually across all its offices located in Gurgaon, Udaipur and Panoli.

The celebration for this big day starts a week prior and each day has events wherein PI employees participate and enjoy. PI employees on this day are appreciated for their long service to the organization and are awarded with certificates and mementos. The Founder's Day at all locations bring the employees and their families closer to the organization on a common platform to pay tribute to their leader.

This year too the Founder's Day at Panoli started by invoking Lord Ganesh's blessing for the occasion through a group dance performed by children. It was followed by a fancy dress competition, a musical tambola and a magical UV dance that kept the whole PI family engaged. Motivational speeches & awards for recognition of employees charged the whole atmosphere with positivity.

The Gurgaon Office celebrated Founder's Day with a range of indoor and outdoor activities like Cricket, Horse ride, Camel ride, Bollywood music, drama, dance and music. The fun filled day was celebrated with a lot of enthusiasm and was enjoyed by elders and children alike.

On Founder's Day PI family had a warm welcome at the Udaipur office. The event was celebrated with various outdoor games like Volleyball, Kabaddi, Kho-Kho and many indoor fun activities like music performances, Antakshari, followed by an Award Ceremony to recognize the employees' commitment towards PI. In the end, a memorable play 'My Father' was performed which was enjoyed by everyone.



Annual Meet 2015 - SHIFTme

For PI employees are its most treasured resource. It is for this reason that every year the company organizes an annual meet to acknowledge their efforts and infuse them with new gusto for the challenges in the year ahead. The past years have been a tremendous success for the annual meet with themes like 'Quantum Leap', 'Xcellerate', 'Momentum' & 'ORBIT'.

The theme for this year was 'SHIFTme' which focused on internalizing a shift in attitude that could help every individual to move forward and constantly stay ahead of the rest; a shift that is to be brought in the 'System', 'Habits' and 'Technique' with 'Focus' and 'Intelligence'.

The two day highly motivational event was action packed with various performances, workshops and Awards. Employees were engaged in activities that helped them come up with ideas for bringing the desired shift in their respective areas of business, to be implemented in the year ahead. The best performers of the year were rewarded for their achievements at the PI award ceremony. Everybody enjoyed extraordinary performances by entertainment groups & artists and also got inspired by the speeches of some of the best motivational speakers. The end of the annual meet marked the beginning of a new thought process, inspiring everyone to think big, shift the gear and stay ahead.



PI's Participations



CHEMSPEC EUROPE 2015

PI has always valued every opportunity to showcase its potential and engage with the leaders in the Agro Chemical and Fine Chemical business; be it its competitors or potential customers. PI's participation at the Chemspec 2015 Europe provided the Business Development team an opportunity to meet and have discussions with many key decision makers to target new customers in the Fine Chemical business. The strategic location of the exhibition helped PI reach out to a number of chemical companies located in Germany and Switzerland, and the response was overwhelming. PI showcased its infrastructure,

capabilities and chemistry offerings to these potential customers. The process helped the team compare and align PI's innovations to the old as well as new chemistries to generate interest. In some of the cases, discussions reached to the enquiry stage and the evaluation already started.

PI also utilized this forum to exhibit organizational strategic technology initiatives to give flair of the advantage of working with PI in coming years. Chemspec was an excellent opportunity to increase the visibility of PI as a potential custom synthesis partner for global companies who are looking for strategic partners.



AGRO TECH 2015

Agro Tech is CII's initiative in the field of agro technology as well as an international business fair that attracts participation globally, besides large scale involvement of the Indian agri & farming sector.

PI has always been dedicated to provide innovative solutions to farmers which are beneficial for the stakeholders as well. Agro Tech Chandigarh was the best platform to showcase PI's new products. PI took this opportunity to introduce DSR, an environmentally sustainable, innovative cost effective method of rice cultivation. Due to various challenges faced by the rice

growers, DSR is a sustainable method of rice cultivation in future.

The PI stall had kept a focus at the wheat growing farmers providing them Melsa as a solution for their weed problem and the new BiovitaX for the good health and quality yield of wheat crop. With an average farmer footfall of around 300 per day, the PI stall was embraced by eminent personalities in field of agriculture. The exhibition was a huge success where PI's efforts were appreciated widely.





KRISHI VIKAS 2015

PI participated in the Krishi Vikas fair- an initiative by CII, Indore. This exhibition is organized with the objective to help farmers understand the latest techniques and gain more knowledge in the field of agricultural development and help them improve the quality of the agricultural produce.

The 2015 fair was inaugurated by Mr. Shivraj Singh Chouhan, CM of MP. In the exhibition, PI got the opportunity to display its portfolio for different Kharif crops (Soybean - Cotton) and share updates with farmers & dealers about PI and its vast product portfolio. PI's stall saw a footfall of around 400-500 farmers and 50 dealers.



PAU KISAN MELA 2015

As PI is always keen in presenting new technologies and solutions to the Indian farmers, PAU fair was such a platform, which gave PI an opportunity to showcase their product range. The prestigious farmer fair was held in Ludhiana and was attended by agrochemical companies, machine manufacturers and seed companies. The fair had 10,000 participant farmers from Punjab, Haryana & Himachal. The stalls at the fair not only gave complete information about various products but also let the farmers purchase seeds and other new products in the market.

PI participated with stalls for rice, vegetable and few major products. It also had a stall for their specialty product BiovitaX and DSR technology which got the maximum footfall.



MANAGEMENT DISCUSSION AND ANALYSIS

Economic scenario

The global economy continued to expand, albeit at a slower pace in the year gone by. This was due to the prolonged recovery process from the global financial crisis, which was still saddled with unfinished post-crisis adjustments. The recent geo-political instability especially the Russia Ukraine conflict and the Middle East conflicts, the financial meltdown in Greece is adding pressures to the growth in the global economy. According to the International Monetary Fund, the global economy is expected to grow at 3.5% in 2015 and 3.8% in 2016. While the developed economies are expected to strengthen, aided by lower oil prices and interest rates, most emerging economies are expected to slow down moderately due to domestic pressures.

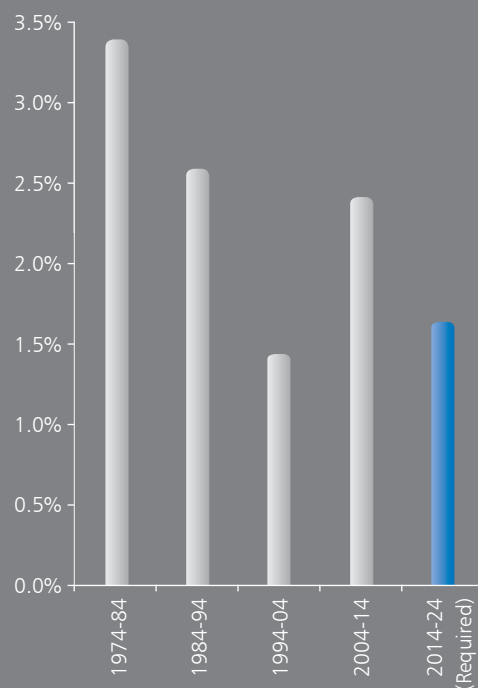
Indian economy registered a decent recovery with GDP growing at 7.3%, vs. growth of 6.9% in FY 2014. Almost all sectors of the Indian economy have showcased a pick-up in activity in FY15. The growth is expected to continue in the year 2015-16 with pick up in industrial growth, easing inflation and relative stability of the Indian rupee.

The expected high growth rate in the forthcoming years in the favourable economic environment provides a historic opportunity to propel India into a double-digit growth trajectory.

Domestic Agriculture and Agri Inputs Industry

India's food-grain production has grown at a CAGR of 2% during the last decade from 213 million tonnes in FY04 to 263 million tonnes in FY14. During the same period, India's population has grown at a CAGR of 1.4% from 1.09bn to 1.25bn. Farming productivity has improved in the same period with yield's moving from 1.7 tonnes per hectare in FY04 to 2.2 tonnes per hectare currently. This is attributable to better quality of input (seeds, fertilizers and crop protection), enhanced irrigation availability and supportive pricing for key crops. India ranks top five globally in the production of key crops like rice, wheat, cotton, sugarcane and corn which accounts for over 85% of cropped area. Yet regrettably, India does not feature even in the top 30 in terms of productivity. Yields are typically 50-70% lower compared to key crop producing countries like Brazil, China and USA.

India's food-grain yield CAGR: over the next 10 years, India's agriculture yield will need to grow 1.7% annually to meet its food grain demand



Source: India Planning Commission, Ministry of Agriculture, HSBC estimates

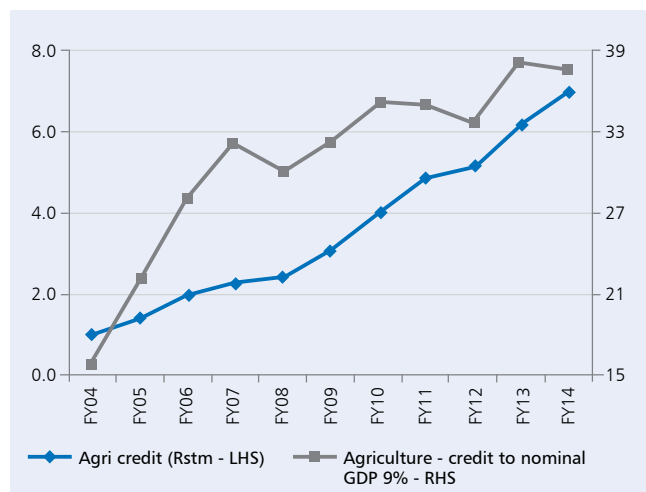
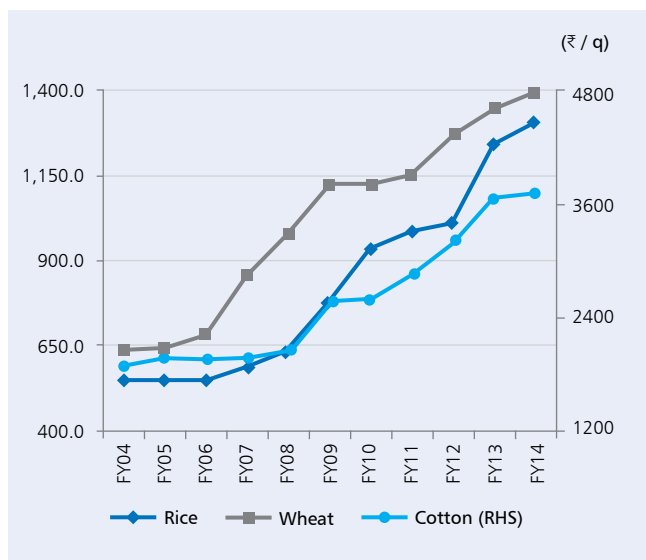
According to the Planning Commission, India's demand for food grains is expected to increase from 263mmt to 310mmt by FY24 (a CAGR of 1.7%). With the cultivable area likely to remain constant, there is likely to be shortfall of 46mmt in food grain production by FY24. In order to meet this shortfall, the agricultural yields in India will need to grow to 2.6 tonnes per hectare from 2.2 tonnes / hectare currently. This requires a minimum of 20% improvement in the overall yields in the next 10 years. While the Indian agricultural sector has achieved such yield improvement levels in past decades, it will need a strong combination of factors primarily technology to improve the yields from the current levels. One key focus area would have to be the proper and adequate use of crop protection chemicals, because over 30% of our crops are lost to pests, diseases and weeds

Indian Crop Protection Sector

Overview

Agrochemicals have emerged as the strongest growing segment as compared to all other agri-inputs like seeds, fertilizers, irrigation and other specialty products like micronutrients. The Indian crop protection market has shown steady growth over the years and it holds immense growth potential driven by number of factors including increased availability of newly-launched, high performance products aimed at emergent threats, availability of credit facilities to farmers, higher agriculture produce prices and traditionally low penetration for crop protection products.

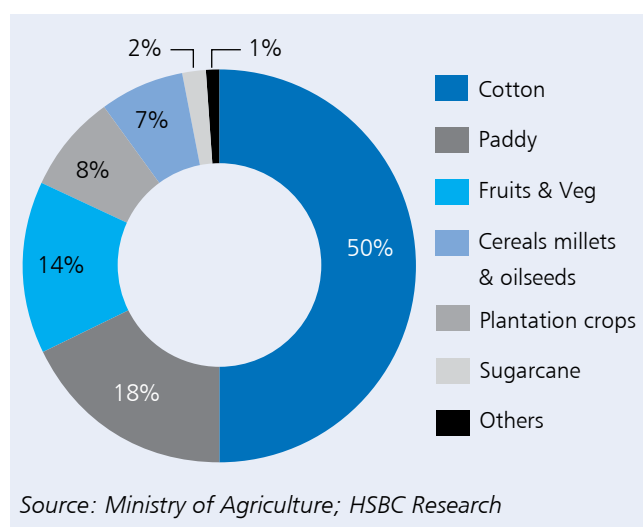
Higher agri-produce prices and better access to institutional credit in the last ten years



Source: Company, IDFC Research

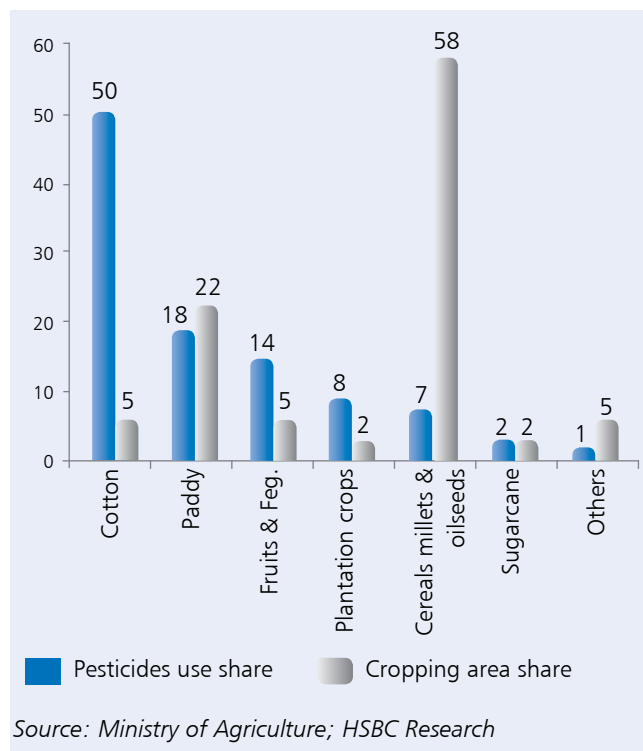
India's crop protection sector has attracted huge number of players with over 1200 formulators with the top 10 companies having a market share of nearly 75-80%. The deciding factors for success in the industry are R&D driven product portfolio, distribution network and brand strength.

Use of pesticides in India by crop



Source: Ministry of Agriculture; HSBC Research

Pesticide use v/s share of cultivated area by crop (%)



Source: Ministry of Agriculture; HSBC Research

With strong structural drivers in place, India's crop protection sector is poised for a solid growth in the future years. While insecticides' is the largest product category in India, cotton and paddy are the major consumers of crop protection products accounting for 50% and 18%, respectively. Fruits and vegetables also account for a substantial share of 14%. Cotton, which is grown on just over 5% of cropped area, consumes about 50% of the pesticides, while Rice that is grown over 22% of the cropped area uses 18%.

Improved cost to benefit ratios alongwith higher farm produce prices, pests developing resistance to older products and increase in market penetration will be the driving factors for the Indian crop protection industry.

Some of the other demand drivers are:

- Growing urbanization and infrastructure creation are affecting the availability of cultivable land. Large portion of gross cultivated area is declining, resulting in greater need to improve yield per hectare
- Crop losses due to inadequate pesticide use
- Higher minimum support price translated in to higher farmer incomes, enabling them to invest in superior farm practices
- Lower productivity in India and lower per capita consumption of pesticide

India's crop protection sector has grown at a CAGR of 10% over the past decade. The current market size is close to \$4.7bn, up from \$2.0bn in FY05. India is currently the second-largest manufacturer of pesticides in Asia, after Japan. This market is estimated to grow at a CAGR of 12% over the next 8 to 10 years largely driven by exports.

Exports currently form close to 53% of India's pesticides business, up from 30% in FY05 and 47% in FY10. Exports have grown at a CAGR of 17% during FY05-14 to reach \$2.5bn in value terms. The market size of agro chemicals is predicted to cross \$5.1bn in FY19.

The per capita consumption of crop protection products in India is amongst the lowest in the world. The per hectare usage of agrochemicals is only 0.6 kg in India, while for UK it is 7 kg and for China and Japan it is 13 kg and 17 kg, respectively. Reasons for lower consumption of pesticides in India are low purchasing power of farmers and lack of awareness amongst them. This opens up tremendous opportunity for growth in the Indian crop protection industry therefore.

India's tropical climate is conducive to high pest activity, but multiple cropping, imbalanced fertilizer application, changing weather patterns and lack of crop diversity has led to increased pest infestation. This should drive the growth of agrochemicals usage in the country.

Pesticides and seeds account for only ~10% of the cost of cultivation, while their usage boosts yields by 20-60%

(%)	Cotton (Maharashtra)	Wheat (Uttar Pradesh)	Rice (West Bengal)	Groundnut (Gujarat)	Corn (Karnataka)	Soybean (Madhya Pradesh)
Human Labour	33	20	47	26	29	22
Animal Labour	10	1	4	7	6	3
Machine Labour	4	12	5	9	12	14
Seeds	6	5	3	19	6	11
Fertilizers and manure	11	9	8	7	13	7
Pesticides	4	0	1	3	0	6
Irrigation	3	10	4	2	1	0
Interest on working capital	2	1	2	2	2	2
Fixed costs	29	42	26	24	32	36
Total Cost (₹ per hectare)	61,907	42,384	49,143	42,837	367,272	22,561

Source: IDFC Research

Overview of PI Industries (PI)

PI Industries enjoys the unique distinction of having strong brand equity both in its domestic agri-input operations and its custom synthesis exports. Built on a foundation of trust and respect for Intellectual Property, global innovators are increasingly recognizing the mutual benefit of working with your Company.

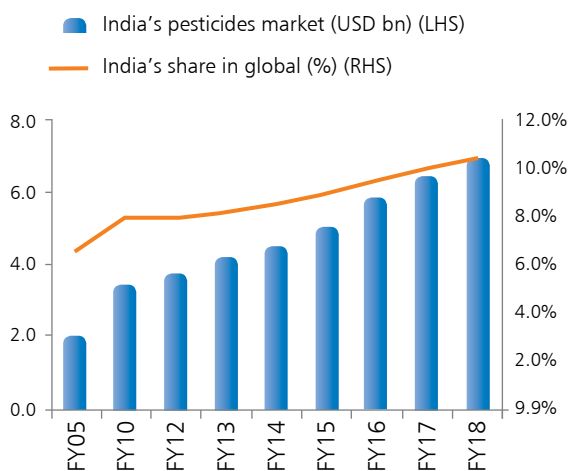
Domestic agri-inputs focusses on developing strong brands backed by innovator molecules for the Indian market. These are high performance, high potential, early stage products, which PI enjoys exclusive marketing rights. The products although in-licensed are introduced under registration in your Company's name.

The domestic agri-inputs operation has shown consistent growth over the past few years and all this was possible with continuous farmer connect initiatives, strong and extensive distribution capabilities and the creation of the "pull" factor within the framework of tight cost management and straightforward and transparent dealings with all stakeholders.

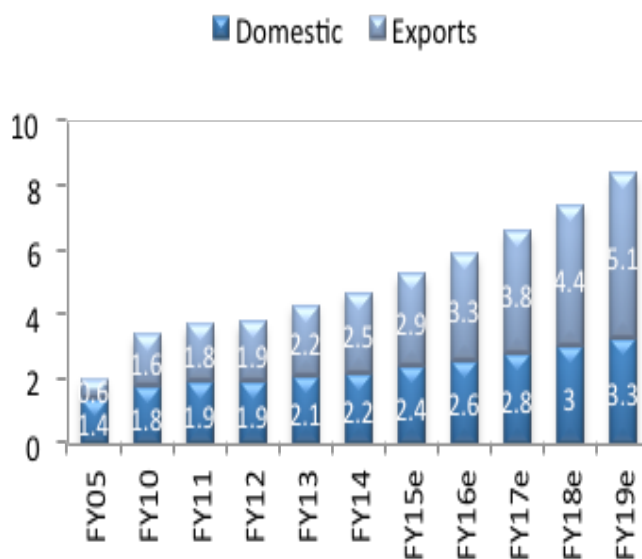
In custom synthesis exports, your Company has successfully build strong portfolio of molecules for manufacturing and supply under long term contracts as the solitary or preferred global supplier for such molecules and your Company's dependable performance has gained substantial traction in the last few years with commercialization of number of high-potential molecules. A strong order book position ensures that our capacities are optimally utilized. The concurrent scale-up in volumes across molecules in our portfolio is both a function of demand from global markets and our efforts at composing a judicious product mix. Given that our thrust lies on innovator molecules and that too at their early stages of development, there is a very organic potential to grow in the business as these molecules gain global traction.

It is a matter of pride for your Company that we pioneered the journey of 'Make in India' years ago, and foresee further growth opportunities.

India's crop protection likely to grow at 12% CAGR and take a 10% global share by FY19 from 8% in FY12



India's crop protection market (USD bn): Exports to grow at a CAGR of 15%, while domestic growth is likely to be 8-10% CAGR



Source: FICCI; CCFI; HSBC Research

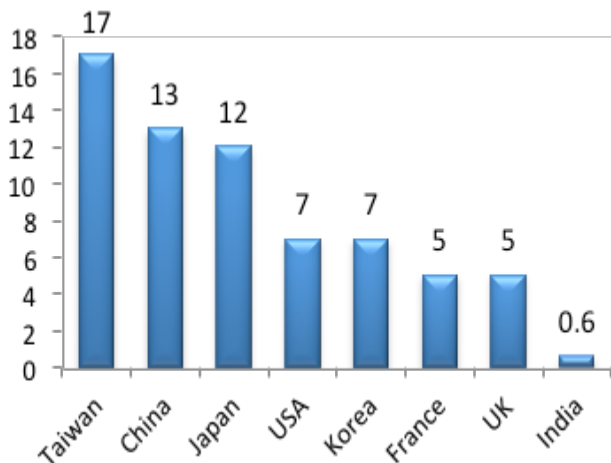
PI's model for Domestic agri-inputs

PI offers a unique business perspective in the Indian agrochemical space. It operates on the platform of exclusive tie-ups with patent originators and has stood out for its policy on respect for IPR (intellectual property rights). With a niche portfolio of targeted products aimed at the domestic market, PI today is renowned for nurturing its products into strong brand propositions. These products offer the farmers proven increase in yield and productivity. In today's competitive landscape, it is imperative to create a differentiated offering and this is where PI stands apart. In order to establish a strong brand, your Company engages in intense field trials, organizes product demonstrations and conducts farmer education clinics. The platform operated by PI for brand building and domestic distribution of its products is one of the best in the industry and acts as a strong competitive advantage for your Company.

PI's model focuses on high-potential innovator molecules for the Indian markets. This essentially entails an in-licensing agreement wherein the registration of the innovator molecules takes place under PI's brand name, thereby giving it rights to exclusively market and distribute these products domestically and in some instances to share it with other like-minded partners in India.

Depending upon the agreement with the global innovator, your Company either imports the technical or bulk formulations or chooses to manufacture either of the two at its owned factories in India. These agreements are typically formed with the innovators for early stage patented molecules such that PI can realize the growth benefit throughout the entire product life cycle.

Pesticides usage (kg/hectare) in India is one of lowest globally



Source: Federation of Indian Chambers of Commerce and Industry (FICCI), Corp Care Federation of India (CCFI), HSBC Research

From time to time, these molecules are shared often referred to as 'co-marketing' between PI and peers which is a common practice followed by the industry. Under co-marketing arrangements, your Company shares key products with peers in order to establish a notable presence and a marked preference for PI's product in the market. Peers often purchase the product from PI, which in turn retains the registration under its own name.

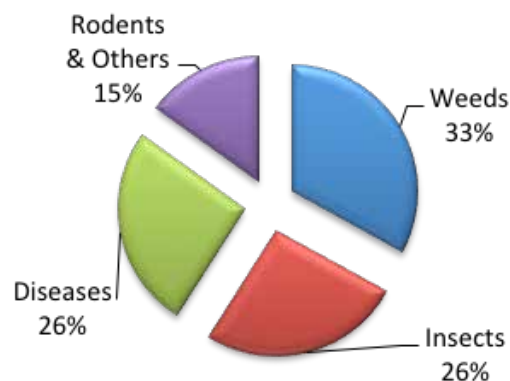
There exists a niche pipeline of products under different stages of registration from which your Company introduces 1-2 products every year prior to the commencement of key cropping seasons- Kharif or Rabi. The growth potential of these products remains promising delivering very high robust growth in the initial years of the launch.

Performance summary

PI's domestic agri-input operations' comprises mainly insecticides, fungicides & herbicides and plant health. During the year under review, the domestic agri-input operations grew by 19% Y-o-Y driven by the strength of PI's high-potential products like OSHEEN, NOMINEE GOLD, BIOVITA, KITAZIN, KEEFUN, FORATOX, CARINA and ROKET amongst others. Uneven rainfall distribution in the preceding year impacted the prospects of Kharif season in India leading to crop losses for farmers and margin erosion for crop protection sector. However, leadership position across key brands helped your Company report strong growth and comparatively improve margins in agri-inputs.

Our continuous focus has helped us establish OSHEEN as

Crop losses in India by category



Source: FICCI; CCFI; Ministry of Agriculture; HSBC Research

the most preferred brand for BPH management in rice in the Southern and Eastern parts of country. We are successfully taking our renowned brand- NOMINEE GOLD into some of the virgin markets for rice herbicides through expansion of distribution channel, working in close partnership with NGOs and state government's agri-extension machinery. With a mindset of "bringing innovations to Indian farmers", PI has recently launched "KEEFUN" in India, which is a broad spectrum insecticide for the vegetables segment.

We have further strengthened our initiatives to promote Direct Seeded Rice (DSR) through Public Private Partnership (PPP). While we continue to work with UAS Raichur in Karnataka, we have further expanded the initiatives to Punjab in association with Department of Agriculture Punjab & Punjab Agriculture University (PAU) Ludhiana, Rajendra Agriculture University (RAU) Pusa. The adoption of DSR at farmer level has helped increase farmer incomes, by greatly reducing his water & labour costs.

While we have continued to maintain our leadership position in rice crop due to very strong presence and innovative product portfolio, we have successfully also pursued other key crops mainly wheat and horticultural crops. Our wheat herbicide 'MELSA' has been received very well in the market place despite a dip in demand for wheat herbicide across the industry. Our increased focus supported by improved product portfolio for cotton crop has helped us grow in cotton despite weak market sentiments.

Outlook

The agrochemical industry has seen structural changes on the back of relative increase in purchasing power of the farmer

largely and to a certain extent on account of enhanced farm dynamics. The cost benefit of usage of pesticides has improved with continual increase in MSPs and the changing food habits of the rising middle class. Higher labour cost has also given boost to agrochemical consumption in the country. As a result, agrochemical industry has witnessed sustained growth in the last decade, driven by volume growth as well as change in product mix followed by pricing growth. The Government of India, together with several private players continue to take incremental efforts to push higher penetration of agri-inputs in India.

Within agrochemicals, fungicides and herbicides are expected to show healthy growth on the back of increased acreage under horticulture, rising horticulture produce prices and emergence of organised retail (largely used in fruits and vegetables).

Given the moderation in the environment overall, the outlook for your Company's domestic agri-inputs business in FY16 looks cautiously optimistic and performance would reflect continued growth momentum although at a controlled pace. The key factors that would drive sustained growth include pattern and distribution of the upcoming annual monsoon rainfall together with upsides from products launched in the past few years. This growth would be further propelled with the introduction of 1-2 new products each year, which would have distinctive competitive advantage over the target molecules.

In addition, your Company will strengthen and expand its reach into new underdeveloped markets and crop segments which will further improve prospects going forward. Institutional tie-ups with the local NGOs, State Agriculture Universities for intense farmer connect for safe and judicious use of agrochemicals have also started yielding fruits and will contribute to growth.

PI's model for Custom Synthesis

Product innovation drives the agrochemicals industry. A combination of factors like poor cropping practices in emerging nations (lower per capita consumption of quality inputs, crop protection products and poor methods of application) together with changing weather patterns is fostering the emergence of newer varieties of pests and diseases. The utility of commercially available molecules in crop protection to farmers presently is thus, fast depleting. On the other hand, both the timelines and monetary resources required to produce new innovator molecules are increasing. Innovators globally are prioritizing the discovery and development of new molecules as a consequence while choosing to partner with trustworthy, committed and capable allies such as your Company for support in their custom synthesis, manufacturing and marketing areas

The requirement of producing molecules with complex

chemistries going forward will favour companies with an established footprint in handling new technologies in agro-chemistry. Certain leading players in agrochemicals like PI Industries have established a sterling reputation as globally reputed suppliers of agrochemicals. As a country India enjoys a host of enabling factors that are driving higher exports of agrochemicals, these include:

- **Institutional mechanism for protecting intellectual property:** Since 1995 India is compliant with the World Trade Organization (WTO) mandated Trade Related Intellectual Property Rights (TRIPS) agreement. Innovators using Indian suppliers stand protected under a stringent patent protection regime
- **Augmented manufacturing capabilities domestically:** Indian companies today are second to none in terms of product

quality, supply security, respect for IPR (in letter and spirit) and regulatory compliance

- **Substituting China in chemical manufacturing:** Over the years China is ceding its dominance in manufacturing on the back of rising cost of land & labour, stronger environment & safety regulations and higher taxation. Further India's currency has turned more competitive compared to China's and against other global currencies and is likely to maintain this trend going forth

Since FY98 through FY14 exports of agrochemicals from the country have shown a 15% CAGR and indications are that a similar rate of growth will be realized in the coming years. Your Company is favourably poised to benefit from this trend of globalized manufacturing of patented agrochemicals.

PI's reputation as a chosen partner for supplying patented molecules against global requirements traces its roots in the staunch respect for IPR by your Company and the track-record of trust it has created across numerous commercialization engagements. With mastery of complex chemical equations with wide commercial applicability, your Company crafted a large presence in the field of custom synthesis from India.

Your Company's approach to business is unique and involves engaging with innovators for global requirement of high potential, innovator molecules. These worldwide engagements extend across the commercial lifecycle of the molecule and your Company is in an advantageous position to reap gains when volumes gain traction over the years. Given that a number of commercializations have taken place in the past few years there is today an optimal portfolio of molecules that continues to generate business growth.

Performance summary

Custom synthesis exports showed 23.5% growth in FY15. Two new molecules were commercialized successfully in the period and added to the volume upsides being realized from previously commercialized molecules. Better asset utilization stemming from improved capacity planning, yield improvements flowing from process enhancements and consistently high plant uptime and time cycle reductions driven by de-bottlenecking initiatives undertaken during the period are factors that contributed to this performance

We also witnessed strong scale-up in deliveries of some of the existing molecule being supplied from our facility at Panoli and Jambusar in Gujarat. We remain on track to commission two new plants at Jambusar facility during the second half of the present fiscal year. With a capital outlay of ~₹3.0 bn over the next two years, PI is looking to a period which will deliver healthy asset turns and growth in deliveries.

Crucial breakthroughs in the process research and development by R&D and Product Development teams helped in achieving cost efficiency and speedy scale-up during the year under review. It is worthwhile to note that the team has eliminated the usage of solvent in some of the crucial processes leading to cost and operational benefits, besides environmental and safety benefits. Seamless coordination between the development and technology transfer teams resulted in first-time right standard in transfer of technology at the plant-scale. Improved operational metrics such as higher plant throughput, plant uptime, etc contributed well to achieving the business objectives through continuous monitoring and feedback mechanism. Foresighted demand planning coupled with strategic tie-ups with suppliers by the Supply Chain team aided in getting quality raw material on time. And all this has greatly contributed to customer satisfaction

Outlook

Within the \$300bn global fine chemical industry, the custom synthesis manufacturing segment is estimated to be close to \$85bn. Out of this, India currently accounts for ~5% but emerging as a preferred destination for custom synthesis manufacturing particularly in the patented and early stage molecules and expected to grow at a CAGR of ~12% in the coming years.

In the recent years, India has become a preferred location for many global innovators due to its world-class research capabilities and manufacturing infrastructure, large and well-qualified talent pool with strong chemistry and procedural skills, cost-effective R&D cum manufacturing costs and high capital efficiency. Your Company is expected to continue outperforming industry growth due to its long-standing relationship with innovator partners and strategy of getting involved at early stages of the respective product life cycles. The confidentiality of IPR is of prime importance and PI has gained a reputation for this over the past few years.

The Company has also embarked by further investing in the R&D area in terms of people, instrumentation and space and thereby augment our research and development oriented business model.

You Company enjoys a robust orders pipeline to be delivered over next 4-5 years- the visibility of growth therefore remains assured barring unforeseen circumstances. Yet given the larger base of preceding year, your Company's performance in the forthcoming year would look moderated. It would mainly be driven by ramp up in sales volumes of existing molecules and plans to commercialize 2-3 new molecules each year. Commissioning of two new plants at Jambusar SEZ is aimed at further augmenting this growth.

Human resources and industrial relations

Your Company considers people as its biggest assets and “Believing in People” is at the heart of its human resource strategy. Lot of efforts are put in talent management, strong performance management, learning and training initiatives in order to ensure that your Company consistently develops inspiring strong and credible leadership.

Your Company believes that people perform to the best of their abilities if they feel a sense of ownership. Consequently, the Company has strengthened the working environment to make it inclusive, progressive and flexible and promoting an excellence-driven culture. The Company reinforced its vision, mission and values among employees.

The Company fosters a performance-driven and merit-linked remunerative environment. It acknowledges the contributions of performers, preparing them for more challenging roles. The Company organised training programmes covering technical, behavioural, safety issues, code of conduct, product training and other needs.

The Company continued to recruit scientific, technical and managerial personnel (graduates and postgraduates) from leading engineering, agricultural and business schools. A structured development programme, aligned to business needs, helped groom fresh hires into prospective leaders. As on March 31, 2015, the total employee strength stood at 1576 and industrial relations remained cordial.

Information technology

Information Security and mobility has been the key focus of the IT function in 2014-15. Information is present everywhere from smart phones, wearables devices and laptops used by the teams to carry out the business.

Information Security was revamped to protect the IP of the company and our customers.

Your company has invested heavily on technology and resources to protect the information. Information security policies were tightened across the organisation by the introduction of virtualised desktops. The users access the virtualised desktops through thin clients and data is stored on the central storage. The data backups are managed centrally ensuring the maximum level of security of data.

In order to increase the response time to our customers, your company has enabled access to various mobile applications on the smart phones. All the smart phones are equipped with the mobile device management application which ensures that the entire data on the phone remains in the encrypted format and

cannot be transferred or copied to another device. In case of loss of phone the entire data on the phone can be remotely wiped off.

In addition to this other state of the art systems like dealer portal and analytics for supply chain function were introduced. These e-commerce mobile enabled initiatives have given new insights to the business.

Your Company expanded the use of information technology by installing touch-screen kiosks across plants, empowering workers to manage documentation related to leaves, travel, shifts and salary slips. Other state-of-the-art systems (employee learning portals and analytics for the supply chain function) were introduced. The Company upgraded its technology platform related to R&D, manufacturing, supply chain, quality, sales and marketing.

Your Company also won the Netapp Innovation Award at a mega event held in Mumbai for implementation of central data storage in the most innovative way.

Corporate Social Responsibility (CSR)

Your Company took innovative socially and environmentally-sustainable initiatives. During 2014-15, the Company undertook the following CSR initiatives through PI foundation, trust formed for carrying out CSR activities:

- a) Swachh Bharat Abhiyan Programme
- b) Certified Vocational Training Course on Chemical Plant Operators
- c) Promotion of Direct Seeded Rice (DSR) Technology
- d) Farm Engagement Programmes
- e) Community Development Programmes at Plant locations
- f) Academic Recognition
- g) Affirmative Action – Scholarships for SC/ST Students

Swachh Bharat Abhiyan Programme

PI Industries Ltd is actively participating in the Swachh Bharat Abhiyan programme of Government of India and giving priority to the provision of household toilets and school toilets, particularly for girls, as part of our Corporate Social Responsibility (CSR).

Our programmes are around Ankleshwar and Jambusar where PI's manufacturing units are located, and this is in keeping with the CSR policy framework.

PI Foundation, the CSR arm of PI Industries Ltd, has given ₹55.90 lacs to Bharuch District Administration, Gujarat to undertake personal hygiene and home sanitation through sustainable

approach for 559 households of the poor/marginalized communities in Sarod and Nondhana villages of Jambusar Taluka and Sanjali village of Ankleshwar Taluka. This includes the construction of 559 toilets under PPP model in these three villages.

PI Foundation has also earmarked ₹60 lacs to take up toilet construction in 5 Government Elementary Schools in Panoli and Jambusar under the Swachh Vidyalaya Programme. We have started construction of well-equipped toilets and also engage in awareness creation amongst the beneficiaries about its efficient usage and hygiene habits. At a public function in Jambusar (Gujarat), PI Industries CSR officials handed over the commitment letter to Smt Anandi Ben Patel, Hon'ble Chief Minister of Gujarat.

Certified Vocational Training Course on Chemical Plant Operators

"PI-DDU-AI Certified Vocational Training Course on Chemical Plant Operators"

Your Company had signed a MOU with "The Centre for Entrepreneurship Development", Government of Gujarat for skill generation in chemical sector in the presence of Former Chief Minister of Gujarat, Mr. Narendra Modi, on 20th September, 2012 as part of Vibrant Gujarat 2013 event. Subsequently to initiate skill development and employability enhancement activities PI Industries signed a MOU with Anchor Institute – Chemicals & Petrochemical, Dharmsinh Desai University (DDU), Nadiad, Gujarat. PI Industries is conducting regularly a



President Operations, PI Industries Ltd, handing over the Cheque, to Hon'ble Minister, Food & Civil Supplies, GoG in the presence of Bharuch District Collector Ms Avantika Singh, I.A.S and other Senior Government officials.



PI Industries Ltd CSR officials handing over the commitment letter for School Toilets to Hon'ble Chief Minister of Gujarat, Smt Anandi Ben Patel

3 months certificate course for B.Sc. & M.Sc. pass outs titled “Chemical Plant Operator” jointly with DDU-Anchor Institute. PI Industries Ltd. has taken up this as part of their CSR activity and is providing financial and placement support whereas Anchor DDU has supported by providing technical, faculty, training infrastructure and other related support to materialize this course. PI is pursuing this training programme along with DDU faculty for empowering and skilling more and more under privileged students and to make chemical industry more safe and environment friendly.

Water Conservation: Driven by its innovation philosophy, your Company continuously introduces new technologies and crop solution products. Envisaging the increasing pressure on natural resources, your Company helped farmers produce rice by conserving irrigation water. This technology, promoted by PI with various NGOs and government extension machinery, was accepted as a labour-, cost- and water-saving technology in various rain-fed rice growing districts. PI worked with state agriculture universities, state agriculture departments and NGOs to distributed DSR planters/seed drillers free. The company’s ‘Save Water’ campaigns comprised the promotion of DSR among farmers, free distribution of DSR planters, management of demonstration farms, farmer training and dissemination through mobile vans.

DSR Propagation: Your Company and University of Agricultural Sciences (UAS), Raichur, enhanced awareness among 4500 Karnataka farmers about DSR technology. A systematic approach of DSR seed drill propagation was initiated with a customised promotional approach through on-field promotion to demonstrate the value proposition of seed drill machines among farmers, expedite the process of DSR adoption via 10

seed drill machines and motivate farmers in adopting DSR by purchasing seed drill machines. This helped save water to the extent of 15-35%, labour (with no transplanting and or manual weed removal needed) and production costs; the process was proven as safe to the environment, reducing methane emission; soil porosity improved, soil exhaustion declined; rice crop yields strengthened and farmers saved ₹2000-₹5000 per hectare.

PI – CABI rice clinics: PI Industries and Centre for Agricultural Bioscience International (not-for-profit science-based development and information organisation with nine global centres) conducted a pilot rice agro-advisory service to build grower capacity across Uttar Pradesh, accelerating rice production and yields. CABI and PI developed an extension-based agro-advisory service aimed at increasing production and rice farmer. Mimicking ‘drop-in centres’ as in national health systems, 16 rice health inspectors advised rice growers on crop nutrition, pest and disease problems across nine plant clinics. The rice health inspectors maximised geographical coverage in Gorakhpur and neighbouring districts, visiting local villages where they conducted plant clinics with follow-up recommendations. CABI and PI’s joint report established that this joint effort has resulted in enhanced rice productivity.

Judicious Pesticide Use: The Company helped conserve the environment through the judicious use of pesticides. PI conducted a nationwide training of trainers, farmers and stakeholders; thousands of safety kits were distributed free to farmers and labourers to enhance their awareness.

Scholarships: Provided financial assistance by way of scholarships to deserving SC/ST students to enable them to complete their graduation.



Distribution of Rice Seed Drillers to Farmers



PDO, Jambusar alongwith President Taluka Panchayat handing over the cheque in a programme at Vedach

School kit and notebook distribution: Distributed 8000 notebooks for improving the enrolment and attendance of 2500 children in 8 Govt Elementary Schools surrounding to Plant at Panoli & Jambusar during a function organised by School Management Committee.

CSR Project on strengthening the residential facility to B.B. Patel High School in Nondhana for comfortable stay of children from poor background.

CSR project on strengthening of residential facility of B.B. Patel High School, Nondhana is aimed to facilitate the poor children to stay comfortably and continue their education. B.B. Patel High School is an aided school and supported by Government of Gujarat. It provides access to education for secondary classes (class 9 & 10) to 170 children from economically weaker section from the surrounding villages of Nondhana. The management also runs hostel for boys coming from surrounding villages from weaker section. Out of 170 students enrolled in this school, 70 children are residing in the hostel. There is a gap in residential facilities for 20 students. On the request of School Management Committee of B.B Patel High School, PI Foundation has provided the resource support of ₹1,10,500 for remaining facilities for 20 students related to bed, bedding and other essentials. This is a meaningful contribution to bridge the gap for mainstreaming the infrastructural facilities of the hostel at Nondhana under education and will create a long term impact.

Initiating the implementation of CSR project on installation of drinking water in Gram Panchayat, Vedach as community contribution to ensure access to safe drinking water for over 200 households/1000 members from poor and marginalized community.

Taluka Development Officer, Jambusar, Police Sub Inspector, Vedach along with President, Taluka Panchyat, Jambusar in the presence of representative from PI Industries and members of Gram Panchayat, Vedach along with Water Committee handed over the cheque of ₹2,50,000 to Sarpanch, Vedach as matching grant for community contribution to ensure access to safe drinking water for more than 200 households from poor and marginalized community. This will ensure smooth implementation of Swajaldhara yojna in Gram panchayats, Vedach.

CSR project on strengthening the basic facilities of Govt. aided Sarod Sarvajanik High School to promote education in the remote pocket.

PI Foundation provided 50 School benches to Govt. aided Sarod Sarvajanik High School to improve the educational facilities of children of Sarod village. PI Foundation visualizes education as the key capabilities to help poor and marginalized community to ensure their well-being.



School Desks provided by PI

Installation of CCTV camera & strengthening of Residential Facility of Govt. aided Sri Puja Mandir Vidyalaya, Nahar, Jambusar to promote education in the remote pocket.

PI Foundation's installation of CCTV camera has facilitated Puja Mandir Vidyalaya to establish an examination centre for Xth & XIIth board by the Govt. in the remote pocket of Jambusar.

PI Foundation strengthened the Hostel Facilities of Puja Mandir Vidyalaya by providing 50 iron beds (ladder based) for proper accommodation of 100 students from poor & marginalized communities.



President Operations, PI Industries Limited inaugurating the CSR Project, in the presence of Sh. Chhatra Singh Mori, Hon'ble Minister, Food Supply and Consumer Affairs, Govt. of Gujarat in a function organized in the village of Nahar

Some of the other Community Development Programmes initiated by PI Foundation are:

- Providing Library Books, Math-Kit, Science-Kit & Sports Material to 5 Govt. Elementary Schools surrounding to plant at Panoli and Jambusar.
- Strengthening the residential facility to B.B. Patel High School in Nondhana for comfortable stay of children from poor background.
- Support for promoting sports at Ankaleshwar GIDC
- Strengthening the electrification and revamping the street lights in the village of Uber.
- Enrolment of Aadhar Card & Opening of Bank Account under Jan-dhan Yojna for poor and marginalized community in the Village of Vedach through mobilization of Community, Government officials and Panchayat members on pilot basis.

Risk management

The Company regularly identifies and evaluates multiple risk factors and makes appropriate mitigation strategies associated with the same, which are outlined below.

Unfavourable climatic conditions: Timing, quantum and distribution of rainfall and temperature/humidity levels, among others, play a crucial role in the agri-input business. Any significant changes in normal climatic conditions could potentially affect performance. The weather can affect pest infestations, demand and product mix of crop protection products. Your Company continues to expand its product portfolio and geographic presence to minimise the impact of such vagaries.

Foreign currency and interest rate exposures: The global financial volatility does impact the Indian economy, currency movements and interest rates that can potentially impact financial results. The Company has adopted a policy aligned with external environment and business exigencies. A quarterly update on foreign exchange exposures and outstanding forward contracts generated and regularly reviewed by the Board within the context of the policy for foreign exchange.

Human resource risks: Talented manpower is an important enabler for the Company to grow and maintain competitiveness. Failure to hire and retain the right talent could affect performance. The Company not only continued to hire skilled scientific, technical and managerial personnel, but also introduced a new reward and recognition policy for effective employee incentivisation (including ESOP). The Company continues to focus on regular training, providing opportunities for professional growth.

Third party liability risks: The Company's business exposes it to defects in products and services. The Company carries a

product liability insurance programme with respect to major manufactured products, which provide a compensating safeguard against such risks (if they were to materialize).

Intellectual property risks: The Company's success was dependent on its ability to obtain and protect IPRs and operate without infringing them. Our competitors can bring in products and/or processes that compete with those we are developing or marketing, which could impact our ability to do business in a particular segment/geography. The Company is privy to trade secrets, technical knowhow and proprietary information. However, it has built a culture that respects and safeguards the intellectual property of its alliance partners through confidentiality agreements with employees, vendors and suppliers. Moreover, comprehensive business processes and policies are instituted to safeguard confidentiality aspects.

Environment, health and safety risks: Compliance with prescribed emission standards for manufacturing facilities and other environmental regulations are critical for the business. The R&D and manufacture of products involve hazardous chemicals, processes and byproducts and are subjected to stringent regulations. The environmental laws and regulations in the jurisdictions of where the Company operates may become more restrictive and could be enforced more strictly. Customer requirements related to the quality and safety of products will also continue to increase. Your Company has invested substantial resources to adopt and implement manufacturing processes leading to an adherence with environmental quality standards and enhanced industrial safety. Your Company's accreditations under ISO 14001, ISO 18001 and ISO 17025 vindicate our commitments in this regard.

Further the R&D & manufacturing are constantly working to reduce environmental load and enhance safety.

Internal control systems

Your Company has in place internal control systems, which we believe are commensurate with the size, scale and complexity of its operations.

All operations run on the SAP system. The in-house internal audit team plans the audit schedule of all plants, subsidiaries and depots. Apart from in-house internal audit function, an independent external team of M/s Grant Thornton was engaged as our internal Auditor to independently assess the internal controls and statutory compliances in various areas of the Company's functions and provide suggestions for improvement. The schedule of audit is prepared on the basis of 'risk assessment' to ensure that all the assets of the Company are protected against losses. It also ensures that all transactions

are authorised and recorded in the books of the Company.

The Audit Committee of the Board regularly interacts with the independent internal Auditors about the significant findings of the internal audit regarding various locations and functions to help take effective steps to ensure compliance. The Audit Committee reviews the internal audit plan at the beginning of every year to ensure coverage of most of the functions with a view to mitigate risks. The periodic report prepared by internal audit team forms the basis of certification provided by the Managing Director and Whole Time Director and CFO for financial reporting as required under Clause 49 of the Listing Agreement.

Cautionary statement

Statement in Directors Report and Management Discussion and Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities law and regulations

Actual results may differ materially from those expressed in

the statement. Important factors that could influence the Company's operation include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

NOTICE

NOTICE is hereby given that **68th Annual General Meeting** of **PI INDUSTRIES LIMITED** will be held on Tuesday, September 15, 2015 at 11:45 a.m. at Company's registered office at Udaisagar Road, Udaipur – 313001 to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2015 and the Reports of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the Financial Year ended March 31, 2015.
3. To appoint a Director in place of Mr. Rajnish Sarna, (DIN 06429468), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** M/s S.S. Kothari Mehta & Co, Chartered Accountants (ICAI Registration No. 000756N), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company and Board of Directors be and is hereby authorised to fix the remuneration payable to them as determined by the Audit Committee in consultation with the said Auditors”.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
“**RESOLVED THAT** pursuant to the provisions of Sec 141, 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s K. G Goyal & Co, Cost Accountants, (Firm Regn No: 000017), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

By Order of the Board
For **PI INDUSTRIES LIMITED**

Dated: 23rd May, 2015
Place: Gurgaon

Sd/-
Naresh Kapoor
Company Secretary

Registered Office

Udaisagar Road, Udaipur – 313 001 (Rajasthan)
Email id: investor.grievance@piind.com
Website:- www.piindustries.com
CIN : L24211RJ1946PLC000469

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer Books of the Company will remain closed from September 10, 2015 to September 15, 2015 (both days inclusive) for the purpose of the Annual General Meeting and determining the entitlement of the shareholders for the final dividend for the Financial year 2014-15.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A blank Proxy Form (MGT-11) is enclosed herewith. Proxies submitted on behalf of the companies etc, must be supported by an appropriate resolution/authority, as applicable.

3. Final dividend of ₹1.30 per share has been recommended by the Board of Directors for the Financial Year ended 31st March, 2015 and subject to the approval of the shareholders at this Annual General Meeting, is proposed to be paid on and from September 22, 2015. Interim Dividend of ₹1.20 per equity share for the Financial Year 2014-15 was paid on 20th November, 2014. The Final Dividend proposed is in addition to the Interim Dividend paid.

4. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective

folios for payment of dividend are requested to write to the Company.

5. The Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which are applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2009, as on the date of the Annual General Meeting (AGM) held on 10th September, 2014, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.piindustries.com.

Members who have not encashed their dividend warrants are advised to write to the Company immediately, claiming dividend(s) declared by the Company.

6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Director seeking re-appointment at the Annual General Meeting is provided below.

9. DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:

Name of Director	Rajnish Sarna
Date of Birth	June 8, 1969
Date of Appointment	November 7, 2012
Expertise in specific functional area	<p>A qualified Chartered Accountant, brings with him his diverse experience of over 24 years in areas of Business Development & Strategy, Customer Relationship Management, Operations, Finance & Risk Management, Legal Contracting & Compliances, Investor relations, Corporate Planning & Reporting, Information Technology & Process Re-engineering etc. He has been associated with PI for nearly 20 years and over the years, has held a number of senior leadership roles including that of Executive Director, CFO, CIO etc. He has been a key member of the executive team instrumental in the overall transformation of Company over last several years.</p> <p>Using his enormous skills and knowledge of the PI Business model, he has been playing a facilitator role at the Board and the Management Committee for past several years and instrumental in formulation and implementation of growth strategies at PI. Some of the key initiatives at PI includes development of export market for Company's Agro-Chemical products, maiden private equity funding, investor relations and creating visibility of PI with Financial Investor, setting up a robust Information Management System including implementation of SAP, establishing corporate planning cell, funding to meet corporate growth opportunities etc. His current role is focusing on strengthening the Custom Synthesis exports, evolving new business/partnership models, transforming R&D and operations in to cost effective service model, further strengthening Corporate Planning, Finance, Information Technology and Investor Relations processes at PI.</p>
Qualification	Chartered Accountant
No. of equity shares held in the Company	1,89,924 equity shares and 30621 stock options @₹52.62 as per Company's stock option plan.
List of other Companies in which directorships are held (excluding Foreign Companies & Section 25 Companies)	PILL Finance & Investments Ltd. PI Life Science Research Ltd.
List of all committees of Board of Directors (across all companies) in which Chairmanship/membership is held (includes only Audit Committee and Stakeholders Relationship Committee)	Member Audit Committee, PI Industries Ltd
Relationships between Directors interse.	Nil

10. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-Voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company's RTA/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
11. Members may note that the Notice of the Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website (www.piindustries.com). The physical copies of the said documents will also be available at the Company's Registered Office at Udaipur for inspection during normal business hours on working days. Even after registering for e-communication, members can obtain the said documents in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders can also post requests to the Company's investor email id: investor.grievance@piind.com.
- 12. Voting through electronic means**
- I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at this Annual General Meeting (AGM) by electronic means i.e. through e-Voting Services. The facility of casting the vote(s) by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the time and place of AGM and the members attending the meeting who have not cast their vote by remote e-voting can exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to this AGM can also attend the AGM but they shall not be entitled to cast vote again.
- IV. The remote e-voting period commences from September 12, 2015 (9:00 a.m.) and ends on September 14, 2015 (5:00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 8, 2015, may cast their vote by remote e-voting during the above said period. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast, no change is allowed thereafter.
- V. The process and manner for remote e-voting is as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participants(s)]:
- (i) Open email and open PDF file viz; "Pi Industries e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "REVEN" of PI Industries Limited.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter

etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to csakf1975@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

REVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN _____

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. September 8, 2015.

X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 8, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or investor.grievance@piind.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com.

XI. A person, whose name is recorded in the register of

members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XII. Mr Ashish Kumar Friends, Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XV. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.piindustries.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and the National Stock Exchange of India Ltd, Mumbai.

13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m. to 5.00 p.m.) on all working days except Saturdays, up to closing of Annual General Meeting of the Company.

14. This Notice has been updated with the instructions for voting through electronic means as per the Amended Rules 2015.

15. Members are requested to register/update email id with respective depository participant and the Company's Share and Transfer Agent.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Pursuant to Sec 102 of the Companies Act, 2013 ("the Act"), the following statement sets out all material facts relating to the special business mentioned in the accompanying notice.

Item No. 5

The Board on the recommendation of the Audit Committee has approved the appointment of M/s K.G Goyal & Co, Cost Accountants to conduct the audit of the cost records of the company for the financial year ending 31st March 2016 at the remuneration of ₹2,50,000/-and applicable taxes, if any, plus out pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out in item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2016.

None of the Director(s)/key managerial personnel of the company/their relative(s) are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at item no. 5 of the Notice.

The Board recommends the Ordinary Resolution as set out in Item no. 5 of the Notice for approval by the shareholders.

By Order of the Board
For **PI INDUSTRIES LIMITED**

Dated: 23rd May, 2015
Place: Gurgaon

Sd/-
Naresh Kapoor
Company Secretary

Registered Office

Udaisagar Road, Udaipur – 313 001 (Rajasthan)
Email id: investor.grievance@piind.com
Website:- www.piindustries.com
CIN : L24211RJ1946PLC000469

CORPORATE INFORMATION

Board of Directors

EXECUTIVE DIRECTORS

Mr. Salil Singhal, *Chairman & Managing Director*

Mr. Mayank Singhal, *Managing Director & CEO*

Mr. Rajnish Sarna, *Whole-time Director & CFO*

NON-EXECUTIVE DIRECTORS

Mr. P.N. Shah, *(Resigned w.e.f. 1st April, 2014)*

Mr. Narayan K. Seshadri

Mr. Bimal K. Raizada *(Expired on March 19, 2015)*

Mr. Raj Kaul, *(Resigned w.e.f. October 6, 2014)*

Mr. Pravin K. Laheri

Mr. Anurag Surana

Mrs Ramni Nirula

Dr. Venkatrao S. Sohoni

Registered Office

Udaisagar Road, Udaipur - 313 001,
Rajasthan, India

Corporate Office

5th Floor, Vipul Square, B-Block,
Sushant Lok Phase – I, Gurgaon - 122 009,
Haryana, India

Research & Manufacturing Facilities

- Udaisagar Road, Udaipur - 313 001, Rajasthan;
- Plot No.237, GIDC, Panoli - 394 116, Gujarat
- Plot No. SPM 28, Sterling SEZ, Village Sarod,
Jambusar – 392 180, Gujarat
- Lane-IV, Bari Brahmana, Jammu - 181 133
Jammu & Kashmir

Company Secretary

Mr. Naresh Kapoor

Auditors

M/s S.S. Kothari Mehta & Co., New Delhi

Cost Auditors

M/s K.G. Goyal & Co., Jaipur

Internal Auditors

M/s Grant Thornton LLP, Gurgaon

Bankers

State Bank of Bikaner & Jaipur

State Bank of India

Axis Bank Ltd.

Standard Chartered Bank

Registrar & Transfer Agent

Karvy Computershare Private Limited

Unit: PI Industries Ltd.

Karvy Selenium Tower - B

Plot No. 31 & 32, Financial District

Nanakramguda, Serilingampally

Mandal, Hyderabad – 500 032

Share Department

5th Floor, Vipul Square, B-Block

Sushant Lok Phase - I,

Gurgaon – 122 009 (Haryana)

Corporate Identity Number (CIN)

L24211RJ1946PLC000469



DIRECTORS' REPORT

To
The members of
PI Industries Limited

Your Directors are pleased to present
the Annual Report of the Company
together with the Audited Accounts
for the year ended March 31, 2015:

1. Financial Highlights

(₹ in Crores)

Particulars	FY 2014-15	FY 2013-14
Gross Sales & Other Operating Income	2,188.78	1,846.64
Excise Duty	92.88	85.70
Discount	156.25	166.02
Net Sales	1,939.65	1,594.92
Other Income	41.52	15.61
Profit before Interest, Depreciation and Tax	411.49	301.20
Interest	9.73	11.82
Depreciation	49.16	31.37
Profit before Tax & and Exceptional items	352.60	258.01
Current Tax inclusive of earlier year Tax	114.63	78.83
Deferred Tax Asset/Liability	(5.28)	(4.56)
Profit after Tax	243.25	183.74
Balance of profit brought forward from previous year	413.44	280.06
Appropriations		
Interim Dividend on Equity Shares	16.39	13.61
Dividend of Previous Years	-	0.07
Income Tax on Interim Dividend	3.83*	2.39
Transfer to General Reserve	24.33	18.37
Depreciation of NIL assets	2.76	-
Proposed Final Dividend on Equity Shares	17.76	13.61
Income Tax on Final Dividend proposed on Equity shares	3.63	2.31
Balance Profit / (-) Loss carried forward	587.99	413.44

*Includes dividend tax paid for earlier year

There have been no material changes and commitments, if any, 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 are related and the date of the report.

2. KEY HIGHLIGHTS

The Net Sales for the year grew to ₹1,939.65 crore from ₹1,594.92 crore last year i.e., a growth of 21.61% YoY.

The Operating Profit for the year grew to ₹369.97 crore from ₹285.59 crore last year i.e., an increase of 29.55% YoY. The Net Profit for the year on stand-alone basis grew to ₹243.25 crore from ₹183.74 crore in the previous year i.e. an increase 32.39% YoY.

EBIDTA margin improved 117 basis points to 19.07% in 2014-15 over 2013-14 and PAT margin strengthened 102 basis points to 12.54% in 2014-15 over 2013-14.

The Company's Net Profit on a consolidated basis increased to ₹245.89 crore during the year as compared to ₹188.00 crore in the previous year, a growth of 30.79% YoY.

The Earnings per share (EPS) for the year stood at ₹17.84 per share an increase of 31.95% compared to ₹13.52 per share for the previous year.

The Company introduced two new products during the year under review – KEEFUN, a novel insecticide with broad spectrum focus under exclusive in-licensing agreement and BUNKER, a broad spectrum herbicide. The Company commercialized two new molecules for custom synthesis exports, which are expected to gain traction over the next few years.

The Company signed three new agreements with their patent holders in the insecticide/ herbicide / fungicide segments to evaluate their potential in the domestic market. The Company invested ₹168.49 Cr. in addition of fixed assets for expansion of manufacturing and R&D capacities.

3. PERFORMANCE REVIEW

For India as a whole, the rainfall for the South West (SW) monsoon season (June-September) was 88% of its long period average (LPA). Delayed arrival of SW monsoon in June and July followed by excess rains in August and September affected the key crops of kharif such as rice, cotton, pulses and oilseeds. The unseasonal rains in rabi heavily impacted fields crops mainly wheat and horticultural crops in the northern and central parts of the Country.

As compared to last year's production of 265.57 million tonnes, production of food-grains in 2014 is lower by 8.5 million tonnes. This decline is on account of lower production of rice, coarse cereals and pulses due to erratic rainfall conditions during the monsoon season 2014. Despite deficiency of 12% in the monsoon rainfall during the year, the loss in production was restricted to just around 3% over the previous year and exceeded the average production during the last five years by 8.15 million tonnes.

Increasing costs of production due to increased input costs (fertilizers, manpower, fuel etc) and inability to realize MSPs

in most of the cases affected the crop economics for farmers. Factors such as subsidy withdrawal on fertilizers, unfavorable rains for crops such as cotton, pulses and soybean negatively impacted the farmers' investment in plant protection chemicals impacting the agchem industry.

Even in a challenging year, your company's Agri-Input Business once again outperformed the industry growth by growing at 19% YoY. This growth was mainly on account of increased contribution from innovation based products, expansion of the distribution channel network, volume expansion of some of the key existing products and inclusion of some new brands to give complete crop solutions in key focused crops.

In the tough year of agribusiness, new innovative products launched by your Company again proved to be the growth drivers further strengthening the Company's position in industry's leading crop 'rice'. We could successfully expand the flagship brand 'Nominee Gold' in some of the virgin markets for rice herbicides. In these new markets, Nominee Gold is expected to be a key enabler for rice productivity enhancement for farmers and business driver for PI in the coming years. Our new insecticide 'OSHEEN' has now been accepted very well to manage the Brown Plant Hopper (BPH) in rice crop.

Introduction of New Products

In the review year your company has launched 'KEEFUN', a unique insecticide innovated in Japan and developed and marketed by PI in India under the in-licensing model of business. KEEFUN is a broad spectrum insecticide initially launched on cabbage and okra. In the coming years, your Company will expand the label of KEEFUN to other crops for the management of various insects, pests and some fungal diseases which are difficult to manage. The inclusion of KEEFUN in our portfolio will help strengthen our position in horticultural crop and cotton.

Your Company is committed to create and further strengthen its brands through sustained campaigns. In this line, we launched the new pack and new image of our specialty nutrition product 'BIOVITA'. The new avtaar of Biovita has been very well received by all stakeholders and has helped achieve growth.

As a part of its strategy to provide crop solutions, your Company also introduced "Super Spreader" a Tri Siloxane Alcoxyolate (TSA) adjuvant in sourced under strategic partnership with US based company having leadership position in the business. Super Spreader will complement the application of various agrichem products of PI and also increase their benefits to farmers.

Building strong pipeline has been a key pre-requisite to ensure sustained growth. Your company has been working very closely with the global innovator companies to evaluate the fitment of their products for Indian markets. In the review year, your company has signed agreements with innovator companies to

evaluate ~10 new products; some of them have been identified as potential candidate for further evaluation and development.

In custom synthesis exports, your Company successfully commercialised two new molecules. Based on the product mix planned for production during H2 FY15, major product deliveries happened during this period. The resultant performance was due to improved capacity planning leading to better asset utilization, yield improvements through process improvements, debottlenecking leading to time cycle reductions and high plant uptime. The construction of two new multi-product plants at Jambusar is on track and both the plants are expected to be operational in the 2nd half of FY 2016 which will support further growth of custom synthesis exports.

This was also the year wherein your Company has moved to the next level in the Operations Excellence journey it started two years ago. Your Company has also decided to have long-term strategic view on utilities adequacy, critical spares management and engineering management based predictive maintenance. Predictive maintenance is an evolved science which goes beyond the purview of preventive maintenance concepts. Your Company's continuous efforts to improve the asset lifetime, right usage of the assets has led to the idea to embrace the predictive and autonomous maintenance concept.

Research & Development

During the year under review, the Research & Development team successfully carried out synthesis of several new molecules. In the custom synthesis area, eight new molecules progressed to the next stage and two molecules were commercialized during the year.

Apart from synthesis and scale up of new molecules, the Research & Development team also worked on process improvements projects for ten existing products to identify cost improvement opportunities and then implement these improvements at the plant level. Environment, Health and Safety (EHS) considerations were given the usual special emphasis in the process development work.

During the year, your Company has also initiated expansion of R&D set up and in the first phase of expansion, a two-story building is being constructed within the existing campus at Udaisagar Road, Udaipur (Rajasthan) to carry out increasing R&D projects under custom synthesis, library synthesis and other joint research assignments from its global innovator partners.

Finance

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back up lines of credit. Cash from operations for the year stood at ₹180.65 crores. Your company follows a prudent financial policy and aims at maintaining an optimum financial gearing. The Company's Debt to Equity Ratio improved to 0.09 as on March 31, 2015 against 0.13 as on March 31, 2014 owing to increase

in net worth coupled with significant reduction in long term borrowings.

Your Company has been credit rated by CRISIL Limited for bank facilities. The Company's credit rating was reaffirmed to 'CRISIL AA-/Stable/CRISIL A1+'. This reflects a very high degree of safety regarding timely servicing of financial obligations and also a vote of confidence reposed in your Company's management.

4. DIVIDEND

The Board of Directors recommended a final dividend of ₹1.30 per Equity Share of the face value of ₹1 each for the year ended March 31, 2015, amounting to ₹17.76 crore. This is in addition to the interim dividend of ₹1.20 per equity share for 2014-15, paid in November, 2014 amounting to ₹16.39 crore. The total dividend per equity share for year ended March 31, 2015 is ₹2.50 and total dividend payout is ₹34.15 crore (net of tax).

Subject to the approval of shareholders at the ensuing Annual General Meeting, the final dividend will be paid to those shareholders whose name appear on the register of members of the Company as on September 09, 2015.

5. SUBSIDIARY COMPANIES

The Company has three Wholly-owned Subsidiary Companies as on March 31, 2015. The members may refer to their Financial Statements forming part of the Annual Report as required under the provisions of Sec 129(3) of the Companies Act, 2013. The key highlights of these subsidiary companies are as under:

(i) PI Life Science Research Ltd. (PILSR)

During the year, the Company posted a profit of ₹235.72 lacs, earned on account of various R&D activities for developing new products.

(ii) PI Japan Company Ltd.

The Company posted a net profit of JPY 18.35 lacs during the year. Due to the size of operations and local laws, the annual accounts of this Company are not required to be audited. The same have been certified by the Management of the Company.

(iii) PILL Finance and Investments Ltd. (PILL-F)

The Company posted a profit of ₹16.78 lacs during the year.

A statement containing salient features of the financial statements of the subsidiary companies in form AOC-1 is also included in the Consolidated Financial Statements forming part of the Annual Report.

The Board has also formulated Policy for determining the "Material Subsidiaries" as per the recommendation of Audit Committee. The same has been placed on the website of the company on the following weblink.

http://www.piindustries.com/sites/default/files/Policy%20_%20Material%20Subsidiaries.pdf

Further, in accordance with the third provision of Sec 136 (1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company www.piindustries.com. Further, as per fourth provision to the said section, audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company.

6. APPROVAL OF THE SCHEME OF AMALGAMATION

Your Directors are pleased to inform you that Hon'ble High Court of Jodhpur vide its formal order dated March 27, 2015 approved the Scheme of Amalgamation entailing merger of Parteek Finance & Investment Company Ltd with PI Industries Ltd. The appointed date for aforesaid merger is April 01, 2014 and effective date is March 30, 2015 i.e. date of filing the certified copy of the orders with ROC, Jaipur and ROC, Delhi. Pursuant to the Scheme of Amalgamation, 7,38,51,390 equity shares of Re. 1/- were issued to the shareholders of erstwhile Parteek Finance & Investment Company Limited and cross holding representing 7,38,51,390 equity shares of Re. 1/- each held by Parteek Finance & Investment Company Ltd was cancelled. It may further be noted that there has been no change in the paid up equity share capital of the Company and the promoter holding also remains same pursuant to this merger. The Company has also received necessary approvals from BSE Ltd. and National Stock Exchange of India Ltd. with respect to listing of 7,38,51,390 equity shares issued to shareholders of Parteek Finance & Investment Company Ltd. in terms of the approved Scheme.

7. RISK MANAGEMENT POLICY AND INTERNAL CONTROLS

The Company has in place a mechanism to identify, assess, monitor and mitigate various assessed risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on continuing basis. These are discussed at the meeting of the Audit Committee and the Board of Directors of the Company.

The Company's Internal Control Systems are commensurate with the nature of its business and the size and complexity of its operations. It comprises audit and compliance by in-house internal audit team supplemented by internal audit checks by M/s Grant Thornton LLP., Internal Auditors of the Company.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the financial transactions and review various business processes. Independence of the Internal Auditors and therefore compliance is ensured through direct reporting of internal audit division and Internal Auditors to the Audit Committee.

8. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the Management Discussion and Analysis is provided separately in this Annual Report.

9. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on an arm's length basis and are in compliance with the applicable provisions of the Act and the Listing Agreement. There are no materially significant related party transactions made by the company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the company at large.

All Related Party Transactions are presented to the Audit committee. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Related Party Transactions Policy as approved by Board on recommendation of the Audit Committee is uploaded on the company's website at the following weblink:

http://www.piindustries.com/sites/default/files/RPT%20Policy_PI.pdf

The Company does not have any contracts or arrangements with its related parties under Section 188(1) of the Companies Act, 2013, which are not on arms' length basis or material in nature. Hence the details of such contracts or arrangements with its related parties are not disclosed in Form AOC-2 as prescribed under the Companies Act, 2013 and the rules framed thereunder. Your Directors draw attention of the Shareholders to Note no. 38 of the financial statement which set out related party disclosures.

10. AUDITORS

Statutory Auditors and Auditors Report

The Statutory Auditors of the Company, M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, hold office till the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Company has received their written consent and certificate that they meet the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder. The Audit Committee and the Board of Directors recommends the reappointment of M/s S.S. Kothari Mehta & Co., Chartered Accountants, as the Auditors of the Company in relation to the financial year 2015-16 till the conclusion of the next Annual General Meeting. The reappointment proposed is within the

time frame for transition under the third provision to sub-section (2) of Sec 139 of the Companies Act, 2013.

Auditor's Report does not contain any qualification(s), hence same does not call for any explanation.

Cost Auditors

Pursuant to the directives issued by the Central Government, an audit of the cost records relating to Insecticides (Technical grade and formulations) manufactured by the Company is required to be conducted by an auditor with the requisite qualifications as prescribed under Section 148 of the Companies Act, 2013.

Your Board has appointed M/s K.G. Goyal & Co., Cost Accountants, Jaipur, as Cost Auditors based on the recommendation of the Audit Committee for the conduct of the audit of cost records of Insecticides (Technical grade and formulations) for the year ending March 31, 2016.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 and the Rules made thereunder, Members are requested to consider the ratification of the remuneration payable to M/s K.G. Goyal & Co., Cost Accountants.

Secretarial Auditor

The Board had appointed Mr R.S. Bhatia (PCS no.2514). Practicing Company Secretary, to carry out Secretarial Audit in accordance with the provisions of Sec 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2015. The Secretarial Audit Report for the financial year ending March 31, 2015 has been obtained and does not contain any qualification, which requires for any comments from the Board. The Secretarial Audit Report for financial year ended March 31, 2015 is annexed to this report as Annexure 'A'.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not made any investment during the year under the provisions of section 186 of the Companies Act, 2013. The details of loans and guarantees covered under the aforesaid provisions are mentioned in Note No.14 of the Notes to the financial statements.

12. DEPOSITS

The Company has neither accepted nor renewed any deposits during the financial year 2014-15. Further, the Company has repaid all deposits during the year that were due for repayment in the financial year 2014-15 or thereafter that were accepted under the erstwhile provisions of Sec 58A of the Companies Act, 1956. As at March 31, 2015, there are no deposits unclaimed or pending in the books of the Company. Since the Company has repaid all deposits, no details are required to be furnished under Chapter V of the Companies

Act, 2013 and rules made thereunder.

13. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Dividend amount remaining unclaimed for more than seven years has been transferred to the Investor Education and Protection Fund.

14. BOARD OF DIRECTORS

The Company is managed and controlled by a professional Board of Directors comprising a blend of Executives and Non-executive professional Directors. As on March 31, 2015, the Board of Directors consists of 8 Directors including Chairman & Managing Director, Managing Director & CEO, Whole time Director and 5 Non-executive Directors, out of which 4 are Independent Directors including one Woman Director. The composition of the board is in conformity with Clause 49 of the Listing Agreement and relevant provisions of the Companies Act, 2013.

Mr P. N. Shah, due to health and age, resigned from the Board w.e.f April 01, 2014 after serving on the Board of the Company for more than two decades. The Board places on record its deep appreciation, gratitude and thanks for his valuable contribution to the Company's growth.

Mr Raj Kaul stepped down from the Board w.e.f October 6, 2014. The Board records its appreciation for the valuable services rendered by Mr Raj Kaul during his long association with the Company.

Mr Bimal K. Raizada, a Director on the Board of the Company, expired on March 19, 2015. The Board, while condoling the death of Mr. Bimal K. Raizada, records its appreciation for the valuable services rendered by him.

In last AGM of the Company held on September 10, 2014, the shareholders had approved the appointment of existing Independent Directors viz. Dr Venkatrao S. Sohoni, Mrs Ramni Nirula, Mr Bimal K. Raizada, Mr Pravin K. Laheri and Mr Narayan K. Seshadri as Independent Directors under the provisions of Companies Act, 2013 each for a term of 3 years.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Sec 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr Rajnish Sarna, Whole-time Director shall retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The Board recommends his re-appointment for approval of the members at the forthcoming Annual General Meeting.

Evaluation of the Board's Performance

In compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an evaluation of its own performance, committees and performance of individual directors during the year under review. The evaluation framework for assessing the performance of Directors comprised of attributes like quality of contribution to the Board deliberations, strategic perspective or inputs regarding future growth of Company and its performance, attendance of Board Meetings and Committee Meetings and commitment to shareholder and other stakeholder interests. The evaluation involves Self- Evaluation by the Board Members and subsequently assessment by the Board of Directors. A member of the Board does not participate in the discussion of his/her evaluation. Details of performance evaluation are provided in Corporate Governance Report.

Familiarization Program for Independent Directors

An induction program is done for Independent Director to familiarize them with the nature of business in which the company operates, and business model of the Company. It also includes the familiarization with important statutory & regulatory provisions governing the Industry.

Periodic presentations are made at the Board and its committees, on business and performance updates of the Company, business strategies etc. Apart from that regular updates on relevant statutory changes and presentations on same are done in meetings held to familiarize them with the updates. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed on following weblink <http://piindustries.com/sites/default/files/POLICY%20ON%20FAMILIARIZATION%20PROGRAMS%20FOR%20INDEPENDENT%20DIRECTORS.pdf>

Number of board meetings conducted during the year under review

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, Board of Directors met 4 (four) times. The details of the board meetings and attendance of the Directors are provided in the Corporate Governance Report.

Meeting of Independent Directors

A meeting of Independent Directors was held during the year without the attendance of Non-Independent Directors and members of the management as required under Schedule IV to the Companies Act, 2013 and Clause 49 of the listing agreement.

The meeting was conducted in a flexible manner to enable the Independent Directors to discuss matters pertaining to, inter alia, review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Company

Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Composition of Audit Committee

The Board has a duly constituted Audit Committee which comprises of Mr Narayan K. Seshadri as the Chairman, Mr Rajnish Sarna and Mrs Ramni Nirula as the members. Details on the committee are given in the Corporate Governance Report.

Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility statement:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 and of the profit of the company for that period;
- (c) the directors had 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;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) 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- 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; and
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. EMPLOYEES

Remuneration policy of the company

The Remuneration policy of the Company comprising the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including the criteria for determining qualifications, positive attributes, independence of a Director and other related matters have been provided in the Corporate Governance Report which forms a part of this report.

Human resources and trade relations

Your Company considers people as its biggest assets and "Believing in People" is at the heart of its human resource strategy. Lot of efforts are put in talent management, strong performance management, learning and training initiatives in order to ensure that your Company consistently develops inspiring strong and credible leadership.

During 2014-15, your Company continued to have cordial relationship with all its employees and maintained healthy, cordial and harmonious industrial relations at all levels.

Total workforce of the Company stood at 1576 as on March 31, 2015.

Prevention of sexual harrasment at workplace

The Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as required under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. There were no such complaints received under the aforesaid policy during the year.

Particulars of employees and related disclosure

The information required under Sec 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as Annexure 'E' to the Directors' Report.

Your Directors place on record their appreciation of the valuable contribution made by the employees of your Company.

Employee stock option plan/ scheme

During the year, the Company granted 4,67,102 performance options to eligible employees under PII-ESOP Scheme 2010 as per the criteria laid down by Compensation Committee of the Board. The aforesaid options shall vest after a lock in period of one year from the date of grant. The vesting period of aforesaid options is four years. The exercise price of options granted have been arrived at, by giving discount to the closing market price of the equity share on National Stock Exchange one day prior to the date of grant of option. Voting rights on the shares issued to employees under the ESOP Scheme are either exercised by them or through their appointed proxy.

No employee has been issued share options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.

The details as required under Regulation 12 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are given in Annexure 'F' and forms part of this Report.

16. CORPORATE GOVERNANCE

The Company is proud of its Corporate Governance structure

and strives to maintain the highest possible standards. A detailed report on the Corporate Governance code and practices of the Company along with a certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are given in a separate section in this Annual Report.

17. VIGIL MECHANISM – WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors and employees to report their genuine concerns, as approved by Board on recommendation of the Audit Committee. The Wistle Blower Policy of the Company is uploaded on the Company's website at the following weblink:

http://www.piindustries.com/sites/default/files/PI_Whistle%20Blower%20Policy%20or%20Vigil%20Mechanism.pdf

The policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

18. CORPORATE SOCIAL RESPONSIBILITY AND RELATED MATTERS

Corporate Social Responsibility Policy

Your Company has framed the Corporate Social Responsibility Policy in accordance with the provisions of Sec 135 of the Companies Act, 2013 read with rules made thereunder.

CSR Committee

Your Company has constituted a CSR Committee comprising five members with Mr. Salil Singhal, as Chairman and Mr. Mayank Singhal, Mr. Rajnish Sarna, Mr. Pravin K. Laheri and Mrs Ramni Nirula as Members.

CSR Initiatives

CSR activities are carried out through PI Foundation, a Trust set up by PI Industries Ltd to carry out CSR activities. Some of the major activities carried out during the year relates to:

- a) Swachh Bharat Abhiyan Programme - provision of household toilets and school toilets, particularly for girls.
- b) Certified Vocational Training Course on Chemical Plant Operators - for skill generation in chemical sector.
- c) Promotion of Direct Seeded Rice (DSR) Technology – awareness program for farmers to reduce cost and increase productivity.
- d) Farm Engagement Programmes – agro advisory programs to improve yield and conserve environment.
- e) Community Development Programmes at Plant locations.
- f) Academic Recognition.
- g) Affirmative Action – Scholarships for SC/ST Students.

The average net profit of the Company, computed as per Section 198 of the Companies Act, 2013 during the three immediate preceding financial years was ₹173.82 crore. The Company was required to spend ₹3.48 crore on CSR activities during the financial year 2014-15, being 2% of the aforesaid average net profits. The Company had contributed an amount of ₹3.48 crore to PI Foundation, out of which the foundation has spent ₹1.02 crore. The Foundation was not able to spend the entire amount since this was an initial year for CSR spending as per the mandate of new law. Your Company had to earmark the projects and shortlist the implementing agencies through whom various projects would be routed. Moreover, few projects considered are ongoing and spread over 2 to 3 years. The details of CSR activities undertaken by the Company are highlighted in report format provided under the Companies (Corporate Social Responsibility Policy) Rules, 2014 in Annexure 'C' attached to this report.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure 'B' attached to this report.

20. CHANGES IN SHARE CAPITAL

In terms of the Scheme of Amalgamation of Parteeek Finance & Investment Company Ltd. with PI Industries Ltd. as approved by Hon'ble High Court of Jodhpur, the Authorised Share Capital of the Company stands increased from ₹70,00,00,000/- (₹ Seventy crores only) to ₹72,30,00,000/- (Seventy Two Crores and Thirty lacs only) divided in to 22,30,00,000 (Twenty two crores thirty lacs) Equity Shares of Re.1/- (Rupee one only) each and 50,00,000 (Fifty lac) Preference Shares of ₹100/- (Rupees Hundred only) each.

Further, during the year, the Company had issued 4,67,102 Equity Shares of Re.1/- each which were allotted to PII ESOP Trust (Trust), set up to administer PII Employee Stock Option Plan-2010. The Trust allocates these shares to the employees of the Company and of its subsidiaries on exercise of stock options from time to time under the aforesaid Scheme. As a result of this allotment, the paid-up equity share capital of your Company stands increased to ₹13,65,76,182 (13,65,76,182 Equity Shares of Re. 1/- each as on March 31, 2015 from ₹13,61,09,080 divided into 13,61,09,080 Equity Shares of Re. 1/-each as on March 31, 2014).

21. EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return in Form MGT-9 pursuant to the

provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure 'D' attached to this Report.

22. GENERAL

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:-

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme saved and except issued under ESOP Scheme as referred to in this Report.
- Neither the Managing Directors nor the Whole-time Director of the Company received any remuneration or commission from any of its subsidiaries.
- No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operation in future.

23. ACKNOWLEDGMENTS

Our Directors wish to express their grateful appreciation for the valuable support and co-operation received from bankers, business associates, lenders, financial institutions, shareholders, various departments of the Government of India, as well as the State Governments of Rajasthan, Gujarat and Jammu & Kashmir, the farming community and all our other stakeholders.

The Board places on record its sincere appreciation towards the Company's valued customers in India and abroad for the support and confidence reposed by them in the organisation and looks forward to the continuance of this supportive relationship in the future.

Your Directors also place on record, their appreciation for the contribution and hard work of the employees of the Company and its subsidiaries at all levels, who, through their competence, hard work, solidarity and commitment have enabled the Company to achieve consistent growth.

On behalf of the Board of Directors
For PI Industries Ltd.

Sd/-
(Salil Singhal)

Place: Gurgaon
Date: May 23, 2015

Chairman & Managing Director
DIN : 00006629

Form MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

[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]

The Members,
PI Industries Limited,
Regd. Off: Udaisagar Road,
Udaipur – 313001 Rajasthan.
CIN: L24211RJ1946PLC000469

I was appointed by the Board of Directors of PI Industries Limited (hereinafter called the Company) vide its resolution dated February 11, 2015, to conduct Secretarial Audit for the financial year of the Company ended March 31, 2015.

I have conducted the Secretarial Audit in respect of compliance with specific applicable statutory provisions and adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided me with a reasonable basis for evaluating the corporate conduct/statutory compliance and expressing my opinion thereon.

MANAGEMENT'S RESPONSIBILITY FOR SECRETARIAL AND OTHER SPECIFIC LAW COMPLIANCE

The Company's Management is responsible for preparation and maintenance of secretarial records and Other Specific Law compliance/records for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

AUDITOR'S RESPONSIBILITY

- a) My responsibility is to express an opinion on the records, standards and procedures followed by the Company with respect to secretarial and other specific law compliance.
- b) I have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.
- c) I have not verified the correctness and appropriateness of the Financial Statements of the Company.
- d) Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to

the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

OPINION

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 1956 and Companies Act, 2013 ("the Acts") and the rules made thereunder, as applicable;
- (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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company did not issue any security during the financial year under review;
 - d) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (effective 28th October 2014);
 - e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during

the financial year under review;

- f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
- g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review and
- h) Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back any of its securities during the financial year under review.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (not applicable as not yet notified).
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

Based on my verification of the Company's books, papers, minute 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, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2015 complied with the aforesaid laws.

Based on the information received and records made available, I further report that:

1. The Board of Directors of the Company is duly constituted with 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 financial year under review, were carried out in compliance with the provisions of the Acts and the Listing Agreement;
2. Adequate notice was given to all the Directors regarding holding of the Board Meetings. Agenda was sent in advance before the meeting. There exists a system for Directors to seek and obtain further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
3. Majority decisions were carried through while the dissenting members' views, if any, were captured and recorded as part of the Minutes of the Meetings;
4. There was no show cause notice issued, no prosecution initiated during the year and no case is pending under

Companies Act, SEBI Act, Securities Contract Regulation Act, Depository Act, Foreign Exchange Management Act, Listing Agreement and rules, regulations and guidelines framed under these Acts against/on the Company, its Directors and Officers (pertaining to the Company).

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) of the Managing Director and Whole-time Director and taken on record by the Board of Directors at its meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with the specifically applicable laws, rules, regulations and guidelines as attached in Annexure to this report.

I further report that:

- a) During the financial year under review, the Company has obtained approval of the members under Section 180(1)(c) of the Companies Act, 2013 by way of special resolution for borrowing up to ₹600 Crore or the aggregate of the paid up share capital and free reserves of the Company, whichever is more.
- b) The Company filed Scheme of Amalgamation of its holding company i.e. Parteeek Finance & Investment Company Ltd. with PI Industries Ltd. subject to the approval of the Hon'ble High court of Jodhpur and Delhi. The Scheme of Amalgamation was duly approved by Delhi High Court vide its order dated November 21, 2014 and Jodhpur High Court vide its formal order dated March 27, 2015. Pursuant to the scheme of amalgamation approved by the Hon'ble High Court, Jodhpur, the committee of directors in its meeting held on March 30, 2015 has cancelled the cross holding of 7,38,51,390 equity shares held by M/s Parteeek Finance & Investment Company Ltd. as investment in PI industries Ltd. and 7,38,51,390 equity shares have been issued to erstwhile shareholders of Parteeek Finance & Investment Company Ltd. in proportion to their shareholding. Further, in terms of the Scheme of Amalgamation approved by the Hon'ble High Court, Jodhpur, the Company's Authorized Share Capital stands increased to ₹72,30,00,000/- (Rupees Seventy Two Crores Thirty Lacs only) divided in to 22,30,00,000 (Twenty two crores thirty lacs) Equity Shares of Re.1/- (Rupee one only) each; 50,00,000 (Fifty lac) Preference Shares of ₹100/- (Rupees Hundred only) each.
- c) The Company has allotted 467102 equity shares to PII ESOP Trust on September 19, 2014 under the PII ESOP Scheme 2010.

Sd/-

R. S. Bhatia

(Practicing Company Secretary)

CP No: 2514

Place: Delhi

Dated: May 12, 2015

ANNEXURE TO SECRETARIAL AUDIT REPORT

List of Specifically Applicable Laws

1. Insecticides Act, 1968
2. Legal Metrology Act, 2009
3. Indian Boiler Act, 1932
4. Explosives Act, 1884
5. Poison Act, 1919
6. Water (Prevention & Control of Pollution) Act, 1974
7. Air (Prevention and Control of Pollution) Act, 1986
8. Trademarks Act, 1999
9. Patents Act, 1970
10. Handling of Hazardous Waste Rules, 1988
11. Foreign Trade (Development and Regulation) Act, 1992
12. Bureau of Indian Standards Act, 1986
13. Copyright Act, 1957
14. Petroleum Act, 1934
15. Export and Import Policy of India
16. Essential Commodities Act, 1955

Sd/-
R. S. Bhatia
(Practicing Company Secretary)
CP No: 2514

Place: Delhi
Dated: May 12, 2015

Conservation of Energy, Technology Absorption and Foreign Exchange earnings and Outgo pursuant to provisions of Sec 134 of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

a. Energy conservation measures taken

Energy conservation and management continued to be key area for all the manufacturing units of the Company. Regular monitoring of energy generation, distribution and consumption trends were carried out for effective control on Utilization of energy.

The Company is committed to improve energy performance on a continuous basis by looking at new options / innovations in the fields of electrical and thermal energy.

For the year 2014-15, we have implemented following major energy reduction measures as a part of our ongoing commitment to energy conservation:

- Heat recovery from Boiler exhaust flue gas utilized to increase the boiler feed water temperature. This gives reduction of the Natural gas consumption.
- 4 nos. high head pumps replaced with low head pump in the cooling towers to reduce the power consumption.
- All 5 stage graphite jet steam ejectors replaced with recycling water venturi steam system for reduction of steam consumption.
- VFD installed in gas engine radiator fan to reduce power consumption of the fan .
- Magnetic resonator installed at Co-Gen plant Gas line to reduce gas consumption by 1 % (improvement in specific fuel consumption).
- Corrosion coating of the pump internals done to improve the pump efficiency by 10%.

b. For the year 2015-16, Additional investment and proposal is being implemented for reduction of energy consumption

- Replacing 100 nos. 125W HPMV Light with 48 W LED Lights to reduce energy consumption
- 200 TR chilled brine (-15 deg C) having high efficiency machine is being installed to provide energy need of increased production capacity
- 'Audit of air, N2 & Instrument air and steam systems for leakages using modern tools (Ultra sonic) being planned for eliminating leakages .
- Audit of insulation in 'Refrigeration system being planned to provide better insulation to reduce transmission losses in Brine
- Installations of PVC drift eliminators being planned to reduce the drift losses in cooling towers.
- Optimization of cooling water inlet temperature to chillers being planned to improve the chiller performance and reduce power consumption.
- Additional economizer in WHRB flue gas outlet line is under consideration for more heat recovery
- Pressurized DE aerator tank for 17 ton boiler for better efficiency
- Feasibility study for renewable energy source (solar power) being under consideration

c. Measures stated above would result into sustainable savings in power consumption and utility costs.

Power and Fuel Consumption

Sl. No.	Particulars	Current Year (2014-15)	Previous year (2013-14)
1	Electricity:		
	a. Purchased Units (Lacs/Kwh.)	367.55	130.59
	Total amount (₹ in Lacs)	2927.68	942.53
	Rate / Unit (₹)	7.97*	7.22*
	b. Own Generation through Diesel/ LDO/Generator/Natural Gas Unit (Lacs/Kwh)	189.62	278.48
	Unit Per Ltr. / HSD	3.23	3.33
	Unit / SCM Natural Gas	3.54	3.78
	c. Diesel Oil/Nat. Gas cost /Unit (only variable cost)	12.45	8.69
2	COAL:		
	Quantity (tonnes)	NA	NA
	Total Cost (₹ in Lacs)	NA	NA
	Average Rate (₹/MT)	NA	NA
3	FURNACE OIL:		
	Quantity (Tonnes)	2265.45	1780.13
	Total Cost (₹ in Lacs)	707.73	706.50
	Average Rate (₹ /Kg)	31.24	39.69
4	NATURAL GAS:		
	Quantity (Lac SCM)	103.38	119.54
	Total Cost (₹ in Lacs)	4120.15	4197.58
	Average rate (₹ / SCM)	39.86	35.12

* Includes electricity duty.

CONSUMPTION PER UNIT OF PRODUCTION

Focused efforts at all units contributed to lower energy consumption per unit of production, compared to that in the previous year. But the increasing costs of various fuels and power led to higher energy costs. Per unit cost of energy consumption varies from product to product.

B. TECHNOLOGY ABSORPTION

Research & Development (R&D)

1. Specific areas in which R&D is carried out by the Company.

- Synthesis and Development of new molecules in the categories of Agrochemicals, Fine Chemicals, Specialty Chemicals and Photographic chemicals - end products as well as intermediates on the basis of in-house research.
- Development of pharmaceutical and other specialty chemical intermediates
- Development of new efficient routes for certain existing products.
- Entered into four new areas of chemistry
- Working on new-age chemistry
- Improvement through recycling and reduction of waste by employing new techniques and methods.
- Continuous improvement of the processes already in commercial production through technical and engineering innovations.
- Development of process for new molecules at R&D scales for new chemical entities and providing support and

services to develop new processes and scaling up for contract manufacturing.

- Synthesis and characterization of working standards of final products, intermediates and related substances.
- Synthesis of new molecules for Innovator Companies for their application evaluation.
- Five batch analysis for registration purpose under GLP conditions which is acceptable with Registration Authorities of most of the countries across the Globe.
- Addition of sophisticated lab equipment's for carrying out R&D work.

2. Benefits derived as a result of above efforts through R & D

- Cost reduction along with quality improvement.
- Improvement in manufacturing processes for existing molecules and development of new molecules for export to the international market.
- Partial and complete replacement of hazardous and toxic reagents with less hazardous environment friendly substitutes.
- Generation of capability to value add and identify, develop and protect Intellectual Property for the Company and its business partners. This year we filed seven patent applications for new non patent infringing processes developed for various molecules
- Development of newer areas of application to provide suitable diversification from conventional areas of applications
- Repeat business from existing customers due to substantial cost reduction due to process improvement.

3. Future Plan of Action

Your Company has created a state-of-the-art R & D Centre and Pilot Plant facility at Udaipur. The Company has been investing to augment its R & D capabilities and productivity through technological innovations, use of modern scientific techniques like DOE, Parallel synthesizer and training & development.

The thrust of our R&D will be to add value to all existing products we manufacture, to synthesize & manufacture molecules with increasing complexities involving more recent and novel chemistry and technologies, and prepare products with challenging specification requirements. These include not only pharmaceutically useful intermediates and products but also chemicals used for sensitive photo-imaging electronic uses, and others.

Your Company is also working to tie up with Innovator

Companies for synthesizing new molecules for novel applications. This will open a new area for your company in the field of Product Innovation.

Your company is a socially responsible company. So, one of the key area for R&D will be to develop Greener technologies. The thrust will also be in reducing the waste generation norms in the existing molecules and waste treatment technologies.

The thrust of R&D will be to develop newer technologies, like continuous process, which will make the processes safer and will increase the through put.

Exhaustive safety data generation for the processes will be another thrust area for R&D. This will help in understanding any risk associated with any process at very small scale and accordingly necessary corrective actions will be taken at R&D stage. For this your company has already decided to put all necessary equipment's at R&D center, Udaipur which will be installed in the first quarter of the coming year.

4. Technology absorption, adaptation and innovation

(A) Efforts, in brief, made towards technology absorption, adaptation and innovation

- Regular training programs for our scientists/ chemists/ technologists to equip themselves to cope with new scientific and technical challenges.
- Interaction with National Laboratories, IITs, CSIR Institutions and Universities for better up gradation and coordination to develop new products and training of scientists whenever required.
- Interaction with R & D laboratories of MNCs for development of new molecules for technology transfer and at times, to improve their processes with the developments carried out at our R&D Centre.
- Internal Technical training and cross groups troubleshooting/cost reduction sessions.
- Extensive use of scientific search tools such as STN, SCIFINDER, REAXYS, SMART CHEM, CHEM-OFFICE ULTRA and other technically and scientifically useful search engines through internet to obtain latest information.
- Latest models of GC-Mass, HPLC-Mass, Preparative HPLC and ICP instruments are being used for spectral analysis and preparation of standards.
- 400 MHz NMR, Ultra Performance Liquid Chromatography (UPLC), Microwave digestion system and Lypholyzer isolation system, stability chambers (for shelf life estimation of RM, Intermediates and finished products) are present at R&D Centre, Udaipur.

(B) Benefits derived

- Development of indigenous technology for cost reduction, use of environment friendly synthetic routes, conservation of foreign exchange and to meet growing demand of agrochemicals, fine chemicals and specialty chemicals.
- Development on continuous process has initiated at lab scale. This will convert few batch processes into continuous processes which will ultimately result into increase through put of the desired product.
- Quality and cost reduction for better and newer products to withstand competition both within India as well as in the international market.
- Internal training sessions and troubleshooting/cost reduction sessions among the different groups of R&D resulted into very effective and innovative solutions.
- Pollution abatement and odor control, adapting to the national norms and work towards protecting environment along with other industries.
- Knowledge and capability enhancement of R & D staff.

- Good Laboratory Practice (GLP) accreditation for R&D facility at Udaipur has been renewed.

5. Imported technology

The company has not imported any technology during the year.

6. Expenditure on R&D

(₹ in cr)

Particulars	Current year (2014-15)	Previous year (2013-14)
a. Capital	219.30	24.32
b. Recurring	1249.49	787.52
c. Total	1468.79	811.84
d. Total R&D expenditure as percentage of total turnover	0.67	0.44

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned.

(₹ in cr)

	2014-15	2013-14
a. Foreign Exchange earned	1147.99	970.46
b. Foreign Exchange outgo	647.10	538.84

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	<p>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.</p> <ul style="list-style-type: none"> ● PI Industries Ltd, a sensitive corporate citizen has been conducting philanthropic and community development initiatives. ● PI Industries, based on the Baseline Survey of the Socio-Economic situation of its plant locations, has now developed a structured CSR Policy and strategy for implementation, monitoring and reporting. ● The CSR Policy has been framed for successful and sustainable implementation of CSR projects in concurrence with The Companies Act 2013 – a sustainable CSR plan and agenda set for a time frame of 3-5 years. ● PI CSR Policy shall apply to all CSR interventions undertaken at various work centres and locations of PI Industries as also the CSR interventions undertaken at a corporate brand level. ● PI under take interventions that benefit the communities in and around PI's work centres and also those small and marginal farmers at our areas of operation. ● We enhance the quality of life and economic well-being of communities around PI plant sites and, small and marginal farmers over a period of time. ● For the execution of CSR Activities, PI Industries Ltd has established its own Trust, "PI Foundation" in 2012. <p>Web Link - http://www.piindustries.com/corporate-social-responsibility.html</p>																
2.	<p>The Composition of the CSR Committee as on March 31, 2015.</p> <p>PI CSR Committee Members</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">● Mr Salil Singhal</td> <td style="width: 33%;">Chairman & Mg Director</td> <td style="width: 33%;">Chairman of the Committee</td> </tr> <tr> <td>● Mr Mayank Singhal</td> <td>Managing Director & CEO</td> <td>Member</td> </tr> <tr> <td>● Mr Rajnish Sarna</td> <td>Whole-time Director & CFO</td> <td>Member</td> </tr> <tr> <td>● Mr Pravin K. Laheri</td> <td>Independent Director</td> <td>Member</td> </tr> <tr> <td>● Ms Ramni Nirula</td> <td>Independent Director</td> <td>Member</td> </tr> </table>	● Mr Salil Singhal	Chairman & Mg Director	Chairman of the Committee	● Mr Mayank Singhal	Managing Director & CEO	Member	● Mr Rajnish Sarna	Whole-time Director & CFO	Member	● Mr Pravin K. Laheri	Independent Director	Member	● Ms Ramni Nirula	Independent Director	Member	
● Mr Salil Singhal	Chairman & Mg Director	Chairman of the Committee															
● Mr Mayank Singhal	Managing Director & CEO	Member															
● Mr Rajnish Sarna	Whole-time Director & CFO	Member															
● Mr Pravin K. Laheri	Independent Director	Member															
● Ms Ramni Nirula	Independent Director	Member															
3.	Average net profit of the Company for last three financial years	₹173.82 Crore															
4.	Prescribed CSR Expenditure (two percent. of the amount as in item 3 above)	₹3.48 Crore															
5.	Details of CSR spent during the financial year.																
	(1) Total amount spent for the F.Y.	₹1.02 Crore															
	(2) Amount unspent, if any;	₹2.46 Crore															

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

S. No.	CSR Project or activity identified	Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Sector in which the project is covered (under Schedule VII)	Amount outlay (budget) project or programs wise (₹ in lacs)	Amount spent on the projects or programs (1) Direct expenditure on projects or programs (2) overhead (₹ in lacs)	Cumulative Expenditure up to the reporting period (₹ in lacs)	Amount spent: Direct or through implementing agency
1	Base Line Survey (Need Based Assessment for CSR Activities)	Ankleshwar & Jambusar of Bharuch, Gujarat	Item X -Rural Development Projects		10.17	10.17	Through implementing agency NRMC
2	Vocational Training Program on Chemical Plant Operations	Gujarat	Item II - Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly & the differently abled and livelihood enhancement	19.47	14.65	14.65	Through implementing agency Anchor Institute-Chemicals & Petrochemicals DDU, Nadiad
3	Community Development Projects a) Distribution of Notebooks in Schools b) Hostel Up gradation - Nondhana c) Support of Library Books, Science Kits and Sport kit d) Supporting Mobile Education Van e) Support in Installation of Water - Vedach f) Strengthening Electrification – Uber g) Strengthening Basic Facilities in School Sarod h) Installation of CCTV in School Nahar i) Providing infrastructure support for school – Samoj	Ankleshwar, Jambusar, Jambusar Taluka of Bharuch District in the state of Gujarat Taluka of Bharuch District in the state of Gujarat	Item I - Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water Item II Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects Item X Rural Development Projects	16.32	16.13	16.13	Direct as well as through implementing agency School Management Committee, Samoj, Gram Panchayat Vedach & Uber
4	Swachh Bharat Abhiyan- Individual Household Toilet Construction(PPP Mode)	Ankleshwar, Jambusar Taluka of Bharuch District in the state of Gujarat	Item I - Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	55.90	55.90	55.90	Through implementing agency District Rural Development Agency, Govt. of Gujarat
5	Training and capacity building of CSR team and administrative expenses				4.84	4.84	Various Parties

Sd/-
Salil Singhal
Chairman – CSR Committee
DIN: 00006629

Sd/-
Mayank Singhal
Managing Director & CEO
DIN: 00006651

Dated: May 23, 2015
Place: Gurgaon

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2015 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:

	CIN:	L24211RJ1946PLC000469		
1)	Foreign Company Registration Number/GLN	NA		
	Registration Date [DDMMYY]	31st December, 1946		
ii)	Category/Sub-category of the Company	Public Company limited by shares.		
iii)	Whether shares listed on recognized Stock Exchange(s) (Yes/No)	Yes		
iv)	If yes, details of stock exchanges where shares are listed	S.No.	Stock Exchange Name	Code
		1	BSE Limited	523642
		2	National Stock Exchange of India Ltd.	PIIND
v)	Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given.			
	Registrar & Transfer Agents (RTA):	Karvy Computershare Pvt. Ltd.		
	Address	Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda,		
	Town / City	Hyderabad		
		Telangana		
		500032		
	Telephone (With STD Area Code Number)	040 6716 1700		
	Fax Number	040 67161680		
	Email Address	shobha.anand@karvy.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)

	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	Agri-Inputs	3808	98%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (No. of Companies for which information is being filled)

	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable section
	PILL Finance & Investments Ltd. 209, Himalaya Arcade, Near Bharat Petrol Pump, Vastrapur, Ahmedabad-380 015	U65990GJ1992PLC018163	Subsidiary	100	2(87)
	PI Life Science Research Ltd. 433-A, Ansal Chambers –II, 6, Bhikaji Cama Place, New Delhi-110 066	U73100DL2004PLC131109	Subsidiary	100	2(87)
	PI Japan Co. Ltd. 2-11-4, The To-han Building 4th Floor, Uchikanda, 2-Chome, Chiyoda Ku, Tokyo, 101-0047 Japan	-	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5868720	-	5868720	4.31	79720110	-	79720110	58.37	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	73851390	-	73851390	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	79720110	-	79720110	58.57	79720110	-	79720110	58.37	-
B. Public Shareholding									
(1) Institutions									
a) Mutual funds	7210014	-	7210014	5.30	11681655	-	11681655	8.55	3.25
b) Banks / FI	8123	-	8123	0.01	4306	-	4306	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	26964074	-	26964074	19.81	25323683	-	25323683	18.54	-1.27
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	34182211	-	34182211	25.11	37009644	-	37009644	27.10	1.99
(2) Non-Institutions									
a) Bodies Corp.									
i) Indian	3318058	-	3318058	2.44	2811276	-	2811276	2.06	-0.38
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Individual shareholders holding nominal share capital upto ₹1 lakh	5541650	863305	6404955	4.71	6278917	744925	7023842	5.14	0.43
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2669748	648000	3317748	4.71	2473899	310500	2784399	5.14	0.97
c) Others -(specify)									
Directors Relatives	442510	-	442510	0.33	418510	-	418510	0.31	-0.02
Hindu Undivided Family (HUF)	186578	-	186578	0.14					
Directors	1592523	-	1592523	1.17	1600144	-	1600144	1.17	-
Non Resident Indians	421620	-	421620	0.31	668180	-	668180	0.49	0.18
Overseas Corporate Bodies	4241974	-	4241974	3.12	2741974	-	2741974	2.01	1.11
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	647038	-	647038	0.48	54038	-	54038	0.04	-0.44
Trusts	1633755	-	1655755	1.20	1744065	-	1744065	1.28	0.08
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	20695454	1511305	22206759	16.32	18791003	1055425	19846428	14.63	1.69
Total Public Shareholding (B)=(B)(1)+ (B)(2)	54877665	1511305	56388970	41.43	55800647	1055425	56856072	41.63	0.20
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	134597775	1511305	136109080	100	135520757	1055425	136576182	100	1

b) Shareholding of Promoter-

Sl. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Parteek Finance & Investment Co. Ltd.	73851390	54.26	0	0	0	0	0
2	Mrs Madhu Singhal jointly with Mr. Mayank Singhal	3341700	2.46	0	3341700	2.46	0	0
3	Mrs Madhu Singhal jointly with Mr Salil Singhal	1400370	1.03	0	23764621	17.40	0	0
4	Mr Salil Singhal jointly with Mrs Madhu Singhal	906390	0.67	0	25857174	18.93	0	0
5	Mr. Mayank Singhal jointly with Mrs Madhu Singhal	220260	0.16	0	441647	0.32	0	0
6	Mr.Salil Singhal	0	0	0	13101879	9.59	0	0
7	Shri Salil Singhal, Karta Salil Singhal (HUF)	0	0	0	12873629	9.43	0	0
8	Ms Pooja Singhal jointly with Mr Salil Singhal	0	0	0	221387	0.16	0	0
9	Ms Shefali Khushalani jointly with Mr Salil Singhal	0	0	0	110693	0.08	0	0
10	Ms Pooja Singhal	0	0	0	3690	0	0	0
11	Mr Mayank Singhal	0	0	0	3690	0	0	0

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

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	At the beginning of the year	79720110	58.57	79720110	58.57
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / Decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	Pursuant to the order dated March 27, 2015 passed by the Hon'ble High Court, Jodhpur sanctioning the Scheme of amalgamation of Parteeek Finance & Investment Co. Ltd. (Parteeek) with PI Industries Ltd, 7,38,51,390 equity shares held by Parteeek were cancelled and 7,38,51,390 equity shares were allotted to the shareholders of Parteeek Finance & Investment Co. Ltd. on 30.3.2015.	0	0	0
3	At the end of the year	79720110	58.37	79720110	58.37

During the year 2014-15, paid-up share capital of the company increased from 136109080 to 136576182 Equity Shares of ₹1 each.

d) Shareholding Pattern of top ten Shareholders:

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (as on 01-April-2014)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Citigroup Global Markets Mauritius Pvt. Ltd.				
	At the beginning of the year	6335461	4.65	6335461	4.65
	Brought during the year	14948	0.01	6350409	4.66
	Sold during the year	(289961)	(0.22)	6060448	4.44
	At the end of the year	6060448	4.44	6060448	4.44
2	ICICI Prudential Discovery Fund				
	At the beginning of the year	4100000	3.01	4100000	3.01
	Brought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	4100000	3.00	4100000	3.00
3	India Emerging Opportunities Fund Ltd.				
	At the beginning of the year	1419635	1.04	1419635	1.04
	Brought during the year	293436	0.21	1713071	1.25
	Sold during the year	(356243)	(0.26)	135628	0.99
	At the end of the year	1356828	0.99	1356828	0.99
4	Ironwood Investment Holdings				
	At the beginning of the year	5539190	4.07	5539190	4.07
	Brought during the year	-	-	-	-
	Sold during the year	(992726)	(0.73)	4546464	3.34
	At the end of the year	4546464	3.34	4546464	3.34
5	Rowanhill Investment Ltd.				
	At the beginning of the year	4241974	3.11	4241974	3.11
	Brought during the year	-	-	-	-
	Sold during the year	(1500000)	(1.10)	2741974	2.01
	At the end of the year	2741974	2.01	2741974	2.01

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year (as on 01-April-2014)		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	Mr. Govind Swarup, Trustee, the Alto Trust				
	At the beginning of the year	1395548	1.03	1395548	1.03
	Brought during the year	-	-	-	-
	Sold during the year	(150000)	(0.11)	1245548	0.91
	At the end of the year	1245548	0.91	1245548	0.91
7	Copthall Mauritius Investment Ltd.				
	At the beginning of the year	3058381	2.25	3058381	2.25
	Brought during the year	29925	0.02	3088306	2.27
	Sold during the year	(2890620)	(2.12)	197686	0.15
	At the end of the year	197686	0.15	197686	0.15
8	Oppenheimer International Small Company Fund				
	At the beginning of the year	1897539	1.39	1897539	1.39
	Brought during the year	607779	0.45	2505318	1.84
	Sold during the year	(235815)	0.17	2269503	1.66
	At the end of the year	2269503	1.66	2269503	1.66
9	Stitching Pensionfonds ABP				
	At the beginning of the year	1433681	1.05	1433681	1.05
	Brought during the year	-	-	-	-
	Sold during the year	1433681	1.05	1433681	1.05
	At the end of the year	-	-	-	-
10	Government Pension Fund Global				
	At the beginning of the year	1917469	1.40	1917469	1.40
	Brought during the year	-	-	-	-
	Sold during the year	(33301)	(0.02)	1884168	1.38
	At the end of the year	1884168	1.38	1884168	1.38
11	Axis Mutual Fund Trustee Ltd. A/c Axis Mutual Fund A/c Axis Long Term Equity Fund				
	At the beginning of the year	1092889	0.80	1092889	0.80
	Brought during the year	1410850	1.03	2503739	1.83
	Sold during the year	(56000)	(0.04)	2447739	1.79
	At the end of the year	2447739	1.79	2447739	1.79
12	Amansa Holding Pvt. Ltd.				
	At the beginning of the year	-	-	-	-
	Brought during the year	1347348	0.99	1347348	0.99
	Sold during the year	-	-	-	-
	At the end of the year	1347348	0.99	1347348	0.99

Note 1: The above information is based on weekly downloads of beneficiary position received from depositories.

2. During the year 2014-15, paid-up share capital of the company increased from 136109080 to 136576182 Equity Shares of ₹1 each.

e) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Salil Singhal Jointly with Mrs Madhu Singhal	906390	0.67	25857174	18.93
2.	Mr. Salil Singhal	0	0	13101879	9.59
3.	Mr. Mayank Singhal Jointly with Mrs Madhu Singhal	220260	0.16	441647	0.32
4.	Mr. Mayank Singhal	0	0	3690	0
5.	Mr. Narayan K. Seshadri	1308780	0.96	1308780	0.96
6.	Mr. Rajnish Sarna	174303	0.13	189924	0.14
7.	Mr. Anurag Surana jointly with Mrs Radhika Surana	109440	0.08	101440	0.07
8.	Mr. Naresh Kapoor	0	0	3604	0

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11601.79	0.00	627.15	12228.94
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.11	0.00	136.43	136.54
Total (i+ii+iii)	11601.90	0.00	763.58	12365.48
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change	(121.87)	0.00	(763.58)	(885.45)
Indebtedness at the end of the financial year				
i) Principal Amount	11479.37	0.00	0.00	11479.37
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.66	0.00	0.00	0.66
Total (i+ii+iii)	11480.03	0.00	0.00	11480.03

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration paid to Managing Director, Whole-time Director.

Sl. No.	Particulars of Remuneration	Mr. Salil Singhal Chairman & Mg. Director	Mr. Mayank Singhal MD & CEO	Mr. Rajnish Sarna Whole-time Director & CFO
	Gross salary	(Amount/₹)	(Amount/₹)	(Amount/₹)
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,94,79,500	4,51,12,785	2,71,62,920
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	44,48,960	40,91,544	1,44,22,933*
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Options	-	-	Value included in 1(b) above
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	1.50	1.36	1.13
5	Others- Gratuity/PF	28,22,400	24,19,200	15,62,400
	Total	5,67,50,860	5,16,23,529	4,31,48,253
	Ceiling as per the Act (@ 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013- in ₹/Crores)			37.87

Note: Value of perquisites also includes commission for financial year 2013-14 paid in 2014-15.

* Value of stock options also included in perquisites u/s 17(2) of Income Tax Act, 1961

B. Remuneration paid to other Directors.

Sl. No.		Fee for attending Board / committee meetings*	Commission	Total (Amt/₹)
1.	Mr Bimal K. Raizada	4,05,000/-	12,00,000/-	16,05,000/-
2.	Mr Narayan K. Seshadri	2,80,000/-	12,00,000/-	14,80,000/-
3.	Dr Venkatrao S. Sohoni	1,35,000/-	12,00,000/-	13,35,000/-
4.	Mrs Ramni Nirula	1,60,000/-	12,00,000/-	13,60,000/-
5.	Mr Pravin K. Laheri	1,35,000/-	12,00,000/-	13,35,000/-
6.	Mr Raj Kaul	25,000/-	-	25,000/-
7.	Mr Anurag Surana	60,000/-	12,00,000/-	12,60,000/-
	Total Managerial Remuneration	12,00,000/-	72,00,000/-	84,00,000/-
	Ceiling as per the Act @ 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 (₹/Crores)			3.78

(*) excluding reimbursement of travel and other expenses incurred for the Company's business / meetings.

C. Remuneration to key managerial personnel other than MD/WTD

Sl. No.	Particulars of Remuneration	Mr Naresh Kapoor Company Secretary (Amt/₹)
	Gross salary	
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,72,162
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,59,670*
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-
2	Stock Options	Value included in 1(b) above
3	Sweat Equity	-
4	Commission - as % of profit - others, specify...	-
5	Others- Retirement benefits	1,84,194
	Total	35,16,026

* Value of stock options included in value of perquisites u/s 17(2) of Income Tax Act, 1961

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NONE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					

**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013
and Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2014-15 as well as the percentage increase in remuneration of each Director, Chief Financial Officer / Company Secretary is as under:

Explanation: (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values)

Name of Director	Ratio to Median Remuneration	Percentage increase in remuneration over previous year
Non-Executive Director		
Mr. Narayan K. Seshadri	3.24:1	48.00
Mr. Raj Kaul *	0.05:1	N.A
Mr. Bimal K. Raizada	3.51:1	60.50
Mr. Pravin K. Laheri	2.92:1	60.84
Mrs. Ramni Nirula	2.97:1	61.90
Mr. Anurag Surana	2.76:1	51.81
Dr. Venkatrao S. Sohoni	2.92:1	51.70
Executive Director		
Mr. Salil Singhal, Chairman & Mg. Director	139.85:1	23.00
Mr Mayank Singhal, Mg. Director & CEO	127.68:1	22.09
Mr Rajnish Sarna, Whole-time Director/CFO	71.42:1	27.57

*Mr Raj Kaul resigned from the Board w.e.f 6.10.2014

Note: a) Remuneration to Non-Executive Director comprises of sitting fees and Commission. Commission relates to the financial year ended March 31, 2015, which shall be paid during FY 2015-16.

b) Value of stock options has not been considered while determining the increase in remuneration.

The percentage increase in remuneration of the Company Secretary is 17.16 %.

2. The percentage increase in median remuneration of employees in Financial Year 2014-15: 15%
3. The number of permanent employees on the rolls of Company: 1470.

4. The explanation on the relationship between average increase in remuneration and Company performance:

Business goals are set up in beginning of the year based on the Company's business strategy which are further deployed in individuals KRA's. Performance evaluation is done on the basis of grading assigned to the individual on basis of their performance. Remuneration of employees has a close linkage with the performance of the Company. The Performance Linked Reward (PLR), which is a variable component in the remuneration of all the managerial staff, has a direct correlation with the Company's performance. PLR is calculated on the basis of individual's and Company's performance. Company Performance has a higher weightage for senior positions and lower weightage for junior positions.

5. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2014-15 (₹/Cr)	17.34
Revenue (₹/Cr)	1939.65
Remuneration of KMPs (as % of revenue)	0.89
Profit after Tax (PBT) (₹/Cr)	352.60
Remuneration of KMP (as % of PBT)	4.91

In line with Company's remuneration policy, the salary increase and the annual bonus pay-outs of its Employees including Key Managerial Personnel are directly linked to individual performance as well as that of the business. Given the superior business performance and the performance rating of the Key Managerial Personnel, appropriate reward by way of salary increase or variable pay have been awarded to the Key Managerial Personnel for the current year. This was duly reviewed and approved by the Nomination & Remuneration Committee of the Company.

During the year, the Company's net sales grew by 21.61%, operating profit grew by 29.55% and net profit grew by 32.39%.

6. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

	As on 31st March, 2015	As on 31st March, 2014	% Change
Market Capitalisation (₹/Cr)	8313.39	3788.59	119.43%
Price Earnings Ratio	34.12	20.59	66%

The data for comparison of company shares with respect to public offer has not been provided since the company has never come out with public offering. However, the market quotation of the Equity Shares of the Company as at 31st March, 2015 was ₹608.70 with face value of ₹1/- each.

7. 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 the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

	% change in remuneration
Average increase in salary of employees (other than managerial personnel)	21%
Average increase in remuneration of Key Managerial personnel	23%

The increment given to each individual employee is based on the employees' potential, experience, performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India. It may however be noted that Executive Directors are also entitled to commission which is decided by Board on the basis of the recommendation(s) received from Nomination & Remuneration Committee. Further stock options have been granted to Whole-time Director and Company Secretary. Hence, the same is strictly not comparable to percentile increase in salary of other employees. It is clarified here that value of stock option has not been taken in to account for computing this increase.

8. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

	Mr Salil Singhal Chairman & Mg Director	Mr Mayank Singhal, Mg Director & CEO	Mr Rajnish Sarna, Whole- time Director & CFO	Mr Naresh Kapoor, Company Secretary
Remuneration in FY 2014-15 (In ₹)	6,39,37,600	5,83,74,400	*4,70,40,937	*41,21,288
Revenue (₹/Cr)	1,939.65			
Remuneration of each KMP as % of Total Revenue	0.33	0.30	0.24	0.02
Profit before Tax (₹/Cr)	352.60			
Remuneration of each KMP as a % of PBT	1.81	1.66	1.33	0.11

*Includes value of stock options

Remuneration includes salaries, allowances, perquisites and retiral benefits. It also includes commission payable for FY 2014-15.

9. The key parameters for any variable components of remuneration availed by the Directors:

The variable component of Non-Executive Directors' remuneration comprises of commission. In terms of the Shareholders' approval obtained at the Annual General Meeting held on September 10, 2014, commission is paid at a rate not exceeding 1% per annum of the profits of the Company, computed in accordance with the provisions of the Companies Act, 2013. The distribution of commission among the Non-Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board. The commission is distributed on the basis of their attendance and contribution at the Board and Committee Meetings as well as guidance provided to senior management other than at meetings.

The Company pays remuneration by way of commission as variable component to the Executive Directors. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year, based on the recommendations of the Nomination and Remuneration Committee and subject to the overall ceilings stipulated in the Companies Act, 2013. Specific amount payable as commission is based on the performance criteria laid down by the Board, which broadly takes into account the profits earned by the Company for the year. In addition to same, stock options are also granted to Whole-time Director.

10. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:

The highest paid Director is the Chairman & Managing Director. None of the employee has received remuneration in excess of that paid to the Chairman & Managing Director during the year.

11. Affirmation that the remuneration is as per the Remuneration Policy of the Company:

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

Details of Shares issued under Employee Stock Option Plan (ESOP)

A Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

Sl. No.	Particulars	Details
1	Details of the Meeting	Scheme authorised by the shareholders of the company on 21st January 2011
2	Approved*	6,262,090 shares
3	The Pricing Formula	Options shall be granted at a discount to the closing market price of shares on NSE where the trading volume is higher, one day prior to the date of grant
4	Options Granted	4,093,731
5	Options Vested and Exercisable	263,106
6	Options Exercised	1,432,554
7	Options Cancelled	637,488
8	Options Lapsed	0
9	Total Number of Options in force	2,023,689
10	Variation in terms of ESOP	Not Applicable
11	Total number of shares arising as a result of exercise of options	1,432,554
12	Money realised by exercise of options (₹ in Lakhs)	797.62
B	Employee-wise details of options granted during the financial year 2014-15 to:	
i)	Senior managerial personnel	Nil
ii)	Employees who were granted, during any one year, options amounting to 5% or more of the options granted during the year	Mr H.P Maurya – 49389 Mr Vineet Kumar Chawla – 31679 Mr Sunil Waghmare - 28289 Mr S. Srinivas Rao - 25638 Mr Dharmendra Mehra – 22128 Mr AVR Kartik - 18498
iii)	Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil
C	Weighted average Fair Value of Options granted during the year whose	
(a)	Exercise price equals market price (₹)	Not Applicable
(b)	Exercise price is greater than market price (₹)	Not Applicable
(c)	Exercise price is less than market price (₹)	278.94
C	Weighted average Exercise price of options granted during the year whose	
(a)	Exercise price equals market price (₹)	Not Applicable
(b)	Exercise price is greater than market price (₹)	Not applicable
(c)	Exercise price is less than market price (₹)	409.28
D	The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2014-15 is ₹74.12 Lacs. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2014-15 would be ₹503.57 lacs. The effect of adopting the fair value method on the net income and earnings per share is presented below:	
	Pro Forma Adjusted Net Income and Earning Per Share	

	Particulars	₹ in lacs
	Net Income as reported	24,324.90
	Add: Intrinsic Value Compensation Cost	74.12
	Less: Fair Value Compensation Cost	503.57
	Adjusted Pro Forma Net Income	23,895.45
	Earning Per Share: Basic	
	As Reported	17.84
	Adjusted Pro Forma	17.52
	Earning Per Share: Diluted	
	As Reported	17.65
	Adjusted Pro Forma	17.33
E	Method and Assumptions used to estimate the fair value of options granted during the year:	
	The fair value has been calculated using the Black Scholes Option Pricing model	
	The Assumptions used in the model are as follows:	
	Variables	19th September 2014
	1. Risk Free Interest Rate	8.56% to 8.57%
	2. Expected Life	4 years to 7 years
	3. Expected Volatility	45% to 61%
	4. Dividend Yield	0.48%
	5. Price of the underlying share in market at the time of the option grant.(₹)	454.75



CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance in compliance with revised Clause 49 of the listing agreement executed with the Stock Exchanges.

1. Company's Philosophy on Code of Corporate Governance:

Your Company firmly believes that good corporate governance practices are ingredients for the balanced development of an organization which would not only maximize the shareholder's value but also contribute to sustained and long lasting development of the organization. The Board of Directors believes in ethical values and high moral standards in achieving the highest standards of corporate governance.

At PI, activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. The Board plays a critical role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and

independent Board. We keep our governance practices under continuous review and strive to achieve excellence in governance norms.

Your Company has complied with the guidelines on corporate governance stipulated in Clause 49 of the Listing Agreements executed with the Stock Exchanges, the disclosure requirements of which are given below:

2. Board of Directors Composition

The Company is managed and controlled by a professional Board comprising a blend of Executives and Non-Executive professional Directors. As on March 31, 2015, the Board of Directors consists of 8 Directors including Chairman & Managing Director, Managing Director & CEO, Whole-time Director and 5 Non-executive Directors, out of which 4 are Independent Directors including one woman director.

The names and categories of the Directors on the Board along with their attendance at the Board meetings held during the year ended March 31, 2015 and at the last Annual General Meeting, and the number of other Directorship and Chairmanship / Membership of Committees held by them, is given below:

Name of Directors	Category of Directorship	No. of Board Meetings attended (Out of 4 meetings held)	Attendance at the last AGM on 10.9.2014	Directorships in Companies Incorporated in India Including PI Industries Ltd*	No. of other Board Committees of which Member / (Chairman)*
Mr. Salil Singhal	Chairman and Managing Director	3	No	7	3
Mr. Mayank Singhal	Managing Director & CEO	2	No	3	1
Mr. Rajnish Sarna	Whole time Director & CFO	3	Yes	3	1
Mr. Anurag Surana	Non-Executive and Non Independent	3	No	3	1
Mr. Narayan K. Seshadri	Non-Executive and Independent	4	No	8	6(4)
Mr. Raj Kaul **	Non-Executive and Non-Independent	-	No	-	-
Mr. Pravin K. Laheri	Non-Executive and Independent	4	No	7	1
Mr. Bimal Kishore Raizada [@]	Non-Executive and Independent	4	Yes	-	-
Mrs. Ramni Nirula	Non-Executive and Independent	4	No	10	9(4)
Dr. Venkatrao S. Sohoni	Non-Executive and Independent	3	No	2	1
Mr. P.N. Shah #	Non-Executive and Independent	0	N.A	-	-

* Note: Excludes Directorships in Private Limited Companies, Foreign companies and Government Bodies.

Only Audit Committee and Stakeholders' Relationship Committee have been considered for the committee positions.

** Mr. Raj Kaul resigned from the Board of the Company w.e.f. October 6, 2014.

@ Mr. Bimal K. Raizada died on March 19, 2015, hence ceases to be a Director on the Board of the Company w.e.f. aforesaid date

Mr. P.N. Shah resigned from the Board of the Company w.e.f. April 1, 2014.

None of the Independent Directors were on the board of more than 7 listed companies neither executive directors were on the board of more than 3 listed companies

Details of the Directors seeking re-appointment at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement, have been given alongwith the Notice of Annual General Meeting.

None of the Independent Directors were on the Board of more than seven listed Companies. All the Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 read with relevant rules. Formal letter of appointments have been issued to the Independent Directors and the terms and conditions of their appointment letter have been disclosed on the website of the Company. The Independent Directors were appointed by the members at last Annual General Meeting for a period of 3 years and they hold their office till the conclusion of Annual General Meeting to be held in 2017 and shall be eligible for reappointment for a further period of 5 years subject to member's approval by way of Special Resolution.

Procedure/Guidelines for appointment of Directors

The Nomination and Remuneration Committee has been assigned with the responsibility of developing competency requirement for the Board which is based on the long term strategy of the company and the competency/skill set required for the Industry. The Committee evaluates the composition of the Board from time to time for gap analysis, if any, in accordance with the prevailing laws and makes its recommendation to the Board with respect to the appointment of new director after reviewing the profiles of potential candidates. The Committee inter alia considers the criteria of Independence, functional knowledge, domain expertise and the experience of the candidate in its selection process.

Board Meetings

The Board meets at regular intervals to review the performance of the Company. During the year under review, besides meeting of Committee of Directors, 4 (four) Board Meetings were held on May 21, 2014, July 24, 2014, October 28, 2014 and February 11, 2015.

Board Procedure

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure X to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary. It also includes periodical review of compliances relating to all applicable laws and steps taken by the company to rectify the instances of non-compliance, if any. The Board critically evaluates the Company's strategic directions, management policies and their effectiveness. The Board regularly reviews inter-alia, industry environment, annual business plans and performance against the plans, business opportunities including investments/ divestment, related party transactions, compliance processes including material legal issues, strategy, risk management practices and approval of financial statements/ results. Senior executives are invited to provide additional inputs

at the Board meetings for the items discussed by the Board of Directors, as and when required. Frequent and detailed interaction provides the strategic roadmap for the Company's future growth. Board also reviews the declaration made by the Managing Director regarding compliance with all applicable laws on a quarterly basis.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on February 11, 2015 without the attendance of Non-Independent Directors and members of the management as required under Schedule IV to the Companies Act, 2013 and Clause 49 of the listing agreement. The Independent Directors:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;
- Reviewed the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors; and
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors attended the meeting.

Familiarization Programme for Independent Directors

On joining, a detailed appointment letter is issued to Independent Directors incorporating the roles, responsibilities and duties as expected from them and also containing the code of conduct applicable to Independent Directors.

An induction programme is done for Independent Director to familiarize them with the nature of business in which the company operates, and business model of the Company. It also includes the familiarization with important statutory & regulatory provisions governing the Industry.

Periodic presentations are made at the Board and its committees, on business and performance updates of the Company, business strategies etc. Apart from that regular updates on relevant statutory changes and presentations on same are done in meetings held to familiarize them with the updates. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed on following web link <http://piindustries.com/sites/default/files/POLICY%20ON%20FAMILIARIZATION%20PROGRAMS%20FOR%20INDEPENDENT%20DIRECTORS.pdf>

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board, in accordance of the evaluation programme laid down by the Nomination and Remuneration Committee, has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, long term strategic planning etc.

Evaluation of Directors was done keeping in view the various aspects such as attendance and contribution at Board/Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members.

The Committee evaluation was done on the basis of degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole.

The results of the Evaluation were shared with the Board.

3. Committees of the Board of Directors

The Board of Directors has constituted following Committees of Directors with adequate delegation of powers to discharge urgent business of the Company:

- Audit Committee
- Stakeholder's Relationship Committee
- Nomination & Remuneration Committee
- Administrative Committee
- Management Committee
- Compensation Committee
- Corporate Social Responsibility Committee

The detailed terms of reference, composition and other details of the Committees are as under:

i) AUDIT COMMITTEE

Composition and attendance of the members of the Audit committee

As on April 01, 2014, the Audit Committee comprised of Mr P. N Shah, Mr Bimal K. Raizada, Mr. Narayan K. Seshadri and Mr. Rajnish Sarna, as members. Mr P. N Shah, Chairman of the Audit Committee resigned from the Board w.e.f April 01, 2014 and accordingly Mr Bimal K. Raizada was elected as Chairman of the Audit Committee.

Further in view of the sudden demise of Mr Bimal K. Raizada on 19.3.2015, the Board of Directors vide circular resolution

passed on March 31, 2015 reconstituted the committee by co-opting Mrs Ramni Nirula as member and also elected Mr Narayan K. Seshadri as Chairman.

The members of Audit Committee comprises majority of Independent Directors and all the members of the Audit Committee have accounting or financial management expertise.

The Audit Committee meets at least four times in a year and not more than four months gap between two meetings. Accordingly, the Audit Committee during the FY 2014-15, met four times on May 21, 2014, July 24, 2014, October 28, 2014 & February 11, 2015.

The composition and attendance record of the members of the Audit Committee for the FY 2014-15 is as follows:

Name	Category	Meetings held	Meetings attended
Mr. Bimal K. Raizada*	Chairman*	4	4
Mr. Narayan K. Seshadri \$	Chairman\$	4	4
Mr. Rajnish Sarna	Member	4	3
Mrs Ramni Nirula**	Member	-	-
Mr. P.N. Shah@	Member	-	-

* Mr. Bimal K. Raizada held the position of Chairman of the Committee till March 19, 2015.

\$ Mr. Narayan K. Seshadri has been appointed as Chairman of the Committee w.e.f. March 31, 2015

** Mrs Ramni Nirula co-opted as Member w.e.f. March 31, 2015.

@ Mr. P.N. Shah resigned w.e.f. April 1, 2014.

Mr. Mayank Singhal, Managing Director & CEO, Mr. K. Narasa Reddy, Internal Audit Head of the Company and the Internal Auditors are permanent invitees. The Statutory Auditors / Cost Auditors are also invited to attend aforesaid meetings.

The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee, Mr. Bimal K. Raizada was present at the Annual General Meeting of the Company held on September 10, 2014.

Terms of reference

- (a) To review with the management, the quarterly financial statements before recommending the same to Board for its approval.
- (b) Oversight the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;
- (c) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of

- the statutory / internal auditors, terms of appointment and the fixation of audit fee;
- (d) Recommending to the Board, the appointment and fixation of remuneration of Cost Auditors.
- (e) Reviewing with the management the Annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
- matters to be included in the Directors' Responsibility Statement to be included in the board's report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - changes, if any, in accounting policies and practices and reasons for the same.
 - major accounting entries involving estimates based on the exercise of judgment by management.
 - significant adjustments made in the financial statements arising out of audit findings.
 - compliance with listing and other legal requirements relating to financial statements.
 - disclosure of any related party transactions.
 - qualifications in the draft audit report, if any.
- (f) Review and monitor the auditor's independence and performance, and effectiveness of audit process; approval of payment to statutory auditors for any other services rendered by the Statutory auditors.
- (g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control system.
- (h) Approval or any subsequent modification of transactions of the Company with related parties; Scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the company, wherever it is necessary.
- (i) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (j) Reviewing reports of internal audit for internal control weaknesses and discussion with internal auditors on any significant findings of any internal investigations by the internal auditors and the executive management's response on matters and follow-up thereon;
- (k) Evaluation of internal financial controls and risk management systems;
- (l) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- (m) Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders

- (in case of nonpayment of declared dividends) and creditors;
- (n) Reviewing the Management discussion and analysis of financial condition and results of operation.
- (o) Reviewing the Statement of significant related party transactions (as defined by the audit committee), submitted by the management.
- (p) Reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors.
- (q) Approval of appointment of CFO after assessing the qualifications, experience and background etc.;
- (r) Reviewing, with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (s) To review the functioning of the Whistle Blower Mechanism;
- (t) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (u) To perform such other functions as may be prescribed by the Companies Act, 2013, listing agreement with Stock Exchanges or any other law or as may be delegated by the Board from time to time, to be performed by the Audit Committee.

ii. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Committee looks into the process of share transfers, grievances of security holders, if any, and also reviews the working of Company's Registrar & Share Transfer Agent.

Terms of reference

The committee is entrusted with the powers related to and overseeing the performance of Registrar & Transfer Agents.

The committee focuses on the following:

- Reviewing and redressing the complaints, if any, from security holders.
- Recommending measures for overall improvement in the quality of services being provided to the shareholders/ investors.
- All the matter related to Share transfer/ transmission etc.
- Overseeing the Performance of Registrar & Transfer Agents.

Composition and attendance of the committee members during 2014-15

As on March 31, 2015, the Committee comprises of 3 members, composition details of the committee are detailed in

table given below. The Committee met 3 times during the year on April 30, 2014, October 28, 2014 and February 11, 2015. The Board of Directors at their meeting held on July 24, 2014 has re-constituted the committee and Mr. Bimal K. Raizada was co-opted as member of the committee.

The composition and attendance record of the members of the committee are as follows:

Name	Category	Meetings held	Meetings attended
Mrs. Ramni Nirula	Chairperson	3	3
Mr. Salil Singhal	Member	3	2
Mr. Mayank Singhal	Member	3	2
Mr. Bimal K. Raizada*	Member	2	2

* Mr. Bimal K. Raizada ceased to be member of the committee on March 19, 2015.

Mr Naresh Kapoor, Company Secretary acts as the Secretary to the Committee and also the Compliance Officer under the provisions of the listing agreement.

During the year, the Company has received 251 communications including 53 complaints for issues e.g. non receipt of Dividend Warrants / Share Certificates, queries/requests for change of address, correction in the name, issue of duplicate certificates/deletion of joint name due to death, transmission of shares etc. which were duly attended and no complaint/request is pending as on 31.3.2015.

Redressal of Investor Grievances

The Company and its Registrar & Transfer Agent i.e Karvy Computershare Private Ltd, addresses all complaints, suggestions, grievances and other correspondence expeditiously and replies are sent usually within 7-10 day's except in case of legal impediments and non-availability of documents. The Company endeavours to implement suggestions as and when received from the investors.

Share Transfer Mechanism

The share transfer requests received in physical form are processed through Registrar and Share Transfer Agent (RTA), Karvy Computershare Pvt. Ltd. within 6-7 days from the date of receipt, subject to the completeness of documents in all aspects. The share certificates duly endorsed are returned immediately to the shareholders by RTA. The details of transfers/transmission so approved from time to time, are placed before the Stakeholders Relationship Committee & the Board for noting and confirmation.

Pursuant to Clause 47(c) of the listing agreement with the stock exchanges, Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company, certificates for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 and

Reconciliation of the Share Capital Audit obtained from a practicing Company Secretary have been submitted to stock exchanges within stipulated time.

(iii) NOMINATION & REMUNERATION COMMITTEE

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee has been revised by the Board in its meeting held on 21st May, 2014 to meet the requirements of provisions of Section 178 of Companies Act, 2013 and Clause 49 of the listing agreement. The role of the Committee inter-alia, includes the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to Board a policy, relating to the remuneration of directors, key managerial personnel and other employees.
- Devising policy on board diversity.
- Formulation of criteria for evaluation of Independent Directors and Board
- Identifying the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to Board their appointment and removal.

The Nomination and Remuneration Policy has been formulated in accordance with Section 178 of the Companies Act, 2013 and applicable clauses of Clause 49 of the listing agreement. Further the details of remuneration paid to all the directors and other disclosures required to be made under Clause 49 of the listing agreement have been published elsewhere in this report.

Composition, Meeting and attendance

The Nomination and Remuneration Committee comprised of 4 Independent Directors. The Chairman of the Committee was present at the last Annual General Meeting. The Company Secretary acts as Secretary to the Committee.

During the year 2014-15, Nomination and Remuneration Committee meeting was held on May 21, 2014. The necessary quorum was present in the meeting. The attendance of members was as follows.

Name	Category	Meetings held	Meetings attended
Mr. Bimal K. Raizada*	Chairperson	1	1
Mr Narayan K. Seshadri\$	Member	1	1
Dr Venkatrao S. Sohoni	Member	1	1
Mrs Ramni Nirula	Member	1	1

* Mr. Bimal K. Raizada ceased to be member of the committee on March 19, 2015.

\$Mr. Narayan K. Seshadri has been appointed as Chairman w.e.f. March 31, 2015.

Remuneration Policy:

The remuneration policy of the company is based on following principles

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The criteria governing the Company's Remuneration Policy is as follows:-

Remuneration to Independent Directors and Non-Independent Non-Executive Directors

Payment of sitting fees for attending the meetings of the Board and the Committees of which they may be members and commission as may be decided by the Board of Directors within the ceiling limits as specified by the provisions of the Companies Act, 2013 that have been duly approved by the shareholders. The commission payable is decided on the basis of the Company's performance, profits and the contribution made by the Directors to the company growth.

Remuneration for Managing Director/Whole-time Director/Chairman & Managing Director and KMP

The remuneration payable to Executive Directors is approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee which takes in the account various factors like the role played by the individual director, vision in growth of the company, strategy formulation, planning and direction and contribution to the growth of the company. The remuneration paid to Executive Directors is within the overall limits as approved by the shareholders of the company subject to review by the Board members annually.

In addition to the salary and perquisites, the Executive Directors are also entitled to commission that is calculated with reference to the net profits of the company in accordance with the provisions of Sec 198 of the Companies Act, 2013. The same is based on the performance of individual director as evaluated by the Nomination and Remuneration Committee and approved by the Board.

Basic salary is provided to all employees commensurate with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits including stock options etc. The Company also provides mediclaim and personal accident insurance to the employees

apart from retirement benefits like gratuity and provident fund. The Company also provides employees a performance linked bonus that is driven by the outcome of the performance appraisal process and the performance of the Company.

(iv) ADMINISTRATIVE COMMITTEE:

Terms of reference:

This committee facilitates the approvals required for routine business activities of the Company where the powers are delegated by the Board to the Committee like opening/closing of bank accounts, borrowing powers, creation of security, investment of idle funds lying with the company etc.

Composition and attendance of the members of the Administrative Committee

The Administrative Committee comprised of 3 members. Mr Bimal K. Raizada, Independent Director as Chairman, Mr Salil Singhal and Mr Mayank Singhal as members of the Committee. Due to sudden demise of Mr. Bimal K. Raizada, Chairman of the Committee on March 19, 2015, the Committee was re-constituted vide circular resolution passed by Board members dated March 31, 2015 and Mr Rajnish Sarna was inducted as member and Mr. Salil Singhal was appointed as Chairman of the Committee.

The committee has met 5 times during the year on April 23, 2014, May 22, 2014, August 6, 2014, November 25, 2014 and February 11, 2015.

Attendance of committee members during 2014-15:

Name	Category	Meetings held	Meetings attended
Mr. Bimal K. Raizada *	Chairman	5	5
Mr. Salil Singhal\$	Member	5	5
Mr. Mayank Singhal	Member	5	4
Mr. Rajnish Sarna**	Member	-	-

* Mr. Bimal K. Raizada, Chairman of the committee ceased to be a member w.e.f. March 19, 2015

** Mr. Rajnish Sarna co-opted as Member w.e.f. March 31, 2015.

\$ Mr. Salil Singhal was appointed as Chairman of the Committee w.e.f. March 31, 2015.

The Company Secretary acts as the Secretary to the Committee.

(v) MANAGEMENT COMMITTEE

The Management Committee reviews the business operations of the Company. The Committee broadly oversees implementing the overall business strategy, identifying areas of further value creation and new initiatives for enhancing the business competitiveness.

Terms of reference

- To provide input into and recommend Company's vision,

mission, goals, business plans, performance objectives and management review system for approval by the Board;

- b. Regularly reviewing business performance Vs. strategic and operational plans and ensure that timely corrective actions are taken;
- c. To recommend corporate financial objectives, plans, and actions, including significant capital allocations and expenditures, capital restructuring, fund raising, investor relations etc. to the Board for approval.
- d. To recommend policies, procedures and guidelines for key corporate actions including strategic alliances, M&A, major investment evaluation, GRC, etc. to the Board for approval;

Composition and attendance of members of Management Committee

As on March 31, 2015, Management Committee comprises of 5 members namely, Mr. Salil Singhal, as Chairman, Mr. Narayan K. Seshadri, Mr. Mayank Singhal, Dr. Venkatrao S. Sohoni and Mr. Rajnish Sarna, as members.

The committee has met twice during the year on May 22, 2014 and August 6, 2014. The composition and attendance record of the present members of the committee are as follows:

Name	Category	Meetings held	Meetings attended
Mr. Salil Singhal	Chairman	2	2
Mr. Mayank Singhal	Member	2	2
Mr. Narayan K. Seshadri	Member	2	2
Mr. Raj Kaul *	Member	2	1
Mr. Bimal K. Raizada **	Member	2	2
Dr. Venkatrao S. Sohoni	Member	2	2
Mr. Rajnish Sarna	Member	2	2

* Mr. Raj Kaul ceased to be a member w.e.f. October 6, 2014.

** Mr Bimal K. Raizada ceased to be a Member w.e.f. March 19, 2015.

(vi) COMPENSATION COMMITTEE

The Compensation Committee administers Stock Option Plan of the Company and determines eligibility of employees for grant of Stock Options.

Composition and attendance of members of Compensation Committee

The Committee comprised of 3 members with Mr Bimal K. Raizada as Chairman, Mr Narayan K. Seshadri and Mr P. K. Laheri as members. Due to sudden demise of Mr. Bimal K. Raizada, Chairman of the Committee on March 19, 2015, the committee was re-constituted vide circular resolution passed by Board members dated March 31, 2015 and Mr. Narayan K. Seshadri elected as Chairman and Mrs Ramni Nirula was co-

opted as member. The Company Secretary acts as Secretary to the Committee.

The committee met once during the year on September 19, 2014. The composition and attendance record of the present members of the committee are as follows:

Name	Category	Meetings held	Meetings attended
Mr. Bimal K. Raizada *	Chairman	1	1
Mr. Narayan K. Seshadri\$	Member	1	1
Mr. Pravin K. Laheri	Member	1	1
Mrs Ramni Nirula **	Member	-	-

* Mr. Bimal K. Raizada ceased to be a member w.e.f. March 19, 2015.

** Mrs Ramni Nirula was co-opted as Member w.e.f March 31, 2015.

\$Mr. Narayan K. Seshadri was appointed as Chairman of the committee w.e.f March 31, 2015.

(vii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee was constituted by the Board on November 5, 2011. The Committee's responsibility is to assist the Board in undertaking CSR activities by way of formulating, monitoring and implementation of CSR Policy of the Company.

As per the Section 135 of the Companies Act, 2013, every Company having net worth of ₹500 crore or more, or turnover of ₹1000 crore or more or a net profit of ₹5 crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one Director shall be an Independent Director.

The brief terms of reference of the Committee are as follows:

- (a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company;
- (b) Recommending the amount of expenditure to be incurred on CSR activities and;
- (c) Monitoring the implementation of Corporate Social Responsibility Policy of the Company from time to time.
- (d) Monitoring the implementation of the CSR projects or programs or activities undertaken by the Company.

Composition and attendance of the members of the Corporate Social Responsibility Committee

As on 31st March, 2015, the Committee consists of five members namely Mr. Salil Singhal, as Chairman and Mr. Mayank Singhal, Mr. Rajnish Sarna, Mr. Pravin K. Laheri and Mrs Ramni Nirula as Members.

The committee met once during the year on May 17, 2014. The composition and attendance record of the present members of the committee are as follows:

Name	Category	Meetings held	Meetings attended
Mr. Salil Singhal	Chairman	1	1
Mr. Mayank Singhal	Member	1	1
Mr. Rajnish Sarna	Member	1	1
Mr. Pravin K. Laheri	Member	1	1
Mr. Bimal K. Raizada *	Member	1	1
Mrs Ramni Nirula **	Member	-	-

* Mr. Bimal K. Raizada ceased to be a member w.e.f. March 19, 2015.

** Mrs Ramni Nirula was co-opted as Member w.e.f. May 21, 2014.

4. Director's Remuneration

i. Remuneration paid to Executive Director(s)

The remuneration of the Executive Director(s) is recommended by the Nomination and Remuneration Committee based on factors such as Industry benchmarks, the Company's performance vis-à-vis the industry performance etc., which is decided by the Board of Directors. Remuneration comprises of fixed component viz. salary, perquisites and allowances and a variable component viz. commission. The Nomination and Remuneration Committee also recommends the annual increments within the salary scale approved by the members as also the Commission payable to the Whole-time Director(s) on determination of profits for the financial year, within the ceilings on net profits prescribed under Section 197/198 of the Companies Act, 2013. Details of remuneration paid to the Executive Directors during the financial year 2014-15 are given below:

Name	Salary (₹)	Perquisites (₹)	PF & Sup'n (₹)	Commission@ (₹)
Mr. Salil Singhal Chairman & Managing Director	1,68,00,000	1,67,95,200	45,36,000	2,50,00,000
Mr. Mayank Singhal, CEO & Managing Director	1,44,00,000	1,43,95,200	38,88,000	2,50,00,000
Mr. Rajnish Sarna, Whole time Director & CFO	93,00,000	2,36,78,537 ^(b)	11,16,000	1,25,00,000

a) Remuneration above excludes gratuity and leave encashment.

b) In case of Mr Rajnish Sarna, perquisite value arising out of exercise of 30,621 stock options during the financial year 2014-15 has also been included. In addition to above, Mr Rajnish Sarna also holds 1,89,924 equity shares and 30,621 stock options (granted @ ₹52.62 as per Company's ESOP Plan) as on March 31, 2015.

c) Mr Salil Singhal and Mr Mayank Singhal are related to each other.

d) Mr Salil Singhal holds 3,89,59,053 equity shares and Mr Mayank Singhal holds 4,45,337 equity shares as on March 31, 2015.

@ Commission payable for FY 2014-15

ii. Remuneration to Non-Executive Directors

Sitting fees is paid to Non-executive Directors for attending Board / Committee Meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance expenses incurred for attending such meetings. The Commission payable to Non-Executive Directors is decided by the Board within the limits of 1% of the net profits as approved by the members of the Company. The details of sitting fees paid and commission paid/ payable to the Non-Executive Directors for year ended March 31, 2015 and No. of equity shares held by them as on 31.3.2015 are as under:

Directors	Sitting Fees (₹)	@Commission (₹)	No. of Equity shares held
Mr. Narayan K. Seshadri	280000	12,00,000	1308780
Mr. Raj Kaul *	25000	Nil	Nil
Mr. Bimal K. Raizada **	405000	12,00,000	Nil
Mr. Pravin K. Laheri	135000	12,00,000	Nil
Mrs. Ramni Nirula	160000	12,00,000	Nil
Mr. Anurag Surana	60000	12,00,000	101440
Dr. Venkatrao S. Sohoni	135000	12,00,000	Nil
Mr. P.N. Shah \$	-	-	-

* Mr. Raj Kaul resigned w.e.f. October 6, 2014.

** Mr. Bimal K. Raizada ceased to be a director on March 19, 2015. The Commission was paid to Mrs Anjali Raizada in the capacity of legal heir

\$ Mr. P.N. Shah resigned w.e.f. April 1, 2014.

@ Commission payable for FY 2014-15.

During the year, there were no pecuniary relationships or transactions between the Company and the Non-Executive Directors apart from the sitting fees and the commission. The Company has not granted any stock options to any of its Non-Executive Directors.

Service Contract and Notice period of the Managing Director(s) and Whole-time Director

The same is governed in terms of the resolution(s) approved by the members of the company while approving their respective appointment.

5. Code of Conduct

Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of your Company has been framed and adopted by the Board of Directors. A copy of said Code of Conduct has also been posted on the company's website i.e. www.piindustries.com. Further, Code of Conduct for Independent Directors has been framed in accordance with Schedule IV to the Companies Act, 2013. All Independent directors have affirmed the compliance to aforesaid code.

A declaration signed by the Managing Director & CEO to this effect is enclosed at the end of this report.

6. Prohibition of Insider Trading

The Company has formulated & implemented a Code of Practices and Procedure for fair disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prevention of Insider Trading in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date. The code of conduct for prevention of insider trading, inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the company. The necessary procedures have been laid down for employees, connected persons and persons deemed to be connected for trading in the securities of the Company.

Company Secretary acts as the Compliance Officer under the said Insider Code responsible for complying with the procedures, monitoring adherence to the Code for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board of Directors.

7. Disclosures

(i) There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the company. Further, details of the

related party transactions are given in the Balance Sheet. The policy on dealing with Related Party Transactions is available on company's website at following link: http://www.piindustries.com/sites/default/files/RPT%20Policy_PI.pdf

(ii) There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital market during the last three years.

(iii) Disclosure of Accounting Treatment:

The financial statements have been prepared in accordance with the applicable Accounting Standards and relevant provisions of the Companies Act, 2013 and related rules as amended.

(iv) Risk Management:

The Company has formulated risk management in its procedures itself. The Company has further strengthened its risk management system and has further laid down procedures to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed and analysed to ensure that executive management controls risk through means of a properly defined framework and takes corrective action for managing / mitigating the same.

(v) Management Discussion and Analysis:

The Management Discussion and Analysis forms the part of the Annual Report and is given separately.

(vi) Compliances:

All Returns/Reports were generally filed within the stipulated time with the Stock Exchanges/ other authorities.

The Company has followed all the mandatory requirements prescribed under Clause 49 of the Listing Agreement.

Non-Mandatory Requirements.

Following non-mandatory requirements prescribed under clause 49 of the listing agreement have been complied with by the Company.

1. Separate posts of Chairman and CEO. The Company has separate persons to the post of Chairman and Managing Director/CEO.
2. The Internal Auditor reports to the Audit Committee.
3. During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unqualified financial statements.

8. General Body Meetings

i. Date and Venue of last three Annual General Meetings were held as under:

Date	Venue	Time	Type of meeting
September 10, 2014	Udaisagar Road, Udaipur-313 001	11.30 A.M.	Annual
August 29, 2013	Udaisagar Road, Udaipur-313 001	11.30 A.M.	Annual
September 14, 2012	Udaisagar Road, Udaipur-313 001	11.30 A.M.	Annual

ii. Special resolutions passed during last 3 AGMs

Date of AGM	Subject matter of Special Resolutions Passed
September 10, 2014	Commission to Non-Executive Directors for a sum not exceeding 1% per annum of the net profit of the Company for a period of 5 years w.e.f. April 1, 2014.
August 29, 2013	Increase in the Investment Limit of Registered Financial Institutional Investors upto 40% of the paid up capital of the Company.
September 14, 2012	Nil

9. Postal Ballot

During the year 2014-15, pursuant to Section 108, 110 and other provisions of the Companies Act, 2013 ("the Act"), the Company had performed postal ballot exercise and carried out the postal ballot procedure in accordance with the provisions and rules framed under the Act and clause 35B of the Listing Agreement.

The details / results of the postal ballot exercise so conducted are as under:

Date of notice of Postal Ballot	Date of Scrutinizer's report	Description	No. of Total valid Postal ballot Forms/E-votes received	Votes cast in Favour	Votes cast Against
21.5.2014	14.7.2014	Alteration of Objects clause of Memorandum of Association pursuant to section 13 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 - Special Resolution.	128	102296675	6632
		Scheme of Amalgamation of M/s Parteek Finance & Investment Co. Ltd. with the Company through a High Court approved scheme and pursuant to the provisions of section 391 to 394 and other applicable provisions of the Companies Act, 1956 - Ordinary Resolution.	*122	22265463	314493
		Borrowings under section 180(1)(c) of the Companies Act, 2013 - Special Resolution.	128	102270555	32752
		Creation of charge on the Company's movable / immovable properties, both present and future to secure borrowings under section 180(1)(a) of the Companies Act, 2013 - Special Resolution.	128	102269475	33832
		Making provisions of money to PII ESOP Trust by the Company, pursuant to the provisions of section 67 of the Companies Act, 2013 - Special Resolution.	128	94851980	7451082

*includes votes cast by the public shareholders. 7,97,20,110 votes cast by promoters in favour of resolution has been excluded in voting results in terms of SEBI circular no. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013.

The Postal Ballot exercise, under Section 108, 110 and other applicable provisions of the Companies Act, 2013 was conducted by Mr. R.S. Bhatia, a Company Secretary in Whole-time Practice, Scrutinizer appointed for this purpose(s) and necessary forms were filed with the Office of Registrar of Companies, Rajasthan through Electronic form. The Company had also provided e-Voting facility through NSDL in terms of listing agreement executed with the stock exchanges.

10. Means of Communication

Half yearly results/report	The Company publishes the results in one National and one Regional Newspaper apart from uploading it on its website and the same is also disseminated on online portals of NSE and BSE .
Quarterly results are normally Published in	The quarterly results are published in one National and one Regional Newspaper.
Any web-site, where displayed Results are uploaded	Results are sent to the stock exchanges where the shares of the Company are listed for uploading on their website. The results are also uploaded on Company's website and filed on NSE Electronic Application Processing System (NEAPS) and also on the BSE online portal.
Whether it also displays official news releases and the presentations made to Institutional Investors or to the analysts	Yes, same are updated on Company's website
Whether Management Discussion & Analysis report is a part of Annual Report or Not	Yes
Whether Shareholder Information Section forms part of the Annual Report	Yes

11. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and Likely Impact on Equity

The Company has not issued any GDR/Warrants or any convertible instruments except 20,23,689 stock options granted to the employees under PII-ESOP Plan 2010. Each option shall entitle one equity share of the company. For details refer, annexure to Directors Report.

12. Whistle Blower Policy

Pursuant to Section 177 of the Companies Act, 2013 read with Clause 49 of the listing agreement, the Company has in place a whistle blower policy for establishing a vigil mechanism for Directors and employees to report instances of unethical and/or improper conduct and actioning suitable steps to investigate and correct the same. It is also affirmed that no member has been denied access to the Audit Committee. The whistle Blower Policy can be accessed on the following weblink of the Company: <http://www.piindustries.com/sites/default/files/Whistle%20Blower%20Policy.pdf>

13. Additional Shareholder's Information

i) CONTACT INFORMATION

Registered Office

PI Industries Ltd
 Udaisagar Road, Rajasthan (India)
 Udaipur - 313 001
 CIN NO: L24211RJ1946PLC000469

Corporate Office

Vipul Square, 5th Floor, B-Block, Sushant Lok Phase - I
 Gurgaon -122 009, Haryana (India)

Research & Manufacturing Facilities

Udaisagar Road, Udaipur - 313 001 Rajasthan	Plot No.237, GIDC, Panoli, Ankleshwar-394 116 Bharuch, Gujarat	Lane No.IV Bari Brahmana Jammu-181 133, J & K.	Plot No. SPM 28 Sterling SEZ, Village: Sarod Jambusar-392 180 Bharuch, Gujarat
---	---	---	---

ii) Name, Address and Contact Numbers of Compliance Officer and Company Secretary

Mr Naresh Kapoor, Company Secretary, 5th Floor, Vipul Square, B- Block Sushant Lok Phase – I, Gurgaon - 122 009.
 Phone no: 0124-6790291; Email ID: naresh.kapoor@piind.com

iii) Annual General Meeting

Date	September 15, 2015
Time	11.45 A.M
Venue	Udaisagar Road, Udaipur – 313 001 Rajasthan (India)

iv) Financial Calendar (Tentative)

The tentative calendar for declaration of financial results in financial year 2015-16 is as follows:

Financial Results for the quarter ending June, 2015 (un-audited).	on July 28, 2015
Financial Results for the quarter ending September, 2015 (un-audited)	on October 27, 2015
Financial Results for the quarter ending December, 2015 (un-audited)	on February 12, 2016
Audited Financial Results for the year ending 31st March, 2016.	on May 24, 2016
Annual General Meeting for the year.	Before the end of September, 2016

v) Book Closure Date

The dates of book closure are from September 10, 2015 to September 15, 2015 (both days inclusive)

vi) Dividend

During the year, the Board of the Company has declared interim dividend of 120%, aggregating to ₹1.20 each on equity shares of ₹1/- each which was paid on November 20, 2014. In addition to this, the Board has recommended final dividend of 130% i.e ₹1.30 each on equity shares of ₹1/- each, subject to approval of shareholders in forthcoming Annual General Meeting and same shall be paid to the shareholders, whose name appeared in the members register as on September 09, 2015. The final dividend, if declared at the AGM, will be paid on and from Tuesday, September 22, 2015.

Dividend will be paid through the electronic clearing service (ECS), as notified by the SEBI through the stock exchanges. In those cases, where details of MICR or ECS are not available, warrants shall be despatched to the members. Shareholders are advised to refer to the notice of the annual general meeting for details of action required to be taken by them in this regard.

vii) Stock Exchange Listing

The Company's equity shares are listed at BSE Limited and National Stock Exchange of India Ltd.

- Stock Code : 523642 (BSE)
PIIND (NSE)
Listing fee have been paid for the year April 1, 2015 to March 31, 2016.
- Demat ISIN for : INE 603J01030

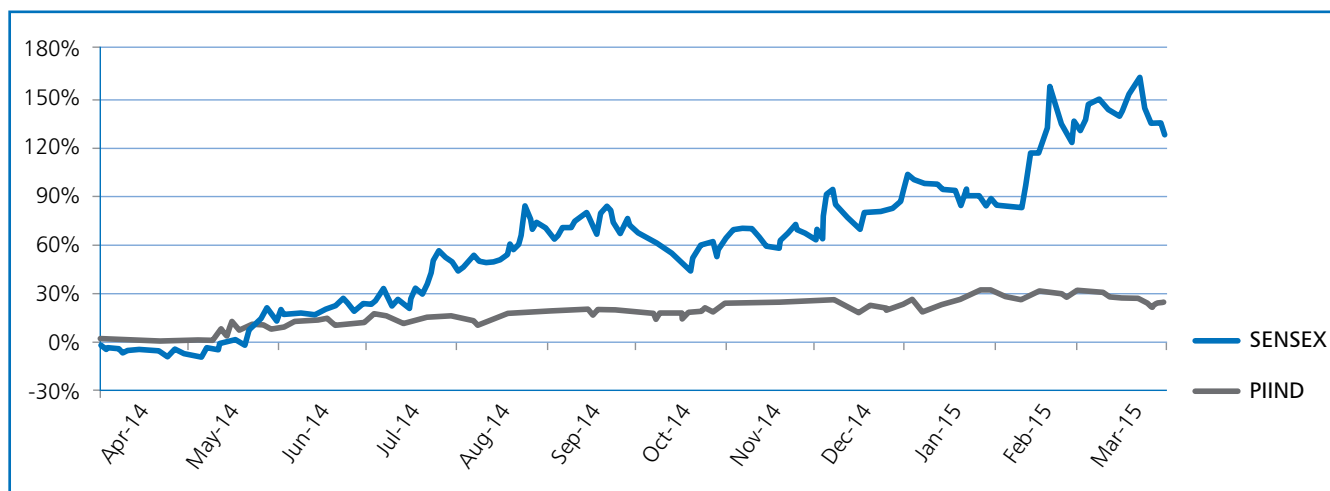
viii) Stock Market Price data

The monthly high and low of the market price of the equity shares of the Company for the year ended March 31, 2015 at BSE Limited and National Stock Exchange of India Ltd. were as under: (Amount in ₹/share)

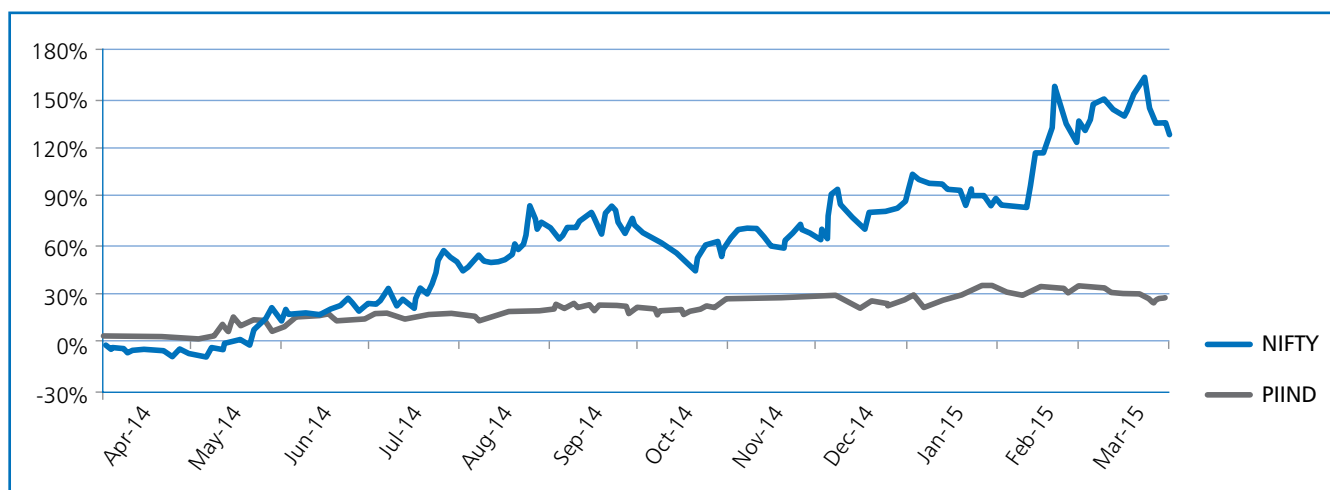
Month	BSE		NSE		NIFTY	SENSEX
	High	Low	High	Low	Closing high	Closing high
April, 2014	275.90	237.20	280.00	237.00	6840.80	22417.80
May, 2014	339.75	243.00	339.40	242.05	7367.10	24217.34
June, 2014	344.00	295.90	344.85	293.20	7656.40	25413.78
July, 2014	434.50	307.10	429.00	308.10	7830.60	25894.97
August, 2014	507.35	377.00	508.10	375.00	7954.35	26638.11
September, 2014	503.00	391.00	504.00	433.00	8152.95	26630.51
October, 2014	458.50	372.05	460.00	372.90	8322.20	27865.83
November, 2014	474.05	416.60	474.60	415.65	8588.25	28693.99
December, 2014	530.00	440.00	528.75	439.95	8564.40	27499.42
January, 2015	561.80	483.00	561.80	480.00	8952.35	29182.95
February, 2015	712.00	482.10	712.00	481.50	8901.85	29361.50
March, 2015	724.25	595.35	723.95	595.80	8996.25	27957.49

(Source: NSE/BSE website)

Growth of Company's Equity Shares as compared to SENSEX (in % terms)



Growth of Company's Equity Shares as compared to NIFTY (in % terms)



ix. Registrar and Transfer Agents

Karvy Computershare Private Limited

Unit: PI Industries Ltd.

Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District,
Nanakramguda, Hyderabad – 500 032

Contact Person: Ms. Shobha Anand

Email: shobha.anand@karvy.com

Tel: 040 6716 1700/23312454

Fax: 040- 67161680

x) Distribution of Shareholdings (As on March 31, 2015)

Shareholding of Nominal value of	Shareholders		Share Capital (Amount)	
	No.	% to total	In ₹	% to total
upto 1 - 5000	8419	94.56	4033341.00	2.95
5001 - 10000	186	2.09	1314968.00	0.96
10001 - 20000	115	1.29	1630947.00	1.19
20001 - 30000	30	0.34	759837.00	0.56
30001 - 40000	19	0.21	691309.00	0.51
40001 - 50000	10	0.11	440538.00	0.32
50001 - 100000	35	0.39	2589120.00	1.90
100001 & above	86	1.00	125116122.00	91.61
	8900	100.00	136576182.00	100.00

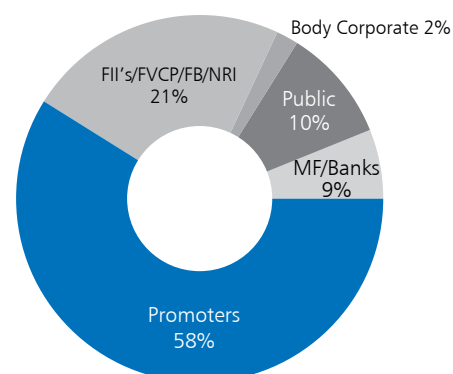
xi) Demat Status (As on March 31, 2015)

Mode	No. of shareholders	No. of shares	%
Demat	8613	135520757	99.23
Physical	287	1055425	0.77
Total	8900	136576182	100.00

xii) Categories of Shareholders (As on March 31, 2015)

S. No.	Category	No. of shareholder	No. of shares held	Voting strength (%)
1	Promoters	10	79720110	58.37
2	Mutual Funds/Banks	41	11685961	8.55
3	Indian Bodies Corporate	473	2811276	2.06
4	FII's/FVCP/NRI/Foreign Bodies	486	28733837	21.04
5	Indian Public	7850	13570960	9.94
6	Others – (Clearing members etc)	40	54038	0.04
	Total	8900	136576182	100.00

Share Holding Pattern as on March 31, 2015



xiii) Web-based Redressal System for Investor Grievance

Members can access to <http://karisma.karvy.com> for any query and/or grievance and may also access SEBI Complaints Redressal System (SCORES) for online viewing the status and actions taken by the Company/Registrar and Share Transfer Agent (RTA).

xiv) Unclaimed Dividend

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on September 10, 2014 (date of last Annual General Meeting) on the Company's website www.piindustries.com and on the website of the Ministry of Corporate Affairs.

xv) Other Material Information: In an effort to improve our services and to minimize investor grievances, we seek cooperation of our esteemed shareholders/ members in the following matters:

Change of Address: In case of change in the postal address, or if incorrect address has been mentioned in any of the correspondence, the correct and complete postal address (including PIN Code) may kindly be intimated to the company. If the shares are held in dematerialized form, information may be sent to the DP concerned and the RTA. Such intimation should bear the signature of the shareholder and in case of joint holding-signature of the

first holder.

PAN Card of Transferee (For Shares held in Physical form):

SEBI has vide its circular dated 7th January, 2010 made it mandatory to submit a copy of PAN card along with other documents for effecting transfer, transmission, transposition and name deletion of deceased holder from share certificate (in case of joint holding) in respect of shares held in physical form. Shareholders are requested to ensure submission of copy of their PAN Card, as in the absence of the said document, the abovesaid requests in respect of shares held in physical form will stand rejected by the Company/ RTA.

Depository System: By virtue of SEBI Circular dated 29th May, 2000 shares of the Company are subject to compulsorily trading in dematerialized form on the Stock Exchanges. For shareholder's convenience, the process for getting shares dematerialised is as follows:

- Shareholder shall submit original share certificate along with De-materialization request Form (DRF) to the Depository Participant (DP)
- DP shall process the DRF, generate a Unique De-materialization Request No. and forward the DRF alongwith the share certificate to the Registrar and Share Transfer Agent (RTA)
- RTA after processing the DRF will confirm/ reject the request to depositories
- If confirmed by RTA, depositories will credit shareholder's account maintained with DP.

The entire process shall take approximately 10-15 days from the date of receipt of DRF. All shareholders who hold shares of the Company in physical form may get their shares dematerialised to enjoy paperless and easy trading of shares.

Consolidation of holdings: Members having multiple shareholding/ folios in identical names or joint accounts in the same order are requested to send their share certificate (s) to the Company for consolidation of all such shareholdings into one folio /account to facilitate better service.

xvi) Managing Director & CEO / Chief Financial Officer Certification

The Managing Director & CEO and Whole-time Director & CFO of the Company have certified to the Board, in the manner required under the Corporate Governance Code concerning the Annual Financial Statements.

In compliance with Clause 49(IX) of the Listing Agreement, a declaration by the Managing Director & CEO and Whole-time Director & CFO, is Annexed hereinafter which inter-alia certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

xvii) Auditor's Certificate

As required under clause 49 of the Listing Agreement, the Statutory Auditors of the Company have verified the compliances of the Corporate Governance by the Company. Their certificate is annexed hereinafter.

On behalf of the Board of Directors

Place: Gurgaon
Date: 23rd May, 2015

Sd/-
(Salil Singhal)
Chairman & Managing Director
DIN: 00006629

Certificates Under Corporate Governance

a. Certificate relating to Code of Conduct for Directors/Senior Management

The Board of Directors
PI Industries Limited
Udaipur

This is to certify that as per the revised clause 49 of the Listing Agreement, the Code of Conduct has been laid down for all the Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year ended March 31, 2015.

Place: Gurgaon
Date: May 23, 2015

Sd/-
(Mayank Singhal)
Managing Director & CEO
DIN:00006651

b. Certificates issued pursuant to the provisions of Clause 49 of the Listing Agreement by Managing Director & CEO and Whole-time Director & Chief Financial Officer

The Board of Directors
PI Industries Limited
Udaipur

This is to certify that for the financial year 2014-15, we have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. 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.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2014-15 which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibilities for establishing and maintaining internal controls 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 those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - there have been no significant changes in internal control during this year.
 - all significant changes in accounting policies during the year, if any, have been disclosed in notes to accounts.
 - there have been no instances of significant fraud of which, we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Place: Gurgaon

Date: May 23, 2015

Sd/-

(Mayank Singhal)

Managing Director & CEO

DIN :00006651

Sd/-

(Rajnish Sarna)

Whole-time Director & CFO

DIN:06429468

Auditors' Certificate on Corporate Governance

To,
The Members,
PI Industries Limited

We have examined the compliance of conditions of Corporate Governance by PI Industries Limited, for the Financial year ended March 31, 2015, as stipulated in clause 49 of the Listing Agreement entered into by the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 the affairs of the Company.

Date: May 23, 2015

Place: Gurgaon

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Reg. No. 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership No.93214

Independent Auditor's Report

To The members of
PI Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of PI INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and 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 sub-section 5 of Section 134 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. 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 standalone 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 specified under sub-section 10 of Section 143 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 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 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 March 31, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 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 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.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2015 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2015 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
 - (f) 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 standalone financial statements (Refer Note No. 39 of the Standalone Financial Statement).
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any long-term derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K. Gupta

Partner

Place: Gurgaon
Date: May 23, 2015

Membership No. 93214

Annexure to the Auditor's Report

The Annexure referred to in our paragraph "Report on other legal and Regulatory Requirements" report to the members of PI INDUSTRIES LIMITED ("the Company") for the year ended March 31, 2015.

We report that

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
- (ii) (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) (a) and (b) of paragraph 3 of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013, in respect of the manufacture of insecticides and chemicals and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues to the extent applicable to it.

According to the information and explanations given to us, no undisputed statutory dues payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Duty of

Customs, Service Tax, Wealth Tax, Duty of Excise, Value Added Tax and Cess which have not been deposited on account of any dispute, other than the following:-

Nature of Statute	Nature of Dues	Period (F.Y.)	Amount (Excluding interest) (₹ in Lacs) *	Forum where pending
Andhara Pradesh General Sales Tax Act	Sales Tax	2001-02	8.62	Andhara Pradesh Tribunal
Andhara Pradesh General Sales Tax Act	Sales Tax	2003-04	10.02	Andhara Pradesh Tribunal
West Bengal Sales Tax Act	Sales Tax	2003-04	15.93	Joint Commissioner (Appeal) Kolkatta
Assam Value Added Tax Act	VAT	2007-08	1.12	Joint Commissioner Guwahati
Income Tax Act	Income Tax	Assessment Year 2009-10	243.06	Appellate Tribunal
Income Tax Act	Income Tax	Assessment Year 2010-11	293.36	Appellate Tribunal
Income Tax Act	Income Tax	Assessment Year 2011-12	153.03	Appellate Tribunal
Income Tax Act	Income Tax	Assessment Year 2012-13	96.11	Commissioner of Income Tax (Appeal)
Central Excise Act	Excise Duty	1987-88	44.92	** Rajasthan High Court
Central Excise Act	Cenvat Credit	April, 2008 to February, 2011	19.93	Commissioner of custom (Appeal)
Central Excise Act	Cenvat Credit	July, 2007 to February, 2008	21.44	Commissioner of custom (Appeal)
Central Excise Act	Cenvat Credit	July, 2013 to February, 2014	24.95	Joint Commissioner
Central Excise Act	Cenvat Credit	March, 2011 to June, 2013	159.17	Customs, Excise & service tax Appellate Tribunal
Custom Act	Custom Duty	2008	446.86	Customs, Excise & service tax Appellate Tribunal
Custom Act	Anti Dumping Duty	2009-10 & 2010-11	230.44	Hon'ble Supreme court of India

* Amount shown as due is net of amounts already deposited on appeal

** Fixed deposit receipt lodged with Rajasthan Excise Department

- (c) According to the information and explanations given to us, the Company did not have any dues on account of Investor Education and Protection Fund.
- (viii) The Company does not have accumulated losses as at the end of the financial year. There are no cash losses during the financial year under report and in the immediately preceding financial year.
- (ix) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or bank during the year.
- (x) According to the information and explanations given to us, the Company has given a counter guarantee of ₹ 32.85 lacs in favour of Gujarat Industrial Development Corporation Limited (GIDC) in relation to the corporate guarantee provided by GIDC for availment of term loans by Bharuch Eco-Aqua Infrastructure Limited, the terms and conditions whereof are not, prima facie, prejudicial to the interest of the Company.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the term loans taken by the Company have been applied for the purpose for which they were obtained.
- (xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K. Gupta
Partner

Place: Gurgaon
Date: May 23, 2015

Membership No. 93214

Balance Sheet as at March 31, 2015

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2015		As at March 31, 2014	
I EQUITY & LIABILITIES					
1 Shareholders' Funds					
a Share Capital	B 1	1,365.76		1,361.09	
b Reserves and Surplus	B 2	86,887.02	88,252.78	66,947.30	68,308.39
2 Non Current Liabilities					
a Long-term borrowings	B 3	1,666.67		5,012.68	
b Deferred tax liabilities (Net)	B 4	3,654.76		4,325.34	
c Other long-term liabilities	B 5	1,582.77		1,377.61	
d Long-term provisions	B 6	794.42	7,698.62	599.30	11,314.93
3 Current Liabilities					
a Short-term borrowings	B 7	6,479.37		3,588.46	
b Trade payables	B 8	35,398.80		29,312.70	
c Other current liabilities	B 9	20,727.10		15,571.98	
d Short-term provisions	B 6	3,566.80	66,172.07	2,812.80	51,285.94
TOTAL			1,62,123.47		1,30,909.26
II ASSETS					
1 Non Current Asset					
a Fixed asset					
Tangible asset	B 10	52,657.95		51,981.37	
Intangible asset	B 12	311.08		383.04	
Capital work-in-progress	B 11	12,219.74		3,555.32	
Intangible asset under development	B 11	1,104.30	66,293.07	693.08	56,612.81
b Non-current investments	B 13		196.76		196.76
c Long term loans & advances	B 14		4,263.68		1,121.90
d Other non-current assets	B 15		207.74		191.51
2 Current Asset					
a Inventories	B 16	37,821.15		31,875.88	
b Trade receivables	B 17	38,257.65		25,647.06	
c Cash and Bank Balances	B 18	2,392.77		3,710.38	
d Short-term loans and advances	B 14	12,013.64		10,797.47	
e Other current assets	B 15	677.01	91,162.22	755.49	72,786.28
TOTAL			1,62,123.47		1,30,909.26
Significant Accounting Policies	A				
Notes to Accounts	B-1 to B-49				
Accompanying notes referred to above formed the integral part of the financial statement					

As per our separate report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.

Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K Gupta
Partner
M. No.: 93214

Sd/-
Salil Singhal
Chairman & Managing Director
DIN: 00006629

Sd/-
Mayank Singhal
Managing Director & CEO
DIN: 00006651

Place: Gurgaon
Date: May 23, 2015

Sd/-
Rajnish Sarna
Whole-time Director & CFO
DIN: 06429468

Sd/-
Naresh Kapoor
Company Secretary

Statement of Profit & Loss for the year ended March 31, 2015

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
I. Revenue from Operations	B 19		
Sale of products		2,18,486.52	1,83,736.98
Less: Discount		(15,624.70)	(16,602.16)
Less: Excise Duty		(9,288.50)	(8,570.41)
Sale of services		63.18	65.07
Other operating Revenues		328.30	862.83
II. Other Income	B 20	4,152.48	1,561.42
III. Total Revenue (I+II)		1,98,117.28	1,61,053.73
IV. Expenses:			
Cost of Materials consumed	B 21	1,08,152.18	90,936.79
Purchase of Stock in Trade		5,611.20	4,597.97
Changes in Inventories of finished goods, work in progress and stock in trade	B 22	(2,275.64)	(3,625.81)
Employee Benefits expense	B 23	14,132.09	10,893.33
Finance Costs	B 26	972.57	1,182.34
Depreciation and amortisation expense	B 25	4,916.32	3,136.79
Other Expenses	B 24	31,348.73	28,131.44
Total Expenses		1,62,857.45	1,35,252.85
V. Profit Before Tax (III-IV)		35,259.83	25,800.88
Less: Provision for Current Tax		(11,371.07)	(7,883.16)
Less: Provision for Deferred Tax		528.23	456.00
Add: Income Tax of earlier years		(92.09)	-
VI. Profit After Tax		24,324.90	18,373.72
VII. Earnings per Equity Shares	B 28		
1) Basic (in ₹)		17.84	13.52
2) Diluted (in ₹)		17.65	13.42
Face value per share (in ₹)		1.00	1.00
Significant Accounting Policies	A		
Notes to Accounts	B-1 to B-49		
Accompanying notes referred to above formed the integral part of the financial statement			

As per our separate report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K Gupta
Partner
M. No.: 93214

Sd/-
Salil Singhal
Chairman & Managing Director
DIN: 00006629

Sd/-
Mayank Singhal
Managing Director & CEO
DIN: 00006651

Place: Gurgaon
Date: May 23, 2015

Sd/-
Rajnish Sarna
Whole-time Director & CFO
DIN: 06429468

Sd/-
Naresh Kapoor
Company Secretary

Cash Flow Statement annexed to the Balance Sheet for the year ended March 31, 2015

(₹ in Lacs)

Particulars	For the year ended March 31, 2015		For the year ended March 31, 2014	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Operating Profit before Tax & Extraordinary Items		35,259.83		25,800.88
<i>Adjustments for:</i>				
Net operating profit before tax				
Depreciation	4,916.32		3,136.79	
Interest Expenses	972.57		1,182.34	
Provision for Doubtful Debts and Advances	415.66		426.86	
Interest Income	(2,165.52)		(1,352.84)	
Dividend Income	(0.04)		(0.03)	
Employee Stock Option Expense	74.12		59.93	
(Profit)/Loss on Sale/Retirement of Fixed Assets (Net)	712.29		445.75	
Bad Debts written off	12.28		-	
Unrealised Foreign Exchange Loss/(Gain) (Net)	(370.67)	4,567.01	102.06	4,000.86
Operating Profit before Working Capital changes		39,826.84		29,801.74
(Increase) / Decrease in Short term Trade Receivables	(12,439.53)		(91.15)	
(Increase) / Decrease in Short term Loans and Advances	(1,144.42)		(4,679.61)	
(Increase) / Decrease in Long term Loans and Advances	53.38		(8.74)	
(Increase) / Decrease in Other assets	(307.21)		(168.41)	
(Increase) / Decrease in Other Long term assets	(16.23)		(14.93)	
(Increase) / Decrease in Inventories	(5,945.27)		(7,701.30)	
Increase / (Decrease) in Short term Trade Payables/ Provisions	5,949.82		5,344.88	
Increase / (Decrease) in Long term Trade Payables/ Provisions	195.12		160.61	
Increase / (Decrease) in Other Short term Liabilities	3,572.74		6,294.17	
Increase / (Decrease) in Other Long term Liabilities	205.16	(9,876.44)	123.82	(740.66)
Cash generated from Operations before tax		29,950.40		29,061.08
Net Direct Taxes paid		(11,885.64)		(7,371.44)
Net cash from Operating Activities		18,064.76		21,689.64
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets including Capital Work in Progress, Intangible Assets and Capital Advances	(16,848.54)		(6,449.07)	
Sale of Fixed Assets	51.37		46.86	
Interest Received	2,165.52		1,352.84	
Dividend Received	0.04		0.03	
Net cash used in Investing Activities		(14,631.61)		(5,049.34)
Net cash from Operating and Investing Activities		3,433.15		16,640.30

Cash Flow Statement annexed to the Balance Sheet for the year ended March 31, 2015 (Contd...)

(₹ in Lacs)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital	4.67	6.50
Employee Stock option Allotted	(42.66)	(66.01)
Share Premium Account	421.98	394.91
Short Term Borrowings (Net)	2,641.94	(6,658.45)
Long Term Borrowings (Net of Repayments)	(3,930.85)	(3,980.22)
Interest paid (Net)	(1,108.49)	(1,154.32)
Dividend Distribution	(3,000.00)	(2,722.18)
Net Cash from Financing Activities	(5,013.41)	(14,179.77)
Net Cash from Operating, Investing & Financing Activities	(1,580.26)	2,460.53
Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	5.92	(30.30)
Net increase in Cash & Cash equivalent	(1,574.34)	2,430.23
Opening balance of Cash & Cash equivalent	2,839.33	409.10
Increase in Cash & Cash equivalent on Amalgamation (Refer Note 32)	0.58	-
Closing balance of Cash & Cash equivalent	1,265.57	2,839.33
Note:		
Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-		
i) Cash Balance on Hand	10.54	8.13
ii) Balance with Banks :		
- In Current Accounts	1,255.03	1,322.03
- In Fixed Deposits	-	1,509.17
Total	1,265.57	2,839.33

As per our separate report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K Gupta
Partner
M. No.: 93214

Sd/-
Salil Singhal
Chairman & Managing Director
DIN: 00006629

Sd/-
Mayank Singhal
Managing Director & CEO
DIN: 00006651

Place: Gurgaon
Date: May 23, 2015

Sd/-
Rajnish Sarna
Whole-time Director & CFO
DIN: 06429468

Sd/-
Naresh Kapoor
Company Secretary

Significant Accounting Policies and Notes to Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of Companies Act, 2013 to the extent applicable. The financial statements have been prepared under the historical cost convention, as a going concern, on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company except for change in the accounting policy for depreciation.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2) CHANGE IN ACCOUNTING POLICY

a) The useful life of fixed assets have been revised in accordance with the Schedule II to the Companies Act 2013 which is applicable from accounting periods commencing on or after April 01, 2014 except in case of certain items of Plant and Equipment, based on internal assessment and independent technical evaluation, depreciation is provided on the Straight Line Method over the useful lives of assets of 15 years in place of 20 to 25 years as prescribed in Schedule II. Accordingly, an amount of ₹ 276.45 lacs (net of deferred tax) representing assets beyond their useful life as of April 01, 2014 has been charged to General Reserve and in respect of the remaining assets, an additional depreciation amounting to ₹ 1,541.25 lacs has been charged to the Profit and Loss Statement for the year.

b) In order to present all the fixed assets at cost, the Company has reversed the revaluation reserve created on tangible fixed assets on June 30, 1988. Accordingly, revaluation reserve amounting to ₹ 179.67 lacs outstanding in the books has been adjusted against the revalued amount of related asset. There is no impact on the Statement of Profit & Loss account.

3) USE OF ESTIMATES

The presentation of financial statements requires estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialised.

4) REVENUE RECOGNITION

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

Sale of Goods - Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discount, returns and Sales Tax / VAT but includes Excise Duty.

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

Dividends - Revenue is recognized when the shareholder's right to receive payment is established by the Balance Sheet date.

Export Benefits / Incentives - Export entitlement under Duty Entitlement Pass Book ('DEPB') Scheme are recognised in the Statement of Profit & Loss when the right to receive credit as per terms of the scheme is established in respect of export made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

5) EXPENDITURE

Rebate, claims & settlement on goods sold are accounted for as and when these are ascertained with reasonable accuracy.

6) TANGIBLE FIXED ASSETS AND DEPRECIATION

a) 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. Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

Expenditure during construction / erection period is included under capital work-in-progress and is allocated to the respective fixed assets on completion of construction / erection.

b) Depreciation on tangible fixed assets is provided on the Straight Line Method over the useful lives of assets specified under Schedule II of the Companies Act, 2013, except in case of certain items of Plant and Equipment depreciation is provided on the Straight Line Method over the useful lives of assets estimated by the Management. The Management estimates the useful lives of such fixed assets as follows:

Plant and Machinery (Continuous Process Plant)*	15 years
Special Plant and Machinery (used in manufacture of chemicals)*	15 years

* Based on internal assessment and independent technical evaluation, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

c) Leasehold land and Cost of improvement on leasehold building is being amortised over the lease period.

Significant Accounting Policies and Notes to Accounts

7) INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition less accumulated amortisation as below:

Software:- Software is stated at cost of acquisition and includes all attributable expenditure on making the assets ready for their intended use.

Product Development costs:- Product Development costs are considered to have finite useful lives, are capitalised and recognised as intangible assets and are stated at cost less any impairment losses.

Amortisation:- Amortisation of intangible asset is provided on the basis of estimated useful life of the assets as below:

Software: Amortised on straight line basis over a period of 6 years.

Product Development: Amortised on straight line basis over a period of 5 years.

8) IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged in the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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

9) INVENTORIES

- a) Inventories of Finished Goods, Work in progress, Raw materials, Packing materials and Stores & Spares are stated at lower of cost and net realisable value. By-products are valued at estimated realisable value.
- b) Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are determined on weighted average basis and are net of Cenvat credit.
- c) Cost of Work in progress and Finished Goods is determined considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity. Cost of finished goods include excise duty.
- d) Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, the same are written off or provision is made for such inventories.

10) EMPLOYEE BENEFITS

- a) **Defined Contribution Plan :**
Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance is a defined contribution scheme and contributions are charged to the Statement of Profit & Loss of the year when the contribution to the respective fund is due.
- b) **Defined Benefit Plan :**
Retirement benefits in the form of gratuity and long term compensated absences are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation as at the date of the Balance Sheet using the projected unit credit method.
- c) Actuarial gains/losses, if any, are immediately recognised as Profit/Loss.
- d) **Short Term Employee benefits:**
Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

11) 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.
- c) **Exchange Difference**
Any gain or loss on account of exchange difference arising either on the settlement or on reinstatement of foreign currency monetary items is recognised as Profit/Loss, except exchange difference arising on long term foreign currency monetary items relating to acquisition of depreciable fixed assets, which is adjusted to the carrying amount of such assets.
An asset shall be designated as a long term foreign currency monetary item, if the asset or liability is expressed in foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

12) RESEARCH AND DEVELOPMENT

Capital Expenditure incurred for Research and Development is capitalised when commissioned and included in the gross block of fixed assets. Revenue expenditure on research and development is charged to the Statement of Profit & Loss in the period in which it is incurred. Expenditure incurred on projects to develop new products is capitalised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale. Product development expenditure which do not meet these criteria are expensed when incurred.

Significant Accounting Policies and Notes to Accounts

13) PRIOR PERIOD ADJUSTMENTS

Earlier year items, adjustment/claims, arisen / settled / noted during the year, if material in nature, are debited / credited to prior period Expenses/Income, else to respective heads of account.

14) 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 long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are stated at cost. Provision for diminution in the value of investments is made, if it is other than temporary.

15) BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

16) TAXATION

- a) Provision for Current Tax is made after considering benefits, exemptions and deductions available under the Income Tax Act, 1961.
- b) Deferred tax is recognised subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and accounting income/(loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

17) LEASES

Operating Lease: Lease rentals in respect of assets taken on operating leases are charged to the Statement of Profit and Loss account with reference to lease terms and other consideration.

18) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

19) SEGMENT REPORTING

The accounting policies adopted by the Company for segment reporting are in line with the accounting standard on Segmental Reporting.

Primary Segment:

Business Segment: The Company is engaged in the business of chemical which is a single business segment and constitutes the primary segment.

Secondary Segment:

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- (a) Sales within India
- (b) Sales outside India

Segment Expenses, Segment Assets and Segment Liabilities have been allocated to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated Revenue/Expenses/Assets/Liabilities".

20) CASH FLOW STATEMENTS

Cash-Flow Statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

21) EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

22) DERIVATIVE INSTRUMENTS

The Company has adopted Accounting Standard 30 (AS 30) " Financial Instruments: Recognition and Measurement". Based on the Recognition and Measurement principles set out in AS 30, changes in the fair values of derivative financial instruments, the net foreign exchange exposure over a period of one year against the committed order in hand hedged through forward contracts, are designated as effective cash flow hedges and marked to market loss/gain arising on said foreign currency instruments are

Significant Accounting Policies and Notes to Accounts

transferred to "Cash Flow Hedge Reserve" directly in the Balance Sheet under Reserves & Surplus and later the same is reclassified in the Statement of Profit & Loss upon the occurrence of the hedging transaction.

23) EMPLOYEE STOCK OPTION BASED COMPENSATION

Accounting value of stock options is determined on the basis of 'intrinsic value' representing the excess of the market price on the date of grant over the exercise price of the options granted under the 'Employees Stock Option Scheme' of the Company, and is being amortised as 'Deferred employee compensation' on a straight-line basis over the vesting period in accordance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended till date and Guidance Note on 'Share Based Payments' issued by the ICAI.

B. NOTES TO ACCOUNTS

1. SHARE CAPITAL

Particulars	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Authorised Shares		
223,000,000 (Previous Year 200,000,000) Equity Shares of ₹1 each (Previous Year of ₹ 1 each)	2,230.00	2,000.00
5,000,000 (Previous Year 5,000,000) Preference Shares of ₹100 each (Previous Year of ₹ 100 each)	5,000.00	5,000.00
	7,230.00	7,000.00
Issued Shares		
136,752,757 (Previous Year 136,285,655) Equity Shares of ₹1 each (Previous Year ₹ 1 each)	1,367.53	1,362.86
	1,367.53	1,362.86
Subscribed & Fully Paid up Shares		
136,576,182 (Previous Year 136,109,080) Equity Shares of ₹1 each (Previous Year ₹ 1 each)	1,365.76	1,361.09
Total subscribed and fully paid up share capital	1,365.76	1,361.09

a. The difference between the issued and subscribed capital is on account of less number of shares allotted in right issue in earlier years.

b. Terms/ rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹1 per share (Previous Year ₹ 1 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 ensuing Annual General Meeting except interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended March 31, 2015, the Company has declared 130% Final dividend and 120% Interim dividend on Equity Shares of face value of ₹1 each to the Equity Shareholders, which is recognised as distribution to the Equity Shareholders. (Previous Year Final dividend of 100% and Interim dividend of 100% on face value of ₹1 per share).

c. Issue of Shares under ESOP Scheme

During the year ended March 31, 2015, the Company has issued 467,102 Equity Shares of ₹ 1 each (Previous Year 649,930 Equity Shares of ₹ 1 each), as per exercise price to PII ESOP Trust (Trust), set up to administer Employee Stock Option Plan. Out of total Equity Shares issued to the Trust 423,458 Equity Shares of face value of ₹ 1 each (Previous Year 521,961 Equity Shares of face value of ₹ 1 each) have been allocated by the Trust to respective employees upon exercise of Stock Option from time to time. As on March 31, 2015, 278,458 Equity Shares of face value of ₹ 1 per share (Previous Year 234,814 of face value of ₹ 1 each) are pending to be allocated to employees upon exercise of Stock option. (Refer Note 33).

d. Split of Shares

Pursuant to the approval of the shareholders through postal ballot dated April 03, 2013, the Company has sub-divided the existing Equity Shares of ₹ 5 each fully paid up into 5 Equity Shares of ₹ 1 each.

e. Pursuant to the approval by the Honourable High Court of Jodhpur to the scheme of amalgamation vide its formal order dtd. March 27, 2015, the Company has taken following actions:-

- Authorised Share Capital stands increased to ₹ 7,230 lacs divided into 223,000,000 Equity Shares of ₹ 1 each; 5,000,000 Preference Shares of ₹ 100 each.
- Investment held by Parteeek Finance & Investment Co. Ltd. (Transferor Company) in PI Industries Ltd. representing 73,851,390 Equity Shares have been cancelled and fresh Equity Shares of 73,851,390 Equity Shares have been issued to the shareholders of the Transferor Company.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

1. SHARE CAPITAL (Contd...)

f. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

Issued Share Capital

Equity Shares

Particulars	Equity Shares (No. of Shares)		Equity Shares (Value of Shares) (₹ in Lacs)	
	2014-15	2013-14	2014-15	2013-14
Share outstanding at beginning of period	136,285,655	27,127,145	1,362.86	1,356.36
Shares issued under ESOP scheme (Refer Note 1(c))	467,102	649,930	4.67	6.50
Split of shares (Refer Note 1(d))	-	108,508,580	-	-
Cancellation of shares (Refer Note 1(e))	(73,851,390)	-	(738.51)	-
Issuance of shares (Refer Note 1(e))	73,851,390	-	738.51	-
Share outstanding at end of period	136,752,757	136,285,655	1,367.53	1,362.86

Subscribed & Paid up

Equity Shares

Particulars	Equity Shares (No. of Shares)		Equity Shares (Value of Shares) (₹ in Lacs)	
	2014-15	2013-14	2014-15	2013-14
Share outstanding at beginning of period	136,109,080	27,091,830	1,361.09	1,354.59
Shares issued under ESOP scheme (Refer Note 1(c))	467,102	649,930	4.67	6.50
Split of shares (Refer Note 1(d))	-	108,367,320	-	-
Cancellation of shares (Refer Note 1(e))	(73,851,390)	-	(738.51)	-
Issuance of shares (Refer Note 1(e))	73,851,390	-	738.51	-
Share outstanding at end of period	136,576,182	136,109,080	1,365.76	1,361.09

g. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting period

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Equity Shares allotted as fully paid up Bonus shares by capitalisation of reserves as on	36,364,605	36,364,605
Year of Issue	No. of Shares	
2010-11	18,645,835	
2009-10	17,718,770	

h. Shares reserved for issue under option

Shares reserved for issue under ESOP - Refer Note 33

i. Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholders	2014-15		2013-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Parteek Finance & Inv. Co. Ltd.	Nil	Nil	73,851,390	54.26
Mr. Salil Singhal jointly with Mrs. Madhu Singhal	25,857,174	18.93	906,390	0.67
Mrs. Madhu Singhal jointly with Mr. Salil Singhal	23,764,621	17.40	1,400,370	1.03
Mr. Salil Singhal	13,101,879	9.59	Nil	Nil
Salil Singhal (HUF)	12,873,629	9.43	Nil	Nil

j. Shares held by Holding Company

Name of Shareholders	2014-15		2013-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Parteek Finance & Inv. Co. Ltd.	Nil	Nil	73,851,390	54.26

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

2. RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at		As at	
	March 31, 2015		March 31, 2014	
a. Capital Reserve				
Balance at the beginning of the year	147.51		147.51	
Addition during the Financial year*	1.37		-	
Deduction during the Financial year	-	148.88	-	147.51
b. Securities Premium Reserve				
Balance at the beginning of the Financial year	16,343.09		15,948.18	
Add: Premium on issue of Equity Shares through ESOP	421.98	16,765.07	394.91	16,343.09
c. Revaluation Reserve				
Balance at the beginning of the Financial year	179.67		179.67	
Less: Reversal of Revaluation Reserve**	(179.67)	-	-	179.67
d. Share Option Outstanding Account				
Balance at the Beginning of the Financial year	95.00		101.09	
Addition during the Financial year	166.22		173.08	
Less: Written back during the Financial year	(51.05)		(18.35)	
Less: Shares Allotted	(42.66)		(66.01)	
Less: Deferred employee stock compensation	(41.05)	126.46	(94.81)	95.00
e. Cash Flow Hedge Reserve				
Balance at the beginning of the Financial year	411.32		132.80	
Addition during the Financial year	-		278.52	
Less: Written back during the Financial year	(223.02)	188.30	-	411.32
f. General Reserve				
Balance at the beginning of the Financial year	8,426.59		6,589.22	
Add: Transferred during the Financial year	2,432.49	10,859.08	1,837.37	8,426.59
g. Surplus in Statement of Profit & Loss				
Balance at the beginning of the Financial year	41,344.12		28,006.28	
Addition during the Financial year	24,324.90		18,373.72	
Less: Transfer to General Reserves	(2,432.49)		(1,837.37)	
Less: Depreciation for assets having NIL remaining life as on April 01, 2014***	(276.45)		-	
Less: Dividend of previous years	-		(6.50)	
Less: Interim Dividend on Equity Shares ₹ 1.20 per share (Previous Year ₹ 1 per share)	(1,638.91)		(1,361.09)	
Less: Proposed Dividend on Equity Shares ₹ 1.30 per share (Previous Year ₹ 1 per share)	(1,775.49)		(1,361.09)	
Less: Dividend Distribution Tax on Equity Shares	(746.45)	58,799.23	(469.83)	41,344.12
TOTAL		86,887.02		66,947.30

During the year, interim dividend amounting to ₹ 35.48 lacs (Previous Year ₹ 49.53 lacs) declared for the financial year 2014-15 & final dividend amounting to ₹ 29.42 lacs (Previous Year ₹ 49.13 lacs) declared for the financial year 2013-14 was paid in foreign currency to two of the shareholders holding 2,956,974 Shares (Previous Year one of the shareholder holding 4,992,538 Shares).

* Refer Note 32

** Refer Note A2 (b) of Significant Accounting Policies

*** Refer Note A2 (a) of Significant Accounting Policies

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

3. LONG-TERM BORROWINGS

(₹ in Lacs)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Term Loans - From Banks and Financial Institutions				
Foreign Currency Loans from Banks (secured)	1,666.67	4,808.00	3,333.33	3,205.33
	1,666.67	4,808.00	3,333.33	3,205.33
Deposits (unsecured)				
Directors	-	43.94	-	91.93
Shareholders	-	122.39	-	13.49
Others	-	38.35	-	317.05
	-	204.68	-	422.47
TOTAL	1,666.67	5,012.68	3,333.33	3,627.80
The above amount includes				
Secured borrowings	5,000.00	8,013.33		
Unsecured borrowings	-	627.15		
NET AMOUNT	5,000.00	8,640.48		

a. Foreign Currency Loan includes:

ECB from Standard Chartered Bank amounting to USD 80.00 lacs carrying interest rate of 90 days LIBOR plus 1.85% is outstanding as on March 31, 2015 and is repayable in balance 6 Quarterly instalments of USD 13.33 lacs each. The loan is secured by first exclusive charge on movable fixed assets of the Company situated at SPM 28, Jambusar (Gujarat) and first pari passu charge on the movable fixed assets of the Company, situated at 237, GIDC, Panoli (Gujarat) and second pari passu charge on all the current assets of the Company.

b. Deposits from Directors, shareholders and others carries interest ranging from 9% to 11% per annum depending upon the amount of deposit. Non-cumulative deposits have a maturity period of two years and are paid interest at the interval of every six months. Cumulative deposits have maturity period of three years and the interest is compounded six monthly. During the year Company has repaid all the Deposits.

c. As on the Balance sheet date there is no default in repayment of loans and interest.

4. DEFERRED TAX LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax assets/ liabilities are attributable to the following items;		
Deferred Tax Assets		
Effects of expenditure debited to Statement of P&L in the current year but allowed for tax purposes in the following year	652.94	480.48
Sub- Total (a)	652.94	480.48
Deferred Tax Liabilities		
Difference in depreciation and amortisation in block of fixed assets as per Income Tax Act and books of accounts & Others	4,307.70	4,805.82
Sub- Total (b)	4,307.70	4,805.82
Net Deferred Tax Liability (b)-(a)	3,654.76	4,325.34

5. OTHER LONG-TERM LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Other Payables		
Security Deposits from Dealers	1,518.85	1,310.69
Security Deposits from Contractors	19.00	22.00
Miscellaneous payables	44.92	44.92
TOTAL	1,582.77	1,377.61

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

6. PROVISIONS

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefits*				
Compensated Absences	413.82	325.34	74.80	58.38
Gratuity	380.60	273.96	-	-
	794.42	599.30	74.80	58.38
Other Provisions				
Provision for Income Tax {Net of Advance Tax of ₹ 28,616.94 lacs (Previous Year ₹ 17,326.73 lacs)}			1,352.98	1,162.01
Provision for Proposed Dividend on Equity Shares			1,775.49	1,361.09
Provision for Dividend Distribution Tax			363.53	231.32
	-	-	3,492.00	2,754.42
TOTAL	794.42	599.30	3,566.80	2,812.80

* Refer Note 31

7. SHORT-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Loans Repayable on Demand		
Working Capital Loans from Banks (secured)	6,479.37	3,588.46
TOTAL	6,479.37	3,588.46
The above amount includes		
Secured Borrowings	6,479.37	3,588.46

Working capital loans are secured by way of first pari passu charge on all the current assets by hypothecation of stocks of raw materials, finished and semi finished goods, stores and spares not related to plant and machinery, bills receivable, book debts and all other movable current assets of the Company both present and future, and additionally secured by way of second charge on all the fixed assets of the Company excluding leasehold land situated at SPM 28, Jambusar (Gujarat) in favour of the consortium bankers.

Working Capital Loan includes Foreign currency Loan (Buyers Credit Loan) amounting to ₹ 434.37 lacs (Previous Year ₹ 186.47 lacs).

8. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Trade Payables		
- Due to micro and small enterprises (Refer Note 42)	424.21	484.13
- Other Trade Payables*	34,974.59	28,828.57
TOTAL	35,398.80	29,312.70

* Other Trade payable includes amount due to Subsidiary companies amounting to ₹22.97 lacs (Previous Year ₹156.45 lacs).

9. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Current maturities of long-term debt (Refer Note 3)	3,333.33	3,627.80
Interest accrued but not due on borrowings	0.66	136.58
Unclaimed dividends*	26.75	19.57
Creditors for Capital Purchases	2,877.70	872.11
Security Deposits Contractors	31.25	27.75
Advance from Customers	2,214.41	1,793.50
Other payables		
- Employee Balances	2,582.32	1,809.42
- Statutory Dues Payable	891.84	703.88
- Miscellaneous Payable	8,768.84	6,581.37
TOTAL	20,727.10	15,571.98

* The amount does not include amount due/ outstanding to be credited to Investor Education & Protection Fund, same shall be credited as and when due.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

10. TANGIBLE ASSETS

(₹ in Lacs)

Particulars	Leasehold Land	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Library	Total
Gross Carrying Value									
As at April 01, 2013	2,180.99	235.53	7,263.06	50,268.39	255.40	421.07	190.36	99.74	60,914.54
Additions	-	-	1,607.96	4,307.58	25.49	129.75	5.38	-	6,076.16
Disposals	(4.36)	-	(7.55)	(1,774.72)	(9.59)	(61.39)	(143.16)	-	(2,000.77)
Other Adjustments									
Exchange Difference	-	-	260.98	859.52	-	-	-	-	1,120.50
Borrowing Costs	-	-	17.30	56.96	-	-	-	-	74.26
Other Expenses including Salary	-	-	229.82	755.83	1.05	14.28	-	-	1,000.98
As at March 31, 2014	2,176.63	235.53	9,371.57	54,473.56	272.35	503.71	52.58	99.74	67,185.67
Additions	-	-	1,265.36	4,716.04	81.64	69.51	0.54	-	6,133.09
Disposals	-	-	(74.64)	(4,100.70)	(50.08)	(169.10)	(27.21)	-	(4,421.73)
Other Adjustments									
Reversal of Revaluation Reserve	-	(179.67)	-	-	-	-	-	-	(179.67)
Exchange Difference	-	-	68.93	221.44	-	-	-	-	290.37
Other Expenses including Salary	-	-	113.60	306.92	-	-	-	-	420.52
Others	-	-	555.77	(440.81)	9.63	(36.25)	7.19	(99.74)	(4.21)
As at March 31, 2015	2,176.63	55.86	11,300.59	55,176.45	313.54	367.87	33.10	-	69,424.04
Depreciation									
As at April 01, 2013	8.38	-	856.21	12,167.06	107.92	248.10	169.38	78.93	13,635.98
Charge for the year	66.96	-	263.79	2,674.39	30.17	35.03	3.84	2.31	3,076.49
Disposals	-	-	(5.34)	(1,308.91)	(8.51)	(53.55)	(131.86)	-	(1,508.17)
As at March 31, 2014	75.34	-	1,114.66	13,532.54	129.58	229.58	41.36	81.24	15,204.30
Charge for the year	22.62	-	518.39	4,563.17	26.82	101.87	5.35	-	5,238.22
Disposals	-	-	(52.87)	(3,387.47)	(48.21)	(157.50)	(26.35)	-	(3,672.40)
Others	-	-	385.93	(313.99)	1.18	1.88	2.21	(81.24)	(4.03)
As at March 31, 2015	97.96	-	1,966.11	14,394.25	109.37	175.83	22.57	-	16,766.09
Net Carrying Value									
As at March 31, 2014	2,101.29	235.53	8,256.91	40,941.02	142.77	274.13	11.22	18.50	51,981.37
As at March 31, 2015	2,078.67	55.86	9,334.48	40,782.20	204.17	192.04	10.53	-	52,657.95

- The Company has reversed the revaluation reserve created on Freehold Land on June 30, 1988.
- Depreciation for the year includes depreciation amounting to ₹ 214.83 lacs (Previous Year ₹ 49.79 lacs) on assets used for Research & Development. During the year Company incurred ₹ 219.30 lacs (Previous Year ₹ 24.32 lacs) towards capital expenditure for Research & Development (Refer Note 27).
- Amount capitalised on account of exchange difference, borrowing costs and other administrative costs have been transferred from Capital Work in progress.
- Out of the total depreciation charge for the year, ₹ 418.81 lacs representing assets beyond their useful life as of April 01, 2014 has been charged to General Reserve in accordance with the Schedule II to the Companies Act 2013. Refer Note A2 (a) of Significant Accounting Policies.

11. CAPITAL WORK IN PROGRESS & INTANGIBLES ASSETS UNDER DEVELOPMENT

(₹ in Lacs)

Particulars	Amount of Capital Work in progress	Intangible Assets under Development
As at April 01, 2013	5,513.97	537.91
Additions	4,716.10	206.30
Amount transferred from CWIP	(8,279.41)	(51.13)
Other Adjustments*		
Exchange Difference	1,120.50	-
Other Expenses including Salary	484.16	-
As at March 31, 2014	3,555.32	693.08
Additions	14,297.18	411.22
Amount transferred from CWIP	(6,468.22)	-
Other Adjustments*		
Exchange Difference	290.37	-
Other Expenses including Salary	545.09	-
As at March 31, 2015	12,219.74	1,104.30

* Refer Note 36

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

12. INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	Software	Product Development	Total
Gross Carrying Value			
As at April 01, 2013	477.87	-	477.87
Additions	183.21	51.13	234.34
Other Expenses including Salary	2.01	-	2.01
Disposals	(0.27)	-	(0.27)
As at March 31, 2014	662.82	51.13	713.95
Additions	39.10	-	39.10
Others	4.21	-	4.21
Disposals	(124.64)	-	(124.64)
As at March 31, 2015	581.49	51.13	632.62
Depreciation			
As at April 01, 2013	270.87	-	270.87
Charge for the year	59.43	0.87	60.30
Disposals	(0.26)	-	(0.26)
As at March 31, 2014	330.04	0.87	330.91
Charge for the year	88.41	8.50	96.91
Others	4.03	-	4.03
Disposals	(110.31)	-	(110.31)
As at March 31, 2015	312.17	9.37	321.54
Net Carrying Value			
As at March 31, 2014	332.78	50.26	383.04
As at March 31, 2015	269.32	41.76	311.08

13. NON CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Long Term Investments (At cost) : Non Trade		
1 Unquoted Shares (Equity)		
a) Panoli Enviro Technology Ltd. 30,000 (Previous Year 30,000) Equity Shares of ₹10 each fully paid	3.00	3.00
b) Bharuch Enviro Infrastructure Ltd. 2,100 (Previous Year 2,100) Equity Shares of ₹10 each fully paid	0.21	0.21
c) Narmada Clean Tech Ltd. 444,339 (Previous Year 444,339) Equity Shares of ₹10 each fully paid	44.43	44.43
d) Abhilasha Tower Co-operative Service Housing Society Ltd. 10 (Previous Year 10) Equity Shares of ₹ 250 each fully paid	0.02	0.02
	47.66	47.66
2 Investment in wholly-owned subsidiary		
a) PILL Finance & Investment Limited 360,000 (Previous Year 360,000) Equity Shares of ₹ 10 each fully paid	36.00	36.00
b) PI Life Science Research Limited 945,000 (Previous Year 945,000) Equity Shares of ₹10 each fully paid	94.50	94.50
c) PI Japan Company Limited 100 (Previous Year 100) Equity Shares of ₹18,600 each fully paid (JPY 50,000 each)	18.60	18.60
	149.10	149.10
TOTAL	196.76	196.76
Aggregate book value of Quoted Investments	NIL	NIL
Aggregate book value of Un-Quoted Investments	196.76	196.76

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

14. LOANS AND ADVANCES

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Capital Advances (Unsecured)				
Considered good	3,867.72	681.94	-	-
Doubtful	0.49	9.87	-	-
Less: Allowance for Doubtful Capital Advances	(0.49)	(9.87)	-	-
A	3,867.72	681.94	-	-
Security Deposits (Unsecured)				
Considered good*	353.96	402.48	9.78	14.64
Doubtful	-	-	-	-
B	353.96	402.48	9.78	14.64
Loans and advances to related parties (unsecured)				
Considered good (Refer Note 38)**	-	-	412.65	326.34
C	-	-	412.65	326.34
Other Loans and advances (Unsecured)				
Loan To Body Corporate***	-	-	2,287.59	2,623.36
Advances to Vendors				
Considered good	-	-	2,325.67	2,619.10
Doubtful	-	-	2.36	74.11
Less: Allowance for Doubtful Advances	-	-	(2.36)	(74.11)
Balance with Central Excise Authorities, Customs etc.	-	-	3,181.36	1,591.60
Prepaid Expenses	-	-	331.66	114.22
Employee Advances				
Considered good	-	-	48.20	8.93
Doubtful	-	-	0.27	8.41
Less: Allowance for Doubtful Employee Advances	-	-	(0.27)	(8.41)
Other Statutory Advances	14.90	10.31	2,104.93	2,214.66
Other Miscellaneous Advances	27.10	27.17	1,311.80	1,284.62
D	42.00	37.48	11,591.21	10,456.49
TOTAL (A+B+C+D)	4,263.68	1,121.90	12,013.64	10,797.47

* Includes ₹ 0.50 lacs (Previous Year ₹ 0.50 lacs) rent deposit to PILL Finance & Investment Ltd.

** Includes provision of money amounting to ₹ 380.64 lacs (Previous Year ₹ 289.52 lacs), to PII ESOP Trust (Trust) for subscription of Shares by PII ESOP Trust for the benefit of employees and carries an interest rate of 9% p.a..

*** The above unsecured loan is given to M/s Sterling SEZ & Infrastructure Ltd. for the purpose of infrastructure development and carries an interest rate of 15% p.a. (plus 2% penal interest). The Company has also provided a Bank Guarantee (dtd. September 13, 2013 valid till September 12, 2015) amounting ₹ 284.21 lacs in favour of Dakshin Gujrat VIJ Company Ltd., Surat on behalf of Sterling SEZ & Infrastructure Ltd.

15. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Interest and Other charges recoverable from customers- Good	-	-	488.71	344.18
Interest and Other charges recoverable from customers- Doubtful	-	-	302.81	140.13
Less: Allowance for Interest and other charges recoverable from customers	-	-	(302.81)	(140.13)
Deposits lodged with Excise & Sales Tax department*	207.74	191.51	-	-
Hedge Asset	-	-	188.30	411.31
TOTAL	207.74	191.51	677.01	755.49

*Deposits includes ₹ 200.52 lacs (Previous Year ₹ 184.84 lacs) towards security deposit lodged with the Rajasthan excise department and ₹ 4.58 lacs (Previous Year ₹ 4.23 lacs) lodged with Commercial Taxes Kottayam, ₹ 1.42 lacs (Previous Year ₹ 1.31 lacs) lodged with Assistant Excise & Taxation Commissioner, Solan, ₹ 0.62 lacs (Previous Year ₹ 0.57 lacs) lodged with Superintendent, Prohibition & Excise Account, Jambusar and ₹ 0.60 lacs (Previous Year ₹ 0.55 lacs) lodged with UKAI right Bank Canal Division.

* Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 207.74 lacs (Previous Year ₹ 191.51 lacs); and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

16. INVENTORIES (Valued at lower of cost and net realizable value)

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Raw Materials and Packing Materials {includes Stock-in-Transit ₹ 7,547.66 lacs (Previous Year ₹ 6,781.72 lacs)}	19,002.92	15,929.47
Work in Progress	7,104.48	6,244.93
Finished Goods, including By - products	8,373.89	7,194.35
Traded Goods	1,502.67	1,266.12
Stores & Spares, Laboratory Chemicals & Apparatus	1,837.19	1,241.01
TOTAL	37,821.15	31,875.88

17. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<i>Unsecured, considered good unless stated otherwise</i>		
Debts outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	2,517.56	534.09
- Doubtful	728.85	463.70
	3,246.41	997.79
Less: Allowance for Doubtful Debts	(728.85)	(463.70)
A	2,517.56	534.09
Others Debts		
- Considered Good	35,740.09	25,112.97
- Doubtful	5.01	14.57
	35,745.10	25,127.54
Less: Allowance for Other Doubtful Debts	(5.01)	(14.57)
B	35,740.09	25,112.97
TOTAL (A+B)	38,257.65	25,647.06

18. CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Cash & Cash Equivalents		
- <i>Balance with banks</i>		
On Current Accounts	1,255.03	1,322.03
- <i>Cash on hand</i>	10.54	8.13
- <i>Fixed Deposits with Bank*</i>	-	1,509.17
Other Bank Balances		
In Deposit accounts held as margin money**	1,100.45	851.48
In Unclaimed Dividend Accounts ***	26.75	19.57
TOTAL	2,392.77	3,710.38

* Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil); and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ 1,509.17 lacs).

** Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 1,100.45 lacs (Previous Year ₹ 851.48 lacs) towards margin money pledged with banks for Bank Guarantees and Letter of Credit.; and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

*** Not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

19. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from Operations includes		
a) Sale of products;		
Finished Goods	2,11,850.76	1,78,221.27
Traded Goods	6,635.76	5,515.71
	2,18,486.52	1,83,736.98
b) Sale of services;	63.18	65.07
	63.18	65.07
c) Other operating Revenues;		
Scrap Sales	190.37	101.99
Others*	137.93	760.84
	328.30	862.83
Revenue From Operations (Gross) (a+b+c)	2,18,878.00	1,84,664.88
Less: Excise Duty	9,288.50	8,570.41
Less: Discount	15,624.70	16,602.16
Revenue From Operations (Net)	1,93,964.80	1,59,492.31
d) Details of products sold		
(i) Finished goods sold		
Specialty Chemicals	1,16,147.12	95,146.13
Agro Chemicals	89,351.08	77,010.85
Plant Nutrients	5,860.74	5,461.05
Others	491.82	603.24
	2,11,850.76	1,78,221.27
(ii) Traded Goods Sold		
Agro Chemicals	6,611.69	5,484.70
Others	24.07	31.01
	6,635.76	5,515.71

* Other operating revenue includes Export incentive (Net) of ₹ 137.93 lacs (Previous Year ₹ 760.84 lacs).

20. OTHER INCOME

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income from Long term Investment		
Dividend Income from Long term Investment	0.04	0.03
Income from Short term Investment		
Interest Income;		
- Margin Money Deposits	413.88	241.10
- Others	1,751.64	1,111.74
Other Non-operating Income	150.49	208.55
Exchange Gain	1,836.43	-
TOTAL	4,152.48	1,561.42

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

21. COST OF RAW MATERIAL AND PACKING MATERIAL CONSUMED

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Details of Raw Material and Packing Material consumed		
Basic Chemicals	63,143.77	51,761.87
Active Ingredients	22,938.89	21,428.40
Solvent	7,436.65	7,868.66
Packaging Material	5,142.42	5,090.00
Catalyst & Emulsifiers	4,909.88	1,443.59
Others	4,580.57	3,344.27
TOTAL	1,08,152.18	90,936.79
Details of Raw Material and Packing Material Inventory		
Basic Chemicals	12,032.29	9,925.05
Packaging Material	671.70	832.00
Active Ingredients	4,215.10	3,882.47
Solvent	1,042.63	831.97
Catalyst & Emulsifiers	881.40	342.51
Others	159.80	115.47
TOTAL	19,002.92	15,929.47

22. (INCREASE)/DECREASE IN INVENTORY

(₹ in Lacs)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Inventories at the end of the year				
Finished Goods	8,373.89		7,194.35	
Traded Goods	1,502.67		1,266.12	
Work in Progress	7,104.48	16,981.04	6,244.93	14,705.40
Inventories at the beginning of the year				
Finished Goods	7,194.35		5,794.40	
Traded Goods	1,266.12		749.43	
Work in Progress	6,244.93	14,705.40	4,535.76	11,079.59
TOTAL		(2,275.64)		(3,625.81)
a) Details of Purchases of Traded Goods				
Agro Chemicals		5,598.94		4,597.97
Others		12.26		-
TOTAL		5,611.20		4,597.97
b) Details of Inventory				
Finished Goods				
Agro Chemicals		5,997.19		5,150.04
Specialty Chemicals		1,856.76		1,424.37
Plant Nutrients		262.67		397.93
Others		257.27		222.01
TOTAL		8,373.89		7,194.35
Traded Goods				
Agro Chemicals		1,502.67		1,266.12
Others		-		-
TOTAL		1,502.67		1,266.12
Work In Progress				
Agro Chemicals		2,278.55		2,324.62
Specialty Chemicals		4,795.76		3,918.36
Plant Nutrients		30.17		1.95
TOTAL		7,104.48		6,244.93

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

23. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, Wages and Bonus	12,618.06	9,695.04
Contribution to Provident & other funds	579.92	449.10
Gratuity and Other Long term compensated absences (Refer Note 31)	287.39	262.06
Employees Welfare Expenses	572.60	427.20
Expense on Employee Stock Option Scheme (Refer Note 33)	74.12	59.93
TOTAL	14,132.09	10,893.33

24. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Power, Fuel & Water	7,674.46	7,444.16
Stores & Spares Consumed	2,030.55	1,540.38
Repairs & Maintenance to :		
- Buildings	46.15	122.04
- Plant & Machinery	86.02	262.09
- Other Repairs	539.19	403.61
Environment & Pollution Control expenses	5,377.11	5,423.95
Laboratory & Testing Charges	901.37	842.52
Freight & Cartage	3,774.01	3,172.07
Advertisement & Sales Promotion	2,839.14	2,147.98
Travelling & Conveyance (Refer Note 24(a))	2,612.89	2,354.57
Exchange Difference	-	3.96
Rent	739.50	627.05
Rates, Taxes & Fees	248.97	530.12
Insurance	267.67	235.12
Donation	45.16	73.38
Loss on Sale/Retirement of Fixed Assets (Net)	712.29	445.75
Auditors' Remuneration (Refer Note 24(b))	32.15	20.43
Communication Expenses	347.76	259.83
Bad debts written off (Net)	12.28	-
Provision for Bad and Doubtful debts & Advances	415.66	426.86
Prior period expenses	10.07	1.99
Director Sitting Fees & Commission	84.00	71.50
Legal & Professional Expenses	936.56	635.89
Bank Charges	239.56	211.63
Contribution towards CSR Activities	348.00	-
Miscellaneous Expenses	1,028.21	874.56
TOTAL	31,348.73	28,131.44
a. Travelling Expenditure includes Directors Travelling amounting to ₹ 306.03 lacs (Previous Year ₹ 287.02 lacs)		
b. Auditors' Remuneration		
- Audit Fees	18.00	10.00
- Limited Review Fees	6.00	4.50
- Certificates & other matters	6.19	5.28
- Reimbursement of expenses	1.96	0.65
TOTAL	32.15	20.43

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

25. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Depreciation on Tangible Assets*	4,819.41	3,076.49
Amortization of Intangible Assets*	96.91	60.30
TOTAL	4,916.32	3,136.79

* Refer Note 10 & 12

26. FINANCE COST

(₹ in Lacs)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Interest				
On Fixed Loans	352.54		527.93	
On Working Capital	509.18		518.92	
Others	62.31	924.03	67.26	1,114.11
Other Borrowing Costs		48.54		68.23
TOTAL		972.57		1,182.34

27. RESEARCH & DEVELOPMENT EXPENSES

Details of Expenditure on Research & Development Facilities/ division of the Company recognised by Department of Scientific & Industrial Research

a) Revenue Expenditure

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Miscellaneous Income	-	48.82
		48.82
Employee Benefit Expenses		
Salaries, Wages & Bonus	716.13	450.03
Contributions to Provident & other funds	51.15	31.86
Employee Welfare Expenses	16.79	16.21
	784.07	498.10
Raw & Packing Materials Consumed	93.21	21.62
Other Expenses		
Laboratory & testing Material	218.96	166.33
Power, Fuel & Water	21.94	18.10
Stores & Spares Consumed	31.86	38.58
Testing & Analysis	3.66	0.92
Travelling & Conveyance	47.14	27.98
Rates, Taxes & Fees	2.41	0.36
Printing & Stationery	3.29	3.72
Bank Charges	0.04	-
Legal & Professional Charges	13.62	51.48
Miscellaneous Expenses	29.29	9.15
	372.21	316.62
Depreciation		
Depreciation	214.83	49.79
TOTAL	1,464.32	886.13
Total Expenditure Allowed	1,464.32	837.31

b) Capital Expenditure

(₹ in Lacs)

Description	March 31, 2014	Addition during the year	March 31, 2015
Buildings	18.12	-	18.12
Equipments & Others	1,099.71	219.30	1,319.01
TOTAL	1,117.83	219.30	1,337.13

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

28. EARNING PER SHARE

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
a) Net Profit for Basic & Diluted EPS(₹ in lacs)	24,324.90	18,373.72
b) Number of Equity Shares at the beginning of the year	13,61,09,080	2,70,91,830
Add: Issue of Shares under ESOP	4,67,102	6,49,930
Add: Sub-division of Equity Shares @ ₹ 1 each	-	10,83,67,320
Less: Cancellation of Shares	(7,38,51,390)	-
Add: Issuance of Shares	7,38,51,390	-
Total Number of Shares outstanding at the end of the year	13,65,76,182	13,61,09,080
Weighted Average number of Equity Shares outstanding during the year - Basic	13,63,57,348	13,58,88,282
Weighted Average number of Equity Shares arising out of grant of Employee Stock option	14,96,800	10,10,550
Weighted Average number of Equity Shares outstanding during the year - Diluted	13,78,54,148	13,68,98,832
Earning Per Share - Basic (₹)	17.84	13.52
Earning per share - Diluted (₹)	17.65	13.42
Face value per share (₹)*	1	1

*Pursuant to the approval of the shareholders through postal ballot dated April 03, 2013, the Company has sub-divided the existing Equity Shares of ₹ 5 each fully paid up into 5 Equity Shares of ₹ 1 each.

29. NOTE ON AS 30 ADOPTION

The Company has adopted Accounting Standard 30 (AS 30) "Financial Instruments: Recognition and Measurement" during the Financial year 2011-12. Based on the Recognition and Measurement principles set out in AS 30, changes in the fair values of derivative financial instruments, the net foreign exchange exposure over a period of one year against the committed order in hand hedged through forward contracts, are designated as effective cash flow hedges and marked to market loss/gain arising on said foreign currency instruments are transferred to "Cash Flow Hedge Reserve" directly in the Balance Sheet under Reserves & Surplus and later the same is reclassified in the Statement of Profit & Loss upon the occurrence of the hedging transaction. Accordingly marked to market gain of ₹ 188.30 lacs (Previous Year gain of ₹ 411.31 lacs) arising on foreign currency instruments qualifying for hedge accounting as on March 31, 2015 has been transferred to Cash Flow Hedge Reserve Account.

30. AMOUNT SPENT ON CSR ACTIVITIES

Particulars	(₹ in Lacs)
a) Gross amount required to be spent by the Company during the year	348.00
b) Gross amount transferred to PI Foundation Trust for CSR activities*	348.00
c) Amount spent during the year	
Rural development projects	26.30
Education and vocational training projects	14.65
Swachh Bharat Kosh	55.90
Training and capacity building of CSR team and administrative expenses	4.84
Total	101.69

* The Company is doing its CSR expenditure through PI Foundation Trust.

31. GRATUITY & OTHER LONG TERM COMPENSATED ABSENCES

As per Accounting Standard (AS)- 15 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standard is given below:

a) Defined Contribution Plans

The Company has recognised an expense of ₹ 579.92 lacs (Previous Year ₹ 449.10 lacs) towards the defined contribution plan.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

31. GRATUITY & OTHER LONG TERM COMPENSATED ABSENCES (Contd...)

b) Defined benefits plans - as per actuarial valuation

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
	Funded	Non-Funded	Funded	Non-Funded
I Change in present value of obligation during the year				
1 Present value of obligation at the beginning of the year	736.94	383.72	597.21	270.11
2 Current Service Cost	107.88	106.69	95.06	130.15
3 Interest Cost	62.64	32.62	47.78	21.61
4 Past Service Cost	-	-	-	-
5 Net Actuarial (Gain)/Loss	37.30	(2.07)	22.70	(10.00)
6 Benefits Paid	(52.04)	(32.34)	(25.81)	(28.15)
7 Present Value of obligation as at year-end	892.72	488.62	736.94	383.72
II Change in Fair Value of Plan Assets during the year				
1 Plan assets at the beginning of the year	462.98	-	373.72	-
2 Expected return on plan assets	39.35	-	31.77	-
3 Actuarial Gain/(Loss) on plan assets	11.83	-	8.35	-
4 Employer's contribution	50.00	-	74.96	-
5 Benefits paid	(52.04)	-	(25.81)	-
6 Plan assets at the end of the year	512.12	-	462.98	-
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1 Present Value of obligation as at year-end	892.72	488.62	736.94	383.72
2 Fair value of plan assets at year -end	512.12	-	462.98	-
3 Funded status {Surplus/(Deficit)}	(380.60)	(488.62)	(273.96)	(383.72)
4 Net Asset/(Liability)	(380.60)	(488.62)	(273.96)	(383.72)
IV Expenses recognised in the Statement of Profit and Loss				
1 Current Service Cost	107.88	106.69	95.06	130.15
2 Interest Cost	62.64	32.62	47.78	21.61
3 Past service Cost	-	-	-	-
4 Expected return on plan assets	(39.35)	-	(31.77)	-
5 Net Actuarial (Gain)/Loss	25.47	(2.07)	14.36	(10.00)
6 Total Expense	156.64	137.24	125.43	141.76
V Bifurcation of PBO at the end of the year				
1 Current Liability	-	74.80	-	58.38
2 Non-Current Liability	380.60	413.82	273.96	325.34
VI Actuarial Assumptions				
1 Discount Rate	7.75%	7.75%	8.50%	8.50%
2 Expected rate of return on plan assets	8.50%	-	8.50%	-
3 Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
4 Salary Escalation	5.50%	5.50%	6.00%	6.00%

VII Investment Details

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd. and Kotak Mahindra Old Mutual Life Insurance Ltd, whose pattern of investment is not available with the Company.

VIII The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 183.30 lacs.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

31. GRATUITY & OTHER LONG TERM COMPENSATED ABSENCES (Contd...)

IX Experience Adjustment:

Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
Gratuity					
Present Value of obligation	892.72	736.94	597.21	500.64	405.62
Fair value of Plan assets	512.12	462.98	373.72	372.19	322.42
Net Asset/(Liability)	(380.60)	(273.96)	(223.49)	(128.45)	(83.20)
Actuarial Gain/(Loss) on plan obligation	(18.65)	(20.44)	(42.34)	(32.48)	37.73
Actuarial Gain/(Loss) on plan assets	11.83	8.35	(20.76)	(6.39)	3.47
Long term Compensated Absences					
Present Value of obligation	488.62	383.72	270.11	219.56	167.24
Fair value of Plan assets	-	-	-	-	-
Net Asset/(Liability)	(488.62)	(383.72)	(270.11)	(219.56)	(167.24)
Actuarial Gain/(Loss) on plan obligation	12.00	12.93	1.60	(31.07)	(0.26)
Actuarial Gain/(Loss) on plan assets	-	-	-	-	-

32. AMALGAMATION

Pursuant to the sanction of the Honourable High Court of Jodhpur to the Scheme of Amalgamation, the assets and liabilities of Parteeek Finance & Investment Co. Ltd. (Holding Company of PI Industries Ltd. whose principal business is core investment) (Transferor Company) have been merged with PI Industries Ltd. (Transferee Company) with effect from the appointed date of April 01, 2014 in accordance with the Scheme so sanctioned. The amalgamation has been accounted for under the "Purchase Method" as prescribed by Accounting Standard 14 (AS-14) notified by the Government of India. Accordingly, as on the appointed date the excess of net asset value of Transferor Company over the merger consideration amounting to ₹ 1.37 lacs has been recognised as Capital Reserve (see table below) in the books of Transferee Company. Further as per the requirement of relevant statute the statutory balances in the books of Transferor Company is recorded at their carrying value in the books of Transferee Company.

Particulars	(₹ in Lacs)
Non-Current Investments	738.51
Cash and cash equivalents	0.58
Net Current Assets (including Statutory Balances)	0.79
Net Assets taken over on Amalgamation	739.88
Cancellation of Investment on account of Amalgamation	(738.51)
Balance transferred to Capital Reserve	1.37

Further as agreed with Transferee Company, the Transferor Company has utilized net income available (after meeting the merger expenses as per the scheme of amalgamation) between the appointed date and effective date i.e. March 30, 2015 for declaration and payment of interim dividend amounting to ₹ 1,581.20 lacs to its shareholders. The balances arising after the said payment as on effective date in the books of Transferor Company comprising of liabilities of ₹ 28.49 lacs, bank balance of ₹ 28.29 lacs and other assets ₹ 0.20 lacs have been incorporated in the books of the Transferee Company (PI Industries Ltd).

33. EMPLOYEE STOCK OPTION PLANS

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

In December 2010, the Board of Directors approved the PII ESOP 2010 Scheme in order to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company (including subsidiary companies) with an intent to attract and retain talent in the organization. The aforesaid scheme was duly approved by shareholders in its EGM held on January 21, 2011 and is administered through independent trust. During the year, Compensation Committee of the Board granted following options under PII ESOP 2010 Scheme to certain category of employees as per criteria laid down by Compensation Committee of the Board.

Particulars	2014-15	2013-14
Options Granted (No. of Shares)	4,093,731	3,728,221
Options Vested and Exercisable	263,106	234,815
Options Exercised	1,432,554	1,009,096
Options Cancelled	637,488	280,800
Options lapsed	-	-
Total number of Options in force	2,023,689	2,438,325
Variations in terms of ESOP	Not Applicable	Not Applicable
Total number of shares arising as a result of exercise of options	1,432,554	1,009,096
Money realised by exercise of options (in ₹ lacs)	797.62	495.51

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

33. EMPLOYEE STOCK OPTION PLANS (Contd...)

The details of exercise price for stock option outstanding at the end of the year

Particulars	2014-15		2013-14	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,438,325	91.50	1,770,510	61.00
Granted during the year	365,510	409.28	1,415,211	110.07
Forfeited during the year	356,688	128.39	225,435	63.53
Exercised during the year*	423,458	71.06	521,961	50.50
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,023,689	146.61	2,438,325	91.50
Exercisable at the end of the year	263,106	42.98	234,814	52.98
Weighted average remaining contractual life of outstanding options (in Years)		7.06		7.40
Weighted average fair value of options granted (in ₹)		278.94		77.32

* Shares allotted by PII ESOP Trust against exercise of options.

The details of Exercise Price for stock options outstanding at the end of the year

Range of Exercise price	2014-15			2013-14		
	No. of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise price	No. of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise price
PII ESOP 2010 PLAN						
25-75	318,492	5.31	51.88	633,062	5.93	51.46
75-125	1,375,931	7.19	105.82	1,805,263	7.92	105.54
150-500	329,266	8.23	409.28	-	-	-

Methods and Assumptions used to estimate the Fair Value of Options granted during the year: 2014-15

The fair value of options granted during the year has been calculated using the Black Scholes Option Pricing model.

The assumptions used in the model are as follows:

Variables	September 19, 2014	August 03, 2013
1 Risk Free Interest rate	8.56% to 8.57%	8.81% to 8.46%
2 Expected Life	4 years to 7 years	4 years to 7 years
3 Expected Volatility	45% to 61%	53.29% to 64.96%
4 Dividend Yield	0.48%	0.82%
5 Price of the underlying share in market at the time of the option granted (₹)	454.75	122.20

The stock based compensation cost calculated as per the intrinsic value method for the financial year 2014-15 is ₹ 74.12 lacs (Previous Year ₹ 59.93 lacs). If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2014-15 would be ₹ 503.57 lacs (Previous Year ₹ 378.63 lacs). The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro-Forma Adjusted Net Income and Earning Per Share

Particulars	(₹ in Lacs)	
	2014-15	2013-14
Net Income as reported	24,324.90	18,373.72
Add: Intrinsic Value Compensation Cost	74.12	59.93
Less: Fair Value Compensation cost	(503.57)	(378.63)
Adjusted Pro Forma Net income	23,895.45	18,055.02
Earning Per Share: Basic		
As Reported	17.84	13.52
Adjusted Pro Forma	17.52	13.29
Earning Per Share: Diluted		
As Reported	17.65	13.42
Adjusted Pro Forma	17.33	13.19

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

34. CAPITAL & OTHER COMMITMENT

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
a. Estimated Amount of Contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 3,868.21 lacs (Previous Year ₹ 691.81 lacs)}	2,226.34	520.13
b. Bank Guarantees*	1,842.63	1,426.69
c. Letter of Credit	11,378.19	9,559.86
d. Export Commitment	52,815.06	43,455.48

* Refer Note 14

35. LEASES

The Company is a lessee under various operating leases. Total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
- Payable within one year	804.30	676.24
- Later than one year and not later than five years	1,674.58	1,274.17
- Later than five years	-	247.46
- Lease payments recognised in Statement of P&L	786.38	750.71

The Company has entered a lease agreement with some of the parties for lease for the corporate office. The lease rent would be increased by 12.5% after every 3 years.

36. CAPITALISATION OF EXPENDITURE

Pre-operative expenditure capitalised as a part of Fixed Assets and carried forward is as under:

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
A. Brought forward from the earlier year	930.66	1,467.88
B. Expenditure incurred during the year:		
Staff Costs	564.70	488.59
Other Expenses	391.61	201.87
Exchange Difference	290.37	1,120.50
	1,246.68	1,810.96
C. Capitalised as part of :		
Plant & Equipment	528.36	1,672.31
Building	182.53	508.09
Furniture, Fixtures & Office equipments	-	15.33
Intangible Assets	-	53.14
	710.89	2,248.87
D. Other adjustments	-	99.31
	-	99.31
E. Carried forward as part of capital work in progress	1,466.45	930.66

37. SEGMENT INFORMATION

The Company is engaged in the business of chemical which is a single business segment and constitutes the primary segment. Accordingly, no separate disclosure is required to be given as per Accounting Standard AS-17.

Secondary Segment information (Geographical Segments)

The Company is organised into two key geographical segment based upon the location of its customer within India (domestic) and outside India (export)

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
1 Segment Revenue		
- Within India	1,06,691.20	88,624.04
- Outside India	1,16,339.28	97,602.26
	2,23,030.48	1,86,226.30
2 Segment Assets*		
- Within India	1,42,356.05	1,19,006.31
- Outside India	19,767.42	11,902.95
	1,62,123.47	1,30,909.26

* Segment Assets outside India is entirely related to Sundry Debtors.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

38. RELATED PARTY DISCLOSURES

Related party disclosures, as required by Accounting Standard-18, is as below:

a) List of Related Parties

i Enterprises which control the entity

Parteek Finance & Investment Co. (Holding Company till March 30, 2015) (Refer Note 32)

ii Where control exists during the year

Subsidiaries - (a) PILL Finance and Investments Ltd., (b) PI Life Science Research Ltd. and (c) PI Japan Co.Ltd.
Trust under control - (d) PII ESOP Trust (Trust)

iii Key Managerial Personnel & their relatives (KMP)

(a) Key Managerial Personnel (KMP)

Mr. Salil Singhal	Chairman & Managing Director
Mr. Mayank Singhal	Managing Director & CEO
Mr. Rajnish Sarna	Whole-time Director & CFO

(b) Relatives of Key Managerial Personnel:-

Relation with Key Managerial Personnel	Mr. Salil Singhal	Mr. Mayank Singhal
Father		Mr. Salil Singhal
Mother	Ms. Saraswati Singhal	Ms. Madhu Singhal
Wife	Ms. Madhu Singhal	
Sister		Ms. Pooja Singhal, Ms. Shefali Khushlani
Son	Mr. Mayank Singhal	
Daughter	Ms. Pooja Singhal, Ms. Shefali Khushlani	

iv Enterprises over which KMP and their relatives are able to exercise significant influence

- Wolkem India Ltd.
- Secure Meters Ltd.
- Salil Singhal (HUF)
- Singhal Foundation
- PI Foundation

b) The following transactions were carried out with related parties in the ordinary course of business:

(₹ in Lacs)

Nature of Transaction	Type of relation	2014-15			2013-14		
		Transactions during the period		Balance outstanding Dr (Cr)	Transactions during the period		Balance outstanding Dr (Cr)
		Recd/Pur.	Paid/Sales		Recd/Pur.	Paid/Sales	
Purchase/Sales of goods and services	a(iv)(a), a(ii)(c), a(ii)(b)	598.96	-	(22.97)	710.35	-	(156.62)
Remuneration to Directors	a (iii)(a)	-	1,520.12	(625.00)	-	1,067.51	(515.89)
Interest	a(iii)(a), a(iii)(b), a(iv)(c), a(ii)(d)	36.57	42.97	36.57	24.52	77.28	(37.01)
Rent & Power Cost	a(ii)(a), a(ii)(b), a(iii)(b), a(iv)(a)	40.68	15.60	-	39.68	14.79	15.64
Deposits Received and Paid	a(iii)(a), a(iii)(b), a(iv)(c)	-	578.45	-	73.68	65.53	(651.19)
Loans Given	a(ii)(d)	420.93	500.00	344.07	100.00	275.00	265.00
Security Deposits	a(ii)(a)	-	-	0.50	-	-	0.50
Recovery of Dues on account of expenses incurred	a(iii)(b), a(iv)(a), a(iv)(b)	54.42	-	33.51	34.05	-	18.84
Reimbursement on account of expenses	a(iv)(b)	-	1.49	(1.49)	-	1.28	-
Donation	a(iv)(d)	-	5.00	-	-	5.00	-
Salary	a (iii)	-	1.23	-	-	1.08	-
Travel & Other expenditure incurred	a (iii)(a), a(iii)(b)	-	318.92	8.20	-	413.40	0.76
Contribution towards CSR Activities	a (iv)(e)	-	348.00	-	-	-	-

c) During the year the Company has allotted 73,851,390 Equity Shares to the Promoters, viz., Salil Singhal and Family, pursuant to the merger of Parteek Finance & Investment Co. Ltd. with PI Industries Ltd. For details, refer Note 1(e) and Note 32.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

39. CONTINGENT LIABILITIES

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Disputed Taxation demands not acknowledged as debts:		
- Sales Tax	124.42	119.06
- Excise Duty	310.50	509.17
- Income Tax	935.59	689.47
- ESI	6.09	6.09
Anti Dumping Duty	-	230.44
Counter Guarantee to GIDC	32.85	32.85
Bill Discounted	-	2,382.45

40. DERIVATIVES INSTRUMENTS AND HEDGED/ UNHEDGED FOREIGN CURRENCY EXPOSURE

i) All financial and derivative contracts entered into by the Company are for hedging purposes.

ii) Forward Contract outstanding as at Balance Sheet date.

(in Lacs)

Currency	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Buy / Sell	Purpose
USD	455.00	170.00	Sell	Hedging

These forward covers are against export orders and future receivables over a period of one year against committed orders in hand.

iii) Particulars for Hedged Foreign Currency Exposure

(in Lacs)

Particulars	Currency	Amount as at March 31, 2015 (in Foreign Currency)	Amount as at March 31, 2015 (in INR)	Amount as at March 31, 2014 (in Foreign Currency)	Amount as at March 31, 2014 (in INR)
Export Debtors	USD	89.65	5,752.39	51.97	3,169.39

iv) Foreign currency exposure that are not hedged by derivative or forward contracts as at Balance Sheet Date

(in Lacs)

Particulars	Currency	Amount as at March 31, 2015 (in Foreign Currency)	Amount as at March 31, 2015 (in INR)	Amount as at March 31, 2014 (in Foreign Currency)	Amount as at March 31, 2014 (in INR)
1 ECB Term loan	USD	80.00	5,000.00	133.33	8,013.33
2 Buyers Credit	USD	6.95	434.37	3.10	186.47
3 EEFC Account	USD	6.87	429.65	18.26	1,097.19
4 Import Creditors (Net)	USD	144.94	9,058.70	99.65	5,989.01
	EURO	11.07	743.56	1.12	92.67
	GBP	(0.31)	(28.75)	2.49	248.37
	CHF	(0.20)	(12.85)	-	-
5 Export Debtors	JPY	41.95	21.87	42.55	25.03
	USD	219.53	13,720.67	139.30	8,370.31
	EURO	4.38	294.36	4.40	363.25

41. DEFERRAL/ CAPITALISATION OF EXCHANGE DIFFERENCE

Pursuant to notification dated March 31, 2009 and December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Company decided to exercise the option of accounting for Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in the previous financial statements in so far as they relate to the acquisition of depreciable capital assets by addition to/ deduction from the cost of the asset and depreciate the same over the balance life of the asset. Accordingly, the current year exchange losses amounting to ₹ 290.37 lacs (Previous Year ₹ 1,120.50 lacs) have been adjusted to the cost of fixed assets/CWIP.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

42. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

(₹ in Lacs)

Particulars	March 31, 2015		March 31, 2014	
	Principal Amount	Interest Amount	Principal Amount	Interest Amount
Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March	424.21	-	484.13	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	274.67	2.30	217.38	3.50
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-	-
Further interest remaining due and payable in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-	-	-

43. VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Raw Materials	63,075.81	52,841.75
Spare Parts & Components	257.83	43.33
Capital Goods	158.35	70.93

44. EARNINGS IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Export of Goods on FOB Basis	1,14,799.15	97,046.66

45. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Professional	352.51	58.68
Interest	269.32	413.97
Travelling	24.06	10.59
Salary	115.46	36.02
Others	456.56	408.94

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

46. ACTUAL PRODUCTION, PURCHASES, SALES AND STOCK OF GOODS MANUFACTURED

Sl. No.	Product	Opening Stock	Production	Purchases	Sales	Closing Stock
(I)	QUANTITY (IN TONNES)					
	Current Year					
	Chemicals including by-product/ Traded goods	12,181	60,957	452	63,528	10,062
	TOTAL	12,181	60,957	452	63,528	10,062
	Previous Year					
	Chemicals including by-product/ Traded goods	(10,704)	(72,013)	(340)	(70,876)	(12,181)
	TOTAL	(10,704)	(72,013)	(340)	(70,876)	(12,181)
(II)	IN VALUE (₹ In lacs)					
	Current Year					
	Chemicals including by-product/ Traded goods	14,705.40	-	5,611.20	2,18,486.52	16,981.04
	TOTAL	14,705.40	-	5,611.20	2,18,486.52	16,981.04
	Previous Year					
	Chemicals including by-product/ Traded goods	(11,079.59)	-	(4,597.97)	(1,83,736.98)	(14,705.40)
	TOTAL	(11,079.59)	-	(4,597.97)	(1,83,736.98)	(14,705.40)

47. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	March 31, 2015		March 31, 2014	
	Qty (in Tonnes)	(in ₹ Lacs)	Qty (in Tonnes)	(in ₹ Lacs)
Technical Pesticides	565	2,181.20	760	3,001.05
Inert Chemicals & Adjuvants	73,320	1,01,496.69	75,633	81,661.33
Others	-	4,474.29	-	6,274.41
TOTAL	73,885	1,08,152.18	76,393	90,936.79

Particulars	March 31, 2015		March 31, 2014	
	%	(in ₹ Lacs)	%	(in ₹ Lacs)
I Raw Material				
Imported	53.83	55,447.80	85.54	73,433.76
Indigenous	46.17	47,561.96	14.46	12,410.73
II Packing Material				
Imported	0.67	34.54	-	-
Indigenous	99.33	5,107.88	100.00	5,092.30

48. In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of loans, advances and other current assets, in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet and provisions has been made for all known liabilities.

49. Figures of previous year have been regrouped and/ or rearranged wherever necessary to make them comparable with those of the current year.

Signatures to the Notes to Accounts

As per our separate report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.

Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K Gupta
Partner
M. No.: 93214

Sd/-
Salil Singhal
Chairman & Managing Director
DIN: 00006629

Sd/-
Mayank Singhal
Managing Director & CEO
DIN: 00006651

Place: Gurgaon
Date: May 23, 2015

Sd/-
Rajnish Sarna
Whole-time Director & CFO
DIN: 06429468

Sd/-
Naresh Kapoor
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To The members of
PI Industries Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PI INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the 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 requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. 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 the assets of the Group 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 consolidated 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 specified under sub-section 10 of Section 143 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place 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 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 paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 the reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, 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 as at March 31, 2015 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statement reflect total assets of ₹ 1,499.72 Lacs as at March 31, 2015. Total revenue of ₹ 441.38 Lacs and net cash inflow amounting to ₹ 374.53 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and 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 our report in terms of sub-section 3 and 11 of Section 143 of the act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of other auditors.

The financial statement of subsidiary namely PI Japan Co. Ltd, whose financial statement reflect total assets of ₹ 106.71 Lacs as at March 31, 2015. Total revenue of ₹ 283.81 Lacs and net cash outflow amounting to ₹ 0.08 Lacs for the year ended on that date, as considered in the consolidated financial statements have not been audited by us or any other auditors and has been certified by Public Tax Accountant and their Directors whose certificate has been furnished to us and converted by the Management as per the requirement of Indian GAAP and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section 3 and 11 of Section 143 of the Act, to the extent applicable, in so far as it relates to the aforesaid subsidiary, is based solely on such financial statement certified by Public Tax Accountant and their Directors.

Our opinion on the consolidated financial statements and our report on other legal and regulatory requirements below, is not modified in respect of the matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and its subsidiary companies, incorporated in India, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of the reports of other auditors on separate financial statements and the other financial information of the subsidiaries, as noted in ' Other Matter' paragraph, we report , to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) 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 reports of the other auditors.

- (c) The Consolidated Balance sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) 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;
- (e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
- (f) 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 consolidated financial statements disclose the impact of pending litigations on the financial position of the group.(Refer Note no. 39 of the Consolidated Financial Statement).
 - (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Group did not have any long-term derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, incorporated in India.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. 000756N

Sd/-

Yogesh K. Gupta

Partner

Place: Gurgaon

Date: May 23, 2015

Membership No. 93214

Annexure to the Auditor's Report

The Annexure referred to in our paragraph "Report on Other Legal and Regulatory Requirements" report to the members of **PI Industries Limited** (the "Group") for the year ended March 31, 2015. Our reporting on the CARO 2015 includes 2 subsidiary incorporated in India, to which CARO 2015 is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under CARO 2015. Further in the Case of Subsidiary incorporated Outside India, as the Caro, 2015 is not applicable and accordingly the possible effects of the same on our reporting under CARO 2015 has not been considered.

We report that

- (i) In respect of the fixed assets of the Holding Company and its subsidiary companies, incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The respective entities have a phased programme of physical verification of their fixed assets which in our opinion and the opinion of the other auditors, is reasonable having regard to the size of such entities and the nature of their fixed assets. In accordance with this program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
- (ii) In respect of the inventories of the Holding Company:
 - (a) The inventory has been physically verified by the Management of the Holding Company during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Holding Company and nature of its business.
 - (c) In our opinion, the Holding Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.

In respect of subsidiaries, incorporated in India, according to the information and explanations given to other auditors, their business activities do not require it to hold inventories. Hence, the provisions of clause (ii) (a), (b) and (c) of the paragraph 3 of the order is not applicable to them.
- (iii) According to the information and explanations given to us and the other auditors, the Holding Company and its subsidiary company, incorporated in India, have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) (a) and (b) of the paragraph 3 of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control

system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

In the opinion of the other auditors and according to the information and explanations given to the other auditors, there is an adequate internal control system in subsidiary companies, incorporated in India, commensurate with the size of such subsidiaries and the nature of their business for the purchase of fixed assets and for the sale of services and during the course of the other auditors' audit, no continuing failure to correct major weaknesses in such internal control system has been observed. The activities of such subsidiary companies do not involve purchase of inventory and sale of goods.

- (v) In our opinion and according to the information and explanations given to us, the Holding Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. Further, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regards.

In respect of the subsidiary companies, incorporated in India, in the other auditors opinion and according to the explanation given to the other auditors, the subsidiary companies have not accepted any deposits from public and consequently, the directives issued by the Reserve Bank of India and the provision of Sections 73 to 76 of the Companies Act 2013 and the rules framed there under are not applicable to the Company.

- (vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013, in respect of the manufacture of insecticides and chemicals and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

In respect of the subsidiary companies, incorporated in India, in the opinion of the other auditors, the Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the services rendered by such subsidiary companies.

- (vii) (a) According to the records of the Holding Company examined by us and its subsidiary companies, incorporated in India, examined by the other auditors and the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company and subsidiary companies, incorporated in India, is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues to the extent applicable to it.

According to the information and explanations given to us and the other auditors, no undisputed statutory dues payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other material statutory dues were in arrears as at March 31, 2015 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 other auditors, there are no dues of Sales Tax, Income Tax, Service Tax, Wealth Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited on account of any dispute, other than the following:

Nature of Statute	Nature of Dues	Period (F.Y.)	Amount (Excluding interest) (₹ in Lacs) *	Forum where pending
Andhara Pradesh General Sales Tax Act	Sales Tax	2001-02	8.62	Andhara Pradesh Tribunal
Andhara Pradesh General Sales Tax Act	Sales Tax	2003-04	10.02	Andhara Pradesh Tribunal
West Bengal Sales Tax Act	Sales Tax	2003-04	15.93	Joint Commissioner (Appeal) Kolkatta
Assam Value Added Tax Act	VAT	2007-08	1.12	Joint Commissioner Guwahati
Income Tax Act	Income Tax	Assessment Year 2009-10	243.06	Appellate Tribunal
Income Tax Act	Income Tax	Assessment Year 2010-11	293.36	Appellate Tribunal
Income Tax Act	Income Tax	Assessment Year 2011-12	153.03	Appellate Tribunal
Income Tax Act	Income Tax	Assessment Year 2012-13	96.11	Commissioner of Income Tax (Appeal)
Central Excise Act	Excise Duty	1987-88	44.92	** Rajasthan High Court
Central Excise Act	Cenvat Credit	April, 2008 to February, 2011	19.93	Commissioner of custom (Appeal)
Central Excise Act	Cenvat Credit	July, 2007 to February, 2008	21.44	Commissioner of custom (Appeal)
Central Excise Act	Cenvat Credit	July, 2013 to February, 2014	24.95	Joint Commissioner
Central Excise Act	Cenvat Credit	March, 2011 to June, 2013	159.17	Customs, Excise & service tax Appellate Tribunal
Custom Act	Custom Duty	2008	446.86	Customs, Excise & service tax Appellate Tribunal
Custom Act	Anti Dumping Duty	2009-10 & 2010-11	230.44	Hon'ble Supreme court of India

* Amount shown as due is net of amounts already deposited on appeal

** Fixed deposit receipt lodged with Rajasthan Excise Department

- (c) According to the information and explanations given to us and the other auditors, the Holding Company and its subsidiary companies, incorporated in India, did not have any dues on account of Investor Education and Protection Fund.
- (viii) The Holding Company and its subsidiary companies, incorporated in India, did not have accumulated losses as at the end of the financial year. There are no cash losses during the financial year under report and in the immediately preceding financial year.
- (ix) According to the records of the Holding Company examined by us and the information and explanations given to us, in our opinion, the Holding Company has not defaulted in repayment of dues to any financial institution or bank during the year. According to the records of the Companies examined by other auditors and the information and explanations given to other auditors, subsidiary companies, incorporated in India have not taken any loan from any financial institution or banks, therefore clause (ix) of the Paragraph 3 of the Order is not applicable.
- (x) In respect of the guarantee advanced by the Holding Company, according to the information and explanations given to us, the Holding Company has given a counter guarantee of ₹ 32.85 lacs in favour of Gujarat Industrial Development Corporation Limited (GIDC) in relation to the corporate guarantee provided by GIDC for availment of term loans by Bharuch Eco-Aqua Infrastructure Limited, the terms and conditions whereof are not, prima facie, prejudicial to the interest of the Holding Company.
- (xi) According to the records of the Holding Company examined by us and the information and explanations given to us, in our opinion, the term loans taken by the Holding Company have been applied for the purpose for which they were obtained. According to the information and explanations given to other auditors, there are no term loans being taken by the Subsidiary Companies, incorporated in India.
- (xii) During the course of examination of the books and records of Holding Company and subsidiary companies, incorporated in India, by us and other auditors, carried out in accordance with the generally accepted auditing practices in India, neither we or other auditors have come across any instance of fraud on or by the Holding Company and its subsidiaries, incorporated in India, noticed or reported during the year, nor have we or other auditors been informed of such case by the Management.

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K. Gupta

Partner

Place: Gurgaon
Date: May 23, 2015

Membership No. 93214

Consolidated Balance Sheet as at March 31, 2015

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2015		As at March 31, 2014	
I EQUITY & LIABILITIES					
1 Shareholders' Funds					
a Share Capital	B 1	1,365.76		1,361.09	
b Reserves and Surplus	B 2	88,279.67	89,645.43	68,089.81	69,450.90
2 Non Current Liabilities					
a Long-term borrowings	B 3	1,666.67		5,012.68	
b Deferred tax liabilities (Net)	B 4	3,685.39		4,367.36	
c Other long-term liabilities	B 5	1,582.77		1,377.61	
d Long-term provisions	B 6	795.29	7,730.12	599.65	11,357.30
3 Current Liabilities					
a Short-term borrowings	B 7	6,479.37		3,588.46	
b Trade payables	B 8	35,378.09		29,162.58	
c Other current liabilities	B 9	20,747.33		15,594.01	
d Short-term provisions	B 6	3,338.53	65,943.32	2,636.88	50,981.93
TOTAL			1,63,318.87		1,31,790.13
II ASSETS					
1 Non Current Asset					
a Fixed asset					
Tangible asset	B 10	52,955.51		52,284.34	
Intangible asset	B 12	311.08		383.02	
Capital work-in-progress	B 11	12,219.74		3,555.32	
Intangible asset under development	B 11	1,104.30	66,590.63	693.08	56,915.76
b Non-current investments	B 13		51.79		51.79
c Long term loans & advances	B 14		4,277.77		1,138.01
d Other non-current assets	B 15		207.74		191.51
2 Current Asset					
a Inventories	B 16	37,821.15		31,875.88	
b Trade receivables	B 17	38,257.65		25,682.01	
c Cash and Bank Balances	B 18	3,414.36		4,375.53	
d Short-term loans and advances	B 14	12,020.77		10,804.15	
e Other current assets	B 15	677.01	92,190.94	755.49	73,493.06
TOTAL			1,63,318.87		1,31,790.13
Significant Accounting Policies	A				
Notes to Accounts	B-1 to B-50				
Accompanying notes referred to above formed the integral part of the financial statement					

As per our separate report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Reg. No. 000756N

Sd/-
Yogesh K Gupta
Partner
M. No.: 93214

Sd/-
Salil Singhal
Chairman & Managing Director
DIN: 00006629

Sd/-
Mayank Singhal
Managing Director & CEO
DIN: 00006651

Place: Gurgaon
Date: May 23, 2015

Sd/-
Rajnish Sarna
Whole-time Director & CFO
DIN: 06429468

Sd/-
Naresh Kapoor
Company Secretary

Statement of Consolidated Profit & Loss for the year ended March 31, 2015

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
I. Revenue from Operations	B 19		
Sale of products		2,18,486.52	1,83,736.98
Less: Discount		(15,624.70)	(16,602.16)
Less: Excise Duty		(9,288.50)	(8,570.41)
Sale of services		125.47	126.34
Other operating Revenues		328.30	862.83
II. Other Income	B 20	4,201.86	1,577.90
III. Total Revenue (I+II)		1,98,228.95	1,61,131.48
IV. Expenses			
Cost of Materials consumed	B 21	1,08,200.14	91,005.16
Purchase of Stock in Trade		5,611.20	4,597.97
Changes in Inventories of finished goods, work in progress and stock in trade	B 22	(2,275.64)	(3,625.80)
Employee Benefits expense	B 23	14,299.13	11,079.86
Finance Costs	B 26	972.57	1,182.34
Depreciation and amortisation expense	B 25	4,978.30	3,155.60
Other Expenses	B 24	30,919.26	27,604.85
Total Expenses		1,62,704.96	1,34,999.98
V. Profit Before Tax (III-IV)		35,523.99	26,131.50
Less: Provision for Current Tax		(11,426.90)	(7,951.79)
Less: Provision for Deferred Tax		539.42	458.20
Add: MAT Credit Entitlement of earlier years		0.47	109.96
Add: MAT Credit Entitlement of current year		44.93	57.60
Add: Income Tax of earlier years		(92.56)	(5.12)
VI. Profit after Tax		24,589.35	18,800.35
VII. Earnings per Equity Shares	B 28		
1) Basic (in ₹)		18.03	13.84
2) Diluted (in ₹)		17.84	13.73
Face value per share (in ₹)		1.00	1.00
Significant Accounting Policies	A		
Notes to Accounts	B-1 to B-50		
Accompanying notes referred to above formed the integral part of the financial statement			

As per our separate report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.

Chartered Accountants

Firm Reg. No. 000756N

Sd/-

Yogesh K Gupta

Partner

M. No.: 93214

Sd/-

Salil Singhal

Chairman & Managing Director

DIN: 00006629

Sd/-

Mayank Singhal

Managing Director & CEO

DIN: 00006651

Sd/-

Rajnish Sarna

Whole-time Director & CFO

DIN: 06429468

Sd/-

Naresh Kapoor

Company Secretary

Place: Gurgaon

Date: May 23, 2015

Consolidated Cash Flow Statement annexed to the Balance Sheet for the year ended March 31, 2015

(₹ in Lacs)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Tax & Extraordinary Items	35,523.99	26,131.50
<i>Adjustments for:</i>		
Net operating profit before tax		
Depreciation	4,978.30	3,155.60
Interest Expenses	972.57	1,182.34
Provision for Doubtful Debts and Advances	415.66	426.86
Interest Income	(2,229.04)	(1,383.71)
Dividend Income	(0.35)	(0.39)
Employee Stock Option Expense	74.12	59.93
(Profit)/Loss on Sale/Retirement of Fixed Assets (Net)	712.29	445.75
Bad Debts written off	12.28	-
Unrealised Foreign Exchange Loss/(Gain) (Net)	(370.67)	102.06
Foreign Currency Translation Reserve	(13.88)	3.33
Operating Profit before Working Capital changes	40,075.27	30,123.27
(Increase) / Decrease in Short term Trade Receivables	(12,404.58)	(126.11)
(Increase) / Decrease in Short term Loans and Advances	(1,144.87)	(4,685.40)
(Increase) / Decrease in Long term Loans and Advances	55.40	(9.27)
(Increase) / Decrease in Other assets	(307.21)	(168.41)
(Increase) / Decrease in Other Long term assets	(16.23)	(14.93)
(Increase) / Decrease in Inventories	(5,945.27)	(7,701.29)
Increase / (Decrease) in Short term Trade Payables/ Provisions	6,079.25	5,355.56
Increase / (Decrease) in Long term Trade Payables/ Provisions	195.64	160.83
Increase / (Decrease) in Other Short term Liabilities	3,570.94	6,286.71
Increase / (Decrease) in Other Long term Liabilities	205.16	123.82
Cash generated from Operations before tax	30,363.50	29,344.78
Net Direct Taxes paid	(11,948.92)	(7,434.17)
Net cash from Operating Activities	18,414.58	21,910.61
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress, Intangible Assets and Capital Advances	(16,915.41)	(6,449.47)
Sale of Fixed Assets	61.03	47.10
Interest Received	2,229.04	1,383.71
Dividend Received	0.35	0.39
Net cash used in Investing Activities	(14,624.99)	(5,018.27)
Net cash from Operating and Investing Activities	3,789.59	16,892.34

Consolidated Cash Flow Statement annexed to the Balance Sheet for the year ended March 31, 2015 (contd...)

(₹ in Lacs)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share capital	4.67	6.50
Employee Stock option Allotted	(42.66)	(66.01)
Share Premium Account	421.98	394.91
Short Term Borrowings (Net)	2,397.82	(6,985.28)
Long Term Borrowings (Net of Repayments)	(3,930.85)	(3,980.22)
Interest paid (Net)	(1,108.49)	(1,154.32)
Dividend Distribution	(3,000.00)	(2,722.18)
Net Cash from Financing activities	(5,257.53)	(14,506.60)
Net Cash from Operating, Investing & Financing Activities	(1,467.94)	2,385.74
Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	5.92	(30.30)
Net increase in Cash & Cash equivalent	(1,462.02)	2,355.44
Opening balance of Cash & Cash equivalent	3,177.66	822.22
Increase in Cash & Cash equivalent on Amalgamation (Refer Note 32)	0.58	-
Closing balance of Cash & Cash equivalent	1,716.22	3,177.66
Note:		
Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-		
i) Cash Balance on Hand	10.68	8.17
ii) Balance with Banks :		
- In Current Accounts	1,705.54	1,399.64
- In Fixed Deposits	-	1,769.85
TOTAL	1,716.22	3,177.66

As per our separate report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.

Chartered Accountants

Firm Reg. No. 000756N

Sd/-

Yogesh K Gupta

Partner

M. No.: 93214

Sd/-

Salil Singhal

Chairman & Managing Director

DIN: 00006629

Sd/-

Mayank Singhal

Managing Director & CEO

DIN: 00006651

Place: Gurgaon

Date: May 23, 2015

Sd/-

Rajnish Sarna

Whole-time Director & CFO

DIN: 06429468

Sd/-

Naresh Kapoor

Company Secretary

Significant Accounting Policies and Notes to Accounts

A. SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of Companies Act, 2013 to the extent applicable. The financial statements have been prepared under the historical cost convention, as a going concern, on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company except for change in the accounting policy for depreciation.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services provided and time between the rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2) CHANGE IN ACCOUNTING POLICY

a) The useful life of fixed assets have been revised in accordance with the Schedule II to the Companies Act 2013 which is applicable from accounting periods commencing on or after April 01, 2014 except in case of certain items of Plant and Equipment, based on internal assessment and independent technical evaluation, depreciation is provided on the Straight Line Method over the useful lives of assets of 15 years in place of 20 to 25 years as prescribed in Schedule II. Accordingly, an amount of ₹ 276.88 lacs (net of deferred tax) representing assets beyond their useful life as of April 01, 2014 has been charged to General Reserve and in respect of the remaining assets, an additional depreciation amounting to ₹ 1,584.91 lacs has been charged to the Profit and Loss Statement for the year.

b) In order to present all the fixed assets at cost, the Company has reversed the revaluation reserve created on tangible fixed assets on June 30, 1988. Accordingly, revaluation reserve amounting to ₹ 179.67 lacs outstanding in the books has been adjusted against the revalued amount of related asset. There is no impact on the Statement of Profit & Loss account.

3) USE OF ESTIMATES

The presentation of financial statements requires estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognised in the period in which the results are known/ materialised.

4) REVENUE RECOGNITION

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

Sale of Goods - Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and is stated net of trade discount, returns and Sales Tax / VAT but includes Excise Duty.

Revenue from services- Revenue is recognised as the service is performed by the completed service method and no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

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

Lease rent Income: Lease income is recognised on straight line basis over the lease term.

Dividends - Revenue is recognized when the shareholder's right to receive payment is established by the Balance Sheet date.

Export Benefits / Incentives - Export entitlement under Duty Entitlement Pass Book ('DEPB') Scheme are recognised in the Statement of Profit & Loss when the right to receive credit as per terms of the scheme is established in respect of export made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

5) EXPENDITURE

Rebate, claims & settlement on goods sold are accounted for as and when these are ascertained with reasonable accuracy.

6) TANGIBLE FIXED ASSETS AND DEPRECIATION

a) 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. Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

Expenditure during construction / erection period is included under capital work-in-progress and is allocated to the respective fixed assets on completion of construction / erection.

b) Depreciation on tangible fixed assets is provided on the Straight Line Method over the useful lives of assets specified under Schedule II of the Companies Act, 2013, except in case of certain items of Plant and Equipment depreciation is provided on the Straight Line Method over the useful lives of assets estimated by the Management. The Management estimates the useful lives of such fixed assets as follows:

Plant and Machinery (Continuous Process Plant)*	15 years
Special Plant and Machinery (used in manufacture of chemicals)*	15 years

* Based on internal assessment and independent technical evaluation, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets.

c) Leasehold land and Cost of improvement on leasehold building is being amortised over the lease period.

d) - Leasehold Improvements are amortised over its useful life of 15 years on Declining Balance method.

- Equipments over 200000 yen are depreciated on Declining Balance method over its useful life of 10 years.

- Equipments (100000-200000 yen) are depreciated on straight line basis over its useful life of 3 years.

Significant Accounting Policies and Notes to Accounts

7) INTANGIBLE ASSETS

Intangible Assets are stated at cost of acquisition less accumulated amortisation as below:

Software:- Software is stated at cost of acquisition and includes all attributable expenditure on making the assets ready for their intended use.

Product Development costs:- Product Development costs are considered to have finite useful lives, are capitalised and recognised as intangible assets and are stated at cost less any impairment losses.

Amortisation:- Amortisation of intangible asset is provided on the basis of estimated useful life of the assets as below:

Software: Amortised on straight line basis over a period of 6 years.

Product Development: Amortised on straight line basis over a period of 5 years.

8) IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

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

9) INVENTORIES

a) Inventories of Finished Goods, Work in progress, Raw materials, Packing materials and Stores & Spares are stated at lower of cost and net realisable value. By-products are valued at estimated realisable value.

b) Cost of Raw Materials, Packing Materials, Stores and Spares, Trading and other products are determined on weighted average basis and are net of Cenvat credit.

c) Cost of Work in progress and Finished Goods is determined considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity. Cost of finished goods include excise duty.

d) Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, the same are written off or provision is made for such inventories.

10) EMPLOYEE BENEFITS

a) Defined Contribution Plan :

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance is a defined contribution scheme and contributions are charged to the Statement of Profit & Loss of the year when the contribution to the respective fund is due.

b) Defined Benefit Plan :

Retirement benefits in the form of gratuity and long-term compensated absences are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation as at the date of the Balance Sheet using the projected unit credit method.

c) Actuarial gains/losses, if any, are immediately recognised as Profit/Loss.

d) Short Term Employee benefits:

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

11) 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.

c) **Exchange Difference**

Any gain or loss on account of exchange difference arising either on the settlement or on reinstatement of foreign currency monetary items is recognised as Profit/Loss, except exchange difference arising on long term foreign currency monetary items relating to acquisition of depreciable fixed assets, which is adjusted to the carrying amount of such assets.

An asset shall be designated as a long term foreign currency monetary item, if the asset or liability is expressed in foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

d) **Translation of non integral foreign operations:**

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non monetary of the non-integral foreign operation are translated at the closing rate; income and expenses items of the non-integral foreign operations are translated at the average rate prevailing during the year; and all resulting exchange differences are accumulated in the foreign currency translation reserve until the disposal of net investment.

12) RESEARCH AND DEVELOPMENT

Capital Expenditure incurred for Research and Development is capitalised when commissioned and included in the gross block of fixed assets. Revenue expenditure on research and development is charged to the Statement of Profit & Loss in the period in which it is incurred. Expenditure incurred on projects to develop new products is capitalised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale. Product development expenditure which do not meet these criteria are expensed when incurred.

Significant Accounting Policies and Notes to Accounts

13) PRIOR PERIOD ADJUSTMENTS

Earlier year items, adjustment/claims, arisen / settled / noted during the year, if material in nature, are debited / credited to prior period Expenses/Income, else to respective heads of account.

14) 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 long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are stated at cost. Provision for diminution in the value of investments is made, if it is other than temporary.

15) BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of such asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

16) TAXATION

- a) Provision for Current Tax is made after considering benefits, exemptions and deductions available under the Income Tax Act, 1961.
- b) Deferred tax is recognised subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and accounting income/(loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.
- c) Foreign Company recognise tax liabilities and assets in accordance with the applicable local laws.

17) LEASES

Operating Lease: Lease rentals in respect of assets taken on operating leases are charged to the Statement of Profit and Loss account with reference to lease terms and other consideration.

18) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in Notes. Contingent assets are neither recognised nor disclosed in the financial statements.

19) SEGMENT REPORTING

The accounting policies adopted by the Company for segment reporting are in line with the accounting standard on Segmental Reporting.

Primary Segment:

Business Segment: The Company is engaged in the business of chemical which is a single business segment and constitutes the primary segment.

Secondary Segment:

Geographical Segment: The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

- (a) Sales within India
- (b) Sales outside India

Segment Expenses, Segment Assets and Segment Liabilities have been allocated to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated Revenue/Expenses/Assets/Liabilities".

20) CASH FLOW STATEMENTS

Cash-Flow Statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

21) EARNING PER SHARE

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity Shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential Equity Shares.

22) DERIVATIVE INSTRUMENTS

The Company has adopted Accounting Standard 30 (AS 30) "Financial Instruments: Recognition and Measurement". Based on the Recognition and Measurement principles set out in AS 30, changes in the fair values of derivative financial instruments designated as effective cash flow hedges are recognised as "Cash Flow Hedge Reserve" directly in the Balance Sheet under Reserves & Surplus and later reclassified in the Statement of Profit & Loss upon the occurrence of the hedging transaction. Changes in the fair value of ineffective hedges taken are recognised directly to the Statement of Profit & Loss.

23) EMPLOYEE STOCK OPTION BASED COMPENSATION

Accounting value of stock options is determined on the basis of 'intrinsic value' representing the excess of the market price on the date of grant over the exercise price of the options granted under the 'Employees Stock Option Scheme' of the Company, and is being amortised as 'Deferred employee compensation' on a straight-line basis over the vesting period in accordance with the

Significant Accounting Policies and Notes to Accounts

SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended till date and Guidance Note on 'Share Based Payments' issued by the ICAI.

24) PRINCIPLES OF CONSOLIDATION

- (i) The consolidated financial statements relate to PI Industries Ltd. and its wholly owned subsidiary companies.

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The consolidated financial statements have been prepared using uniform accounting policies for the transactions and other events in similar circumstances and are prepared to the extent possible in the same manner as the Company's separate financial statements.

- (ii) The subsidiary companies considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% voting power held as at March 31, 2015
PILL Finance & Investment Limited	India	100%
PI Life Science Research Limited	India	100%
PI Japan Co. Ltd.	Japan	100%

B. NOTES TO ACCOUNTS

1. SHARE CAPITAL

Particulars	(₹ in Lacs)	
	As at March 31, 2015	As at March 31, 2014
Authorised Shares		
223,000,000 (Previous Year 200,000,000) Equity Shares of ₹1 each (Previous Year of ₹ 1 each)	2,230.00	2,000.00
5,000,000 (Previous Year 5,000,000) Preference Shares of ₹100 each	5,000.00	5,000.00
	7,230.00	7,000.00
Issued Shares		
136,752,757 (Previous Year 136,285,655) Equity Shares of ₹1 each (Previous Year ₹ 1 each)	1,367.53	1,362.86
	1,367.53	1,362.86
Subscribed & Fully Paid up Shares		
136,576,182 (Previous Year 136,109,080) Equity Shares of ₹1 each (Previous Year ₹ 1 each)	1,365.76	1,361.09
Total subscribed and fully paid up share capital	1,365.76	1,361.09

- a. The difference between the issued and subscribed capital is on account of less number of shares allotted in right issue in earlier years.

b. Terms/ rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹1 per share (Previous Year ₹ 1 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 ensuing Annual General Meeting except interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended March 31, 2015, the Company has declared 130% Final dividend and 120% Interim dividend on Equity Shares of face value of ₹1 each to the Equity Shareholders, which is recognised as distribution to the Equity Shareholders. (Previous Year Final dividend of 100% and Interim dividend of 100% on face value of ₹1 per share).

c. Issue of Shares under ESOP Scheme

During the year ended March 31, 2015, the Company has issued 467,102 Equity Shares of ₹ 1 each (Previous Year 649,930 Equity Shares of ₹ 1 each), as per exercise price to PII ESOP Trust (Trust), set up to administer Employee Stock Option Plan. Out of total Equity Shares issued to the Trust 423,458 Equity Shares of face value of ₹ 1 each (Previous Year 521,961 Equity Shares of face value of ₹ 1 each) have been allocated by the Trust to respective employees upon exercise of Stock Option from time to time. As on March 31, 2015, 278,458 Equity Shares of face value of ₹ 1 per share (Previous Year 234,814 of face value of ₹ 1 each) are pending to be allocated to employees upon exercise of Stock option. (Refer Note 33).

d. Split of Shares

Pursuant to the approval of the shareholders through postal ballot dated April 03, 2013, the Company has sub-divided the existing Equity Shares of ₹ 5 each fully paid up into 5 Equity Shares of ₹ 1 each.

e. Pursuant to the approval by the Honourable High Court of Jodhpur to the scheme of amalgamation vide its formal order dtd. March 27, 2015, the Company has taken following actions:-

- i) Authorised Share Capital stands increased to ₹ 7,230 lacs divided into 223,000,000 Equity Shares of ₹ 1 each; 5,000,000 Preference Shares of ₹ 100 each.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

1. SHARE CAPITAL (Contd...)

- ii) Investment held by Parteek Finance & Investment Co. Ltd. (Transferor Company) in PI Industries Ltd. representing 73,851,390 Equity Shares have been cancelled and fresh Equity Shares of 73,851,390 Equity Shares have been issued to the shareholders of the Transferor Company.

f. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

Issued Share Capital

Equity Shares

Particulars	Equity Shares (No. of Shares)		Equity Shares (Value of Shares) (₹ in Lacs)	
	2014-15	2013-14	2014-15	2013-14
Share outstanding at beginning of period	136,285,655	27,127,145	1,362.86	1,356.36
Shares issued under ESOP scheme (Refer Note 1(c))	467,102	649,930	4.67	6.50
Split of shares (Refer Note 1(d))	-	108,508,580	-	-
Cancellation of shares (Refer Note 1(e))	(73,851,390)	-	(738.51)	-
Issuance of shares (Refer Note 1(e))	73,851,390	-	738.51	-
Share outstanding at end of period	136,752,757	136,285,655	1,367.53	1,362.86

Subscribed & Paid up

Equity Shares

Particulars	Equity Shares (No. of Shares)		Equity Shares (Value of Shares) (₹ in Lacs)	
	2014-15	2013-14	2014-15	2013-14
Share outstanding at beginning of period	136,109,080	27,091,830	1,361.09	1,354.59
Shares issued under ESOP scheme (Refer Note 1(c))	467,102	649,930	4.67	6.50
Split of shares (Refer Note 1(d))	-	108,367,320	-	-
Cancellation of shares (Refer Note 1(e))	(73,851,390)	-	(738.51)	-
Issuance of shares (Refer Note 1(e))	73,851,390	-	738.51	-
Share outstanding at end of period	136,576,182	136,109,080	1,365.76	1,361.09

g. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares brought back during the period of five years immediately preceding the reporting period

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Equity Shares allotted as fully paid up Bonus shares by capitalisation of reserves as on	36,364,605	36,364,605

Year of Issue	No. of Shares
2010-11	18,645,835
2009-10	17,718,770

h. Shares reserved for issue under option

Shares reserved for issue under ESOP - Refer Note 33

i. Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholders	2014-15		2013-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Parteek Finance & Inv. Co. Ltd.	Nil	Nil	73,851,390	54.26
Mr. Salil Singhal jointly with Mrs. Madhu Singhal	25,857,174	18.93	906,390	0.67
Mrs. Madhu Singhal jointly with Mr. Salil Singhal	23,764,621	17.40	1,400,370	1.03
Mr. Salil Singhal	13,101,879	9.59	Nil	Nil
Salil Singhal (HUF)	12,873,629	9.43	Nil	Nil

j. Shares held by Holding Company

Name of Shareholders	2014-15		2013-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Parteek Finance & Inv. Co. Ltd.	Nil	Nil	73,851,390	54.26

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

2. RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at		As at	
	March 31, 2015		March 31, 2014	
a. Capital Reserve				
Balance at the beginning of the Financial year	147.51		147.51	
Addition during the Financial year*	1.37		-	
Deduction during the Financial year	-	148.88	-	147.51
b. Capital Redemption Reserve				
Balance at the beginning of the Financial year	35.00		35.00	
Addition during the Financial year	-		-	
Deduction during the Financial year	-	35.00	-	35.00
c. Foreign Currency Translation Reserve				
Balance at the beginning of the Financial year	5.37		2.04	
Addition during the Financial year	-		3.33	
Deduction during the Financial year	(13.88)	(8.51)	-	5.37
d. Securities Premium Reserve				
Balance at the beginning of the Financial year	16,343.09		15,948.18	
Add: Premium on issue of Equity Shares through ESOP	421.98	16,765.07	394.91	16,343.09
e. Revaluation Reserve				
Balance at the beginning of the Financial year	179.67		179.67	
Less: Reversal of Revaluation Reserve**	(179.67)	-	-	179.67
f. Share Option Outstanding Account				
Balance at the beginning of the Financial year	95.00		101.09	
Addition during the Financial year	166.22		173.08	
Less: Written back during the Financial year	(51.05)		(18.35)	
Less: Shares Allotted	(42.66)		(66.01)	
Less: Deferred employee stock compensation	(41.05)	126.46	(94.81)	95.00
g. Cash Flow Hedge Reserve				
Balance at the beginning of the Financial year	411.32		132.80	
Addition during the Financial year	-		278.52	
Less: Written back during the Financial year	(223.02)	188.30	-	411.32
h. General Reserve				
Balance at the beginning of the Financial year	8,426.59		6,589.22	
Add: Transferred during the Financial year	2,432.49	10,859.08	1,837.37	8,426.59
i. Surplus in Statement of Profit & Loss				
Balance at the beginning of the Financial year	42,446.26		28,681.79	
Addition during the Financial year	24,589.35		18,800.35	
Less: Transfer to General Reserves	(2,432.49)		(1,837.37)	
Less: Depreciation for assets having NIL remaining life as on April 01, 2014 ***	(276.88)		-	
Less: Dividend of previous years	-		(6.50)	
Less: Interim Dividend on Equity Shares ₹ 1.20 per share (Previous Year ₹ 1 per share)	(1,638.91)		(1,361.09)	
Less: Proposed Dividend on Equity Shares ₹ 1.30 per share (Previous Year ₹ 1 per share)	(1,775.49)		(1,361.09)	
Less: Dividend Distribution Tax on Equity Shares	(746.45)	60,165.39	(469.83)	42,446.26
TOTAL		88,279.67		68,089.81

During the year, interim dividend amounting to ₹ 35.48 lacs (Previous Year ₹ 49.53 lacs) declared for the financial year 2014-15 & final dividend amounting to ₹ 29.42 lacs (Previous Year ₹ 49.13 lacs) declared for the financial year 2013-14 was paid in foreign currency to two of the shareholders holding 2,956,974 Shares (Previous Year one of the shareholder holding 4,992,538 Shares).

* Refer Note 32

** Refer Note A2 (b) of Significant Accounting Policies

*** Refer Note A2 (a) of Significant Accounting Policies

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

3. LONG-TERM BORROWINGS

(₹ in Lacs)

Particulars	Non-Current		Current Maturities	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Term Loans - From Banks and Financial Institutions				
Foreign Currency Loans from Banks (secured)	1,666.67	4,808.00	3,333.33	3,205.33
	1,666.67	4,808.00	3,333.33	3,205.33
Deposits (unsecured)				
Directors	-	43.94	-	91.93
Shareholders	-	122.39	-	13.49
Others	-	38.35	-	317.05
	-	204.68	-	422.47
TOTAL	1,666.67	5,012.68	3,333.33	3,627.80
The above amount includes				
Secured borrowings	5,000.00	8,013.33		
Unsecured borrowings	-	627.15		
NET AMOUNT	5,000.00	8,640.48		

a. Foreign Currency Loan includes:

ECB from Standard Chartered Bank amounting to USD 80.00 lacs carrying interest rate of 90 days LIBOR plus 1.85% is outstanding as on March 31, 2015 and is repayable in balance 6 Quarterly instalments of USD 13.33 lacs each. The loan is secured by first exclusive charge on movable fixed assets of the Company situated at SPM 28, Jambusar (Gujarat) and first pari passu charge on the movable fixed assets of the Company, situated at 237, GIDC, Panoli (Gujarat) and second pari passu charge on all the current assets of the Company.

b. Deposits from Directors, shareholders and others carries interest ranging from 9% to 11% per annum depending upon the amount of deposit. Non-cumulative deposits have a maturity period of two years and are paid interest at the interval of every six months. Cumulative deposits have maturity period of three years and the interest is compounded six monthly. During the year Company has repaid all the Deposits.

c. As on the Balance sheet date there is no default in repayment of loans and interest.

4. DEFERRED TAX LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax assets/ liabilities are attributable to the following items;		
Deferred Tax Assets		
Effects of expenditure debited to Statement of P&L in the current year but allowed for tax purposes in the following year	652.94	480.48
Sub- Total (a)	652.94	480.48
Deferred Tax Liabilities		
Difference in depreciation and amortisation in block of fixed assets as per Income Tax Act and books of accounts & Others	4,338.33	4,847.84
Sub- Total (b)	4,338.33	4,847.84
Net Deferred Tax Liability (b)-(a)	3,685.39	4,367.36

5. OTHER LONG-TERM LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Other Payables		
Security Deposits from Dealers	1,518.85	1,310.69
Security Deposits from Contractors	19.00	22.00
Miscellaneous payables	44.92	44.92
TOTAL	1,582.77	1,377.61

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

6. PROVISIONS

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for Employee Benefits*				
Compensated Absences	414.23	325.51	74.85	58.40
Gratuity	381.06	274.14	-	-
	795.29	599.65	74.85	58.40
Other Provisions				
Provision for Income Tax {Net of Advance Tax of ₹ 28,855.43 lacs (Previous Year ₹ 17,506.16 lacs)}			1,124.66	986.07
Provision for Proposed Dividend on Equity Shares			1,775.49	1,361.09
Provision for Dividend Distribution Tax			363.53	231.32
	-	-	3,263.68	2,578.48
TOTAL	795.29	599.65	3,338.53	2,636.88

* Refer Note 31

7. SHORT-TERM BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Loans Repayable on Demand		
Working Capital Loans from Banks (secured)	6,479.37	3,588.46
TOTAL	6,479.37	3,588.46
The above amount includes		
Secured Borrowings	6,479.37	3,588.46

Working capital loans are secured by way of first pari passu charge on all the current assets by hypothecation of stocks of raw materials, finished and semi finished goods, stores and spares not related to plant and machinery, bills receivable, book debts and all other movable current assets of the Company both present and future, and additionally secured by way of second charge on all the fixed assets of the Company excluding leasehold land situated at SPM 28, Jambusar (Gujarat) in favour of the consortium bankers.

Working Capital Loan includes Foreign currency Loan (Buyers Credit Loan) amounting to ₹ 434.37 lacs (Previous Year ₹ 186.47 lacs).

8. TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Trade Payables		
- Due to micro and small enterprises (Refer Note 42)	424.21	484.13
- Other Trade Payables	34,953.88	28,678.45
TOTAL	35,378.09	29,162.58

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

9. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Current maturities of long-term debt (Refer Note 3)	3,333.33	3,627.80
Interest accrued but not due on borrowings	0.66	136.58
Unclaimed dividends*	26.75	19.57
Creditors for Capital Purchases	2,877.70	872.11
Security Deposits Contractors	31.25	27.75
Income received in advance/ Customer advances	2,214.41	1,793.50
Other payables		
- Employee Balances	2,585.93	1,812.69
- Statutory Dues Payable	892.05	704.06
- Miscellaneous Payable	8,785.25	6,599.95
TOTAL	20,747.33	15,594.01

* The amount does not include amount due/ outstanding to be credited to Investor Education & Protection Fund, same shall be credited as and when due.

10. TANGIBLE ASSETS

(₹ in Lacs)

Particulars	Leasehold Land	Freehold Land	Leasehold Improvement	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Library	Total
Gross Carrying Value										
As at April 01, 2013	2,180.99	247.89	3.33	7,263.06	50,573.86	258.95	488.49	190.36	99.74	61,306.67
Additions	-	-	-	1,607.95	4,307.58	25.49	129.75	5.38	-	6,076.15
Disposals	(4.36)	-	-	(7.55)	(1,774.72)	(9.59)	(61.39)	(143.16)	-	(2,000.77)
Other Adjustments										
Exchange Difference	-	-	-	260.98	859.52	-	-	-	-	1,120.50
Borrowing Costs	-	-	-	17.30	56.96	-	-	-	-	74.26
Foreign currency exchange reserve	-	-	0.12	-	-	-	0.28	-	-	0.40
Other Expenses including Salary	-	-	-	229.82	755.83	1.05	14.28	-	-	1,000.98
As at March 31, 2014	2,176.63	247.89	3.45	9,371.56	54,779.03	275.90	571.41	52.58	99.74	67,578.19
Additions	-	-	-	1,265.37	4,784.40	81.65	69.51	0.54	-	6,201.47
Disposals	-	-	-	(74.64)	(4,113.73)	(50.08)	(169.10)	(27.21)	-	(4,434.76)
Other Adjustments										
Reversal of Revaluation Reserve	-	(179.67)	-	-	-	-	-	-	-	(179.67)
Exchange Difference	-	-	-	68.93	221.44	-	-	-	-	290.37
Foreign currency exchange reserve	-	-	(0.44)	-	-	-	(1.09)	-	-	(1.53)
Other Expenses including Salary	-	-	-	113.60	306.92	-	-	-	-	420.52
Others	-	-	-	555.77	(387.47)	9.63	(89.59)	7.19	(99.74)	(4.21)
As at March 31, 2015	2,176.63	68.22	3.01	11,300.59	55,590.59	317.10	381.14	33.10	-	69,870.38
Depreciation										
As at April 01, 2013	8.38	-	2.04	856.21	12,219.23	110.41	261.90	169.38	78.93	13,706.48
Charge for the year	66.96	-	0.19	263.79	2,688.90	30.36	38.95	3.84	2.31	3,095.30
Disposals	-	-	-	(5.34)	(1,308.91)	(8.51)	(53.55)	(131.86)	-	(1,508.17)
Difference on account of Foreign Currency Exchange Reserve	-	-	0.07	-	-	-	0.17	-	-	0.24
As at March 31, 2014	75.34	-	2.30	1,114.66	13,599.22	132.26	247.47	41.36	81.24	15,293.85
Charge for the year	22.62	-	0.14	518.39	4,622.79	27.20	104.33	5.35	-	5,300.82
Disposals	-	-	-	(52.87)	(3,389.68)	(48.21)	(157.50)	(26.35)	-	(3,674.61)
Difference on account of Foreign Currency Exchange Reserve	-	-	(0.30)	-	-	-	(0.86)	-	-	(1.16)
Others	-	-	-	385.93	(305.57)	1.18	(6.54)	2.21	(81.24)	(4.03)
As at March 31, 2015	97.96	-	2.14	1,966.11	14,526.76	112.43	186.90	22.57	-	16,914.87
Net Carrying Value										
As at March 31, 2014	2,101.29	247.89	1.15	8,256.90	41,179.81	143.64	323.94	11.22	18.50	52,284.34
As at March 31, 2015	2,078.67	68.22	0.87	9,334.48	41,063.83	204.67	194.24	10.53	-	52,955.51

- The Company has reversed the revaluation reserve created on Freehold Land on June 30, 1988.
- Depreciation for the year includes depreciation amounting to ₹ 214.83 lacs (Previous Year ₹ 49.79 lacs) on assets used for Research & Development. During the year Company incurred ₹ 219.30 lacs (Previous Year ₹ 24.32 lacs) towards capital expenditure for Research & Development (Refer Note 27).
- Amount capitalised on account of exchange difference, borrowing costs and other administrative costs have been transferred from Capital Work in progress.
- Out of the total depreciation charge for the year, ₹ 419.43 lacs representing assets beyond their useful life as of April 01, 2014 has been charged to General Reserve in accordance with the Schedule II to the Companies Act 2013. Refer Note A2 (a) of Significant Accounting Policies.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

11. CAPITAL WORK IN PROGRESS & INTANGIBLES ASSETS UNDER DEVELOPMENT

(₹ in Lacs)

Particulars	Amount of Capital Work in progress	Intangible Assets under Development
As at April 01, 2013	5,513.97	537.91
Additions	4,716.10	206.30
Amount transferred from CWIP	(8,279.41)	(51.13)
Other Adjustments*		
Exchange Difference	1,120.50	-
Other Expenses including Salary	484.16	-
As at March 31, 2014	3,555.32	693.08
Additions	14,297.18	411.22
Amount transferred from CWIP	(6,468.22)	-
Other Adjustments*		
Exchange Difference	290.37	-
Other Expenses including Salary	545.09	-
As at March 31, 2015	12,219.74	1,104.30

* Refer Note 36

12. INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	Software	Product Development	Total
Gross Carrying Value			
As at April 01, 2013	477.85	-	477.85
Additions	183.21	51.13	234.34
Other Expenses including Salary	2.01	-	2.01
Disposals	(0.27)	-	(0.27)
As at March 31, 2014	662.80	51.13	713.93
Additions	39.12	-	39.12
Others	4.21	-	4.21
Disposals	(124.64)	-	(124.64)
As at March 31, 2015	581.49	51.13	632.62
Depreciation			
As at April 01, 2013	270.87	-	270.87
Charge for the year	59.43	0.87	60.30
Disposals	(0.26)	-	(0.26)
As at March 31, 2014	330.04	0.87	330.91
Charge for the year	88.41	8.50	96.91
Others	4.03	-	4.03
Disposals	(110.31)	-	(110.31)
As at March 31, 2015	312.17	9.37	321.54
Net Carrying Value			
As at March 31, 2014	332.76	50.26	383.02
As at March 31, 2015	269.32	41.76	311.08

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

13. NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2015			As at March 31, 2014		
	Face Value	No. of Shares	₹ in lacs	Face Value	No. of Shares	₹ in lacs
Long-term Investments (At cost): Non Trade						
1) Quoted Shares						
a) United Credit Ltd.	10	700	0.21	10	700	0.21
b) Summit Securities		12	-		12	-
c) Akzo Nobel India Ltd.	10	50	0.05	10	50	0.05
d) BASF India Ltd.	10	976	0.46	10	976	0.46
e) Sudershan Chemical Industries Ltd.	1	900	0.04	10	90	0.04
f) Rallis India Ltd.	1	2,070	0.12	1	2,070	0.12
g) Bayers Crop Science Ltd.	10	66	0.19	10	66	0.19
h) Punjab Chemicals & Crop Protection Ltd.	10	248	0.09	10	248	0.09
i) Pfizer Ltd. (Erstwhile Wyeth Ltd.)	10	29	0.15	10	42	0.15
j) Aventis Pharma Ltd.	10	100	0.03	10	100	0.03
k) L.M.L.Ltd.	10	150	0.02	10	150	0.02
l) United Sprit Ltd.	10	188	0.05	10	188	0.05
m) RPG Life Sciences Ltd.	10	360	0.22	10	360	0.22
n) Voltas Ltd.	10	100	0.01	10	100	0.01
o) ICICI Bank Ltd.	2	2,300	2.42	10	460	2.42
			4.06			4.06
2) Unquoted Shares (Equity)						
a) Panoli Enviro Technology Ltd. 30,000 (Previous Year 30,000) Equity Shares of ₹ 10 each fully paid			3.00			3.00
b) Bharuch Enviro Infrastructure Ltd. 2,100 (Previous Year 2,100) Equity Shares of ₹ 10 each fully paid			0.21			0.21
c) Narmada Clean Tech Ltd. 444,339 (Previous Year 444,339) Equity Shares of ₹ 10 each fully paid			44.43			44.43
d) Abhilasha Tower Co-operative Service Housing Society Ltd. 10 (Previous Year 10) Equity Shares of ₹ 250 each fully paid			0.02			0.02
e) Sygenta India Limited 160 (Previous Year 160) Equity Shares of ₹ 10 each fully paid up			0.02			0.02
f) Ciba CKD Biochem Ltd. 100 (Previous Year 100) Equity Shares of ₹ 10 each fully paid up			0.05			0.05
			47.73			47.73
TOTAL			51.79			51.79
Aggregate book value of Quoted Investments			4.06			4.06
Aggregate market value of Quoted Investments			38.82			28.59
Aggregate book value of Un-Quoted Investments			47.73			47.73

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

14. LOANS AND ADVANCES

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Capital Advances (Unsecured)				
Considered good	3,867.72	681.94	-	-
Doubtful	0.49	9.87	-	-
Less: Allowance for Doubtful Capital Advances	(0.49)	(9.87)	-	-
A	3,867.72	681.94	-	-
Security Deposits (Unsecured)				
Considered good	368.05	418.59	9.28	14.14
Doubtful	-	-	-	-
B	368.05	418.59	9.28	14.14
Loans and advances to related parties (unsecured)				
Considered good (Refer Note 38)*	-	-	412.65	326.34
C	-	-	412.65	326.34
Other Loans and advances (Unsecured)				
Loans To Body Corporate**	-	-	2,287.59	2,623.36
Advances to Vendors				
Considered good	-	-	2,325.67	2,619.10
Doubtful	-	-	2.36	74.11
Less: Allowance for Doubtful Advances	-	-	(2.36)	(74.11)
Balance with Central Excise Authorities, Customs etc.	-	-	3,181.36	1,591.60
Prepaid Expenses	-	-	338.31	120.21
Employee Advances				
Considered good	-	-	48.20	8.93
Doubtful	-	-	0.27	8.41
Less: Allowance for Doubtful Employee Advances	-	-	(0.27)	(8.41)
Other Statutory Advances	14.90	10.31	2,105.91	2,215.85
Other Miscellaneous Advances	27.10	27.17	1,311.80	1,284.62
D	42.00	37.48	11,598.84	10,463.67
TOTAL (A+B+C+D)	4,277.77	1,138.01	12,020.77	10,804.15

* Includes provision of money amounting to ₹ 380.64 lacs (Previous Year ₹ 289.52 lacs), to PII ESOP Trust (Trust) for subscription of Shares by PII ESOP Trust for the benefit of employees and carries an interest rate of 9% p.a..

** The above unsecured loan is given to M/s Sterling SEZ & Infrastructure Ltd. for the purpose of infrastructure development and carries an interest rate of 15% p.a. (plus 2% penal interest). The Company has also provided a Bank Guarantee (dtd. September 13, 2013 valid till September 12, 2015) amounting ₹ 284.21 lacs in favour of Dakshin Gujrat VIJ Company Ltd., Surat on behalf of Sterling SEZ & Infrastructure Ltd.

15. OTHER ASSETS

(₹ in Lacs)

Particulars	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Interest and Other charges recoverable from customers- Good	-	-	488.71	344.18
Interest and Other charges recoverable from customers- Doubtful	-	-	302.81	140.13
Less: Allowance for Interest and other charges recoverable from customers	-	-	(302.81)	(140.13)
Deposits lodged with Excise & Sales Tax department*	207.74	191.51	-	-
Hedge Asset	-	-	188.30	411.31
TOTAL	207.74	191.51	677.01	755.49

*Deposits includes ₹ 200.52 lacs (Previous Year ₹ 184.84 lacs) towards security deposit lodged with the Rajasthan excise department and ₹ 4.58 lacs (Previous Year ₹ 4.23 lacs) lodged with Commercial Taxes Kottayam, ₹ 1.42 lacs (Previous Year ₹ 1.31 lacs) lodged with Assistant Excise & Taxation Commissioner, Solan, ₹ 0.62 lacs (Previous Year ₹ 0.57 lacs) lodged with Superintendent, Prohibition & Excise Account, Jambusar and ₹ 0.60 lacs (Previous Year ₹ 0.55 lacs) lodged with UKAI right Bank Canal Division.

* Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 207.74 lacs (Previous Year ₹ 191.51 lacs); and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

16. INVENTORIES (Valued at lower of cost and net realizable value)

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Raw Materials and Packing Materials {includes Stock-in-Transit ₹ 7,547.66 lacs (Previous Year ₹ 6,781.72 lacs)}	19,002.92	15,929.47
Work in Progress	7,104.48	6,244.93
Finished Goods, including By - products	8,373.89	7,194.35
Traded Goods	1,502.67	1,266.12
Stores & Spares, Laboratory Chemicals & Apparatus	1,837.19	1,241.01
TOTAL	37,821.15	31,875.88

17. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
<i>Unsecured, considered good unless stated otherwise</i>		
Debts outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	2,517.56	534.09
- Doubtful	728.85	463.70
	3,246.41	997.79
Less: Allowance for Doubtful Debts	(728.85)	(463.70)
A	2,517.56	534.09
Others Debts		
- Considered Good	35,740.09	25,147.92
- Doubtful	5.01	14.57
	35,745.10	25,162.49
Less: Allowance for Other Doubtful Debts	(5.01)	(14.57)
B	35,740.09	25,147.92
TOTAL (A+B)	38,257.65	25,682.01

18. CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	As at March 31, 2015	As at March 31, 2014
Cash & Cash Equivalents		
- <i>Balance with banks</i>		
On Current Accounts	1,705.54	1,399.64
- <i>Cash on hand</i>	10.68	8.17
- <i>Fixed Deposits with Bank*</i>	-	1,769.85
Other Bank Balances		
Fixed Deposits with Bank**	570.94	326.82
In Deposit accounts held as margin money***	1,100.45	851.48
In Unclaimed Dividend Accounts ****	26.75	19.57
TOTAL	3,414.36	4,375.53

* Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil); and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ 1,769.85 lacs).

** Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 354.22 lacs (Previous Year ₹ 326.82 lacs) and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

*** Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 1,100.45 lacs (Previous Year ₹ 851.48 lacs) towards margin money pledged with banks for Bank Guarantees and Letter of Credit.; and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

**** Not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

19. REVENUE FROM OPERATIONS

	(₹ in Lacs)	
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Revenue from Operations includes		
a) Sale of products;		
Finished Goods	2,11,850.76	1,78,221.27
Traded Goods	6,635.76	5,515.71
	2,18,486.52	1,83,736.98
b) Sale of services;	125.47	126.34
	125.47	126.34
c) Other operating Revenues;		
Scrap Sales	190.37	101.99
Others*	137.93	760.84
	328.30	862.83
Revenue From Operations (Gross) (a+b+c)	2,18,940.29	1,84,726.15
Less: Excise Duty	9,288.50	8,570.41
Less: Discount	15,624.70	16,602.16
Revenue From Operations (Net)	1,94,027.09	1,59,553.58
d) Details of products sold		
(i) Finished goods sold		
Specialty Chemicals	1,16,147.12	95,146.13
Agro Chemicals	89,351.08	77,010.85
Plant Nutrients	5,860.74	5,461.05
Others	491.82	603.24
	2,11,850.76	1,78,221.27
(ii) Traded Goods Sold		
Agro Chemicals	6,611.69	5,484.70
Others	24.07	31.01
	6,635.76	5,515.71
(iii) Details of services rendered		
Research & Development Activities	62.29	61.27
Others	63.18	65.07
	125.47	126.34

* Other operating revenue includes Export incentive (Net) of ₹ 137.93 lacs (Previous Year ₹ 760.84 lacs).

20. OTHER INCOME

	(₹ in Lacs)	
Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Income from Long term Investment		
Dividend Income from Long term Investment	0.35	0.39
Income from Short term Investment		
Interest Income;		
- Margin Money Deposits	452.94	248.98
- Others	1,776.10	1,134.73
Other Non-operating Income	136.33	193.80
Exchange Gain	1,836.14	-
TOTAL	4,201.86	1,577.90

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

21. COST OF RAW MATERIAL AND PACKING MATERIAL CONSUMED

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Details of Raw Material and Packing Material consumed		
Basic Chemicals	63,143.77	51,761.87
Active Ingredients	22,938.89	21,428.40
Solvent	7,436.65	7,868.66
Packaging Material	5,142.42	5,090.00
Catalyst & Emulsifiers	4,909.88	1,443.59
Others	4,628.53	3,412.64
TOTAL	1,08,200.14	91,005.16
Details of Raw Material and Packing Material Inventory		
Basic Chemicals	12,032.29	9,925.05
Packaging Material	671.70	832.00
Active Ingredients	4,215.10	3,882.47
Solvent	1,042.63	831.97
Catalyst & Emulsifiers	881.40	342.51
Others	159.80	115.47
TOTAL	19,002.92	15,929.47

22. (INCREASE)/DECREASE IN INVENTORY

(₹ in Lacs)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Inventories at the end of the year				
Finished Goods	8,373.89		7,194.35	
Traded Goods	1,502.67		1,266.12	
Work in Progress	7,104.48	16,981.04	6,244.93	14,705.40
Inventories at the beginning of the year				
Finished Goods	7,194.35		5,794.41	
Traded Goods	1,266.12		749.43	
Work in Progress	6,244.93	14,705.40	4,535.76	11,079.60
TOTAL		(2,275.64)		(3,625.80)
a) Details of Purchases of Traded Goods				
Agro Chemicals		5,598.94		4,597.97
Others		12.26		-
TOTAL		5,611.20		4,597.97
b) Details of Inventory				
Finished Goods				
Agro Chemicals		5,997.19		5,150.04
Specialty Chemicals		1,856.76		1,424.37
Plant Nutrients		262.67		397.93
Others		257.27		222.01
TOTAL		8,373.89		7,194.35
Traded Goods				
Agro Chemicals		1,502.67		1,266.12
Others		-		-
TOTAL		1,502.67		1,266.12
Work In Progress				
Agro Chemicals		2,278.55		2,324.62
Specialty Chemicals		4,795.76		3,918.36
Plant Nutrients		30.17		1.95
TOTAL		7,104.48		6,244.93

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

23. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Salaries, Wages and Bonus	12,769.12	9,861.17
Contribution to Provident & other funds	581.52	450.50
Gratuity and Other Long term compensated absences (Refer Note 31)	288.06	262.74
Employees Welfare Expenses	586.31	445.52
Expense on Employee Stock Option Scheme (Refer Note 33)	74.12	59.93
TOTAL	14,299.13	11,079.86

24. OTHER EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Power, Fuel & Water	7,690.95	7,461.52
Stores & Spares Consumed	2,030.55	1,540.38
Repairs & Maintenance to :		
- Buildings	46.15	122.04
- Plant & Machinery	101.19	266.17
- Other Repairs	539.19	403.61
Environment & Pollution Control expenses	5,377.11	5,423.95
Laboratory & Testing Charges	590.36	464.19
Freight & Cartage	3,774.84	3,175.80
Advertisement & Sales Promotion	2,853.55	2,161.22
Travelling & Conveyance (Refer Note 24(a))	2,635.44	2,379.23
Exchange Difference	-	6.37
Rent	762.90	652.78
Rates, Taxes & Fees	248.92	530.24
Insurance	267.67	235.12
Donation	45.16	73.38
Loss on Sale/Retirement of Fixed Assets (Net)	712.29	445.75
Auditors' Remuneration (Refer Note 24(b))	32.77	20.98
Communication Expenses	355.52	268.05
Bad debts written off (Net)	12.28	-
Provision for Bad and Doubtful debts & Advances	415.66	426.86
Prior period expenses	9.68	1.99
Director Sitting Fees & Commission	84.00	71.50
Legal & Professional Expenses	993.42	703.22
Bank Charges	240.03	211.93
Contribution towards CSR activities	348.00	-
Miscellaneous Expenses	751.63	558.57
TOTAL	30,919.26	27,604.85
a. Travelling Expenditure includes Directors Travelling amounting to ₹ 306.03 lacs (Previous Year ₹ 287.02 lacs)		
b. Auditors' Remuneration		
- Audit Fees	18.42	10.34
- Limited Review Fees	6.00	4.50
- Certificates & other matters	6.19	5.28
- Reimbursement of expenses	2.16	0.86
TOTAL	32.77	20.98

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

25. DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Depreciation on Tangible Assets*	4,881.39	3,095.30
Amortization of Intangible Assets*	96.91	60.30
TOTAL	4,978.30	3,155.60

* Refer Note 10 & 12

26. FINANCE COST

(₹ in Lacs)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Interest				
On Fixed Loans	352.54		527.93	
On Working Capital	509.18		518.92	
Others	62.31	924.03	67.26	1,114.11
Other Borrowing Costs		48.54		68.23
TOTAL		972.57		1,182.34

27. RESEARCH & DEVELOPMENT EXPENSES

Details of Expenditure on Research & Development Facilities/ division of the Company recognised by Department of Scientific & Industrial Research

a) Revenue Expenditure

(₹ in Lacs)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Miscellaneous Income	–	48.82
		48.82
Employee Benefit Expenses		
Salaries, Wages & Bonus	716.13	450.03
Contributions to Provident & other funds	51.15	31.86
Employee Welfare Expenses	16.79	16.21
	784.07	498.10
Raw & Packing Materials Consumed	93.21	21.62
Other Expenses		
Laboratory & testing Material	218.96	166.33
Power, Fuel & Water	21.94	18.10
Stores & Spares Consumed	31.86	38.58
Testing & Analysis	3.66	0.92
Travelling & Conveyance	47.14	27.98
Rates, Taxes & Fees	2.41	0.36
Printing & Stationery	3.29	3.72
Bank Charges	0.04	-
Legal & Professional Charges	13.62	51.48
Miscellaneous Expenses	29.29	9.15
	372.21	316.62
Depreciation		
Depreciation	214.83	49.79
TOTAL	1,464.32	886.13
Total Expenditure Allowed	1,464.32	837.31

b) Capital Expenditure

(₹ in Lacs)

Description	March 31, 2014	Addition during the year	March 31, 2015
Buildings	18.12	-	18.12
Equipments & Others	1,099.71	219.30	1,319.01
TOTAL	1,117.83	219.30	1,337.13

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

28. EARNING PER SHARE

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
a) Net Profit for Basic & Diluted EPS (₹ in lacs)	24,589.35	18,800.35
b) Number of Equity Shares at the beginning of the year	13,61,09,080	2,70,91,830
Add: Issue of Shares under ESOP	4,67,102	6,49,930
Add: Sub-division of Equity Shares @ ₹ 1 each	-	10,83,67,320
Less: Cancellation of Shares	(7,38,51,390)	-
Add: Issuance of Shares	7,38,51,390	-
Total Number of Shares outstanding at the end of the year	13,65,76,182	13,61,09,080
Weighted Average number of Equity Shares outstanding during the year - Basic	13,63,57,348	13,58,88,282
Weighted Average number of Equity Shares arising out of grant of Employee Stock option	14,96,800	10,10,550
Weighted Average number of Equity Shares outstanding during the year - Diluted	13,78,54,148	13,68,98,832
Earning Per Share - Basic (₹)	18.03	13.84
Earning per share - Diluted (₹)	17.84	13.73
Face value per share (₹)*	1	1

*Pursuant to the approval of the shareholders through postal ballot dated April 03, 2013, the Company has sub-divided the existing Equity Shares of ₹ 5 each fully paid up into 5 Equity Shares of ₹ 1 each.

29. NOTE ON AS 30 ADOPTION

The Company has adopted Accounting Standard 30 (AS 30) "Financial Instruments: Recognition and Measurement" during the Financial year 2011-12. Based on the Recognition and Measurement principles set out in AS 30, changes in the fair values of derivative financial instruments, the net foreign exchange exposure over a period of one year against the committed order in hand hedged through forward contracts, are designated as effective cash flow hedges and marked to market loss/gain arising on said foreign currency instruments are transferred to "Cash Flow Hedge Reserve" directly in the Balance Sheet under Reserves & Surplus and later the same is reclassified in the Statement of Profit & Loss upon the occurrence of the hedging transaction. Accordingly marked to market gain of ₹ 188.30 lacs (Previous Year gain of ₹ 411.31 lacs) arising on foreign currency instruments qualifying for hedge accounting as on March 31, 2015 has been transferred to Cash Flow Hedge Reserve Account.

30. AMOUNT SPENT ON CSR ACTIVITIES

Particulars	(₹ in Lacs)
a) Gross amount required to be spent by the Company during the year	348.00
b) Gross amount transferred to PI Foundation Trust for CSR activities*	348.00
c) Amount spent during the year	
Rural development projects	26.30
Education and vocational training projects	14.65
Swachh Bharat Kosh	55.90
Training and capacity building of CSR team and administrative expenses	4.84
TOTAL	101.69

* The Company is doing its CSR expenditure through PI Foundation Trust.

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

31. GRATUITY & OTHER LONG TERM COMPENSATED ABSENCES

As per Accounting Standard (AS)- 15 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standard is given below:

a) Defined Contribution Plans

The Company has recognised an expense of ₹ 581.52 lacs (Previous Year ₹ 450.50 lacs) towards the defined contribution plan.

b) Defined benefits plans - as per actuarial valuation

(₹ in Lacs)

Particulars	2014-15		2013-14	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
	Funded	Non-Funded	Funded	Non-Funded
I Change in present value of obligation during the year				
1 Present value of obligation at the beginning of the year	737.13	383.91	598.51	270.75
2 Current Service Cost	108.14	106.97	95.20	130.29
3 Interest Cost	62.65	32.64	47.88	21.66
4 Past Service Cost	-	-	-	-
5 Net Actuarial (Gain)/Loss	37.31	(1.98)	22.89	(9.94)
6 Benefits Paid	(52.04)	(32.46)	(27.35)	(28.85)
7 Present Value of obligation as at year-end	893.19	489.08	737.13	383.91
II Change in Fair Value of Plan Assets during the year				
1 Plan assets at the beginning of the year	462.99	-	373.72	-
2 Expected return on plan assets	39.35	-	31.77	-
3 Actuarial Gain/(Loss) on plan assets	11.83	-	8.35	-
4 Employer's contribution	50.00	-	74.96	-
5 Benefits paid	(52.04)	-	(25.81)	-
6 Plan assets at the end of the year	512.13	-	462.99	-
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1 Present Value of obligation as at year-end	893.19	489.08	737.13	383.91
2 Fair value of plan assets at year -end	512.13	-	462.99	-
3 Funded status {Surplus/(Deficit)}	(381.06)	(489.08)	(274.14)	(383.91)
4 Net Asset/(Liability)	(381.06)	(489.08)	(274.14)	(383.91)
IV Expenses recognised in the Statement of Profit and Loss				
1 Current Service Cost	108.14	106.97	95.20	130.29
2 Interest Cost	62.65	32.64	47.88	21.66
3 Past service Cost	-	-	-	-
4 Expected return on plan assets	(39.35)	-	(31.77)	-
5 Net Actuarial (Gain)/Loss	25.48	(1.98)	14.54	(9.94)
6 Total Expense	156.92	137.63	125.86	142.01
V Bifurcation of PBO at the end of the year				
1 Current Liability	-	74.85	-	58.40
2 Non-Current Liability	381.06	414.23	274.14	325.51
VI Actuarial Assumptions				
1 Discount Rate	7.75%	7.75%	8.50%	8.50%
2 Expected rate of return on plan assets	8.50%	-	8.50%	-
3 Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
4 Salary Escalation	5.50%	5.50%	6.00%	6.00%

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

31. GRATUITY & OTHER LONG TERM COMPENSATED ABSENCES (Contd...)

VII Investment Details

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd. and Kotak Mahindra Old Mutual Life Insurance Ltd, whose pattern of investment is not available with the Company.

VIII The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 183.69 lacs.

IX Experience Adjustment:

Particulars	(₹ in Lacs)				
	2014-15	2013-14	2012-13	2011-12	2010-11
Gratuity					
Present Value of obligation	893.19	737.13	598.51	502.88	407.14
Fair value of Plan assets	512.13	462.99	373.72	372.19	322.42
Net Asset/(Liability)	(381.06)	(274.14)	(224.79)	(130.69)	(84.72)
Actuarial Gain/(Loss) on plan obligation	(18.64)	(20.62)	(42.64)	(32.63)	37.79
Actuarial Gain/(Loss) on plan assets	11.83	8.35	(20.76)	(6.39)	3.47
Long term Compensated Absences					
Present Value of obligation	489.08	383.91	270.75	220.96	168.15
Fair value of Plan assets	-	-	-	-	-
Net Asset/(Liability)	(489.08)	(383.91)	(270.75)	(220.96)	(168.15)
Actuarial Gain/(Loss) on plan obligation	11.93	12.88	1.47	(31.36)	(0.45)
Actuarial Gain/(Loss) on plan assets	-	-	-	-	-

32. AMALGAMATION

Pursuant to the sanction of the Honourable High Court of Jodhpur to the Scheme of Amalgamation, the assets and liabilities of Parateek Finance & Investment Co. Ltd. (Holding Company of PI Industries Ltd. whose principal business is core investment) (Transferor Company) have been merged with PI Industries Ltd. (Transferee Company) with effect from the appointed date of April 01, 2014 in accordance with the Scheme so sanctioned. The amalgamation has been accounted for under the "Purchase Method" as prescribed by Accounting Standard 14 (AS-14) notified by the Government of India. Accordingly, as on the appointed date the excess of net asset value of Transferor Company over the merger consideration amounting to ₹ 1.37 lacs has been recognised as Capital Reserve (see table below) in the books of Transferee Company. Further as per the requirement of relevant statute the statutory balances in the books of Transferor Company is recorded at their carrying value in the books of Transferee Company.

Particulars	(₹ in Lacs)
Non-Current Investments	738.51
Cash and cash equivalents	0.58
Net Current Assets (including Statutory Balances)	0.79
Net Assets taken over on Amalgamation	739.88
Cancellation of Investment on account of Amalgamation	(738.51)
Balance transferred to Capital Reserve	1.37

Further as agreed with Transferee Company, the Transferor Company has utilized net income available (after meeting the merger expenses as per the scheme of amalgamation) between the appointed date and effective date i.e. March 30, 2015 for declaration and payment of interim dividend amounting to ₹ 1,581.20 lacs to its shareholders. The balances arising after the said payment as on effective date in the books of Transferor Company comprising of liabilities of ₹ 28.49 lacs, bank balance of ₹ 28.29 lacs and other assets ₹ 0.20 lacs have been incorporated in the books of the Transferee Company (PI Industries Ltd).

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

33. EMPLOYEE STOCK OPTION PLANS

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

In December 2010, the Board of Directors approved the PII ESOP 2010 Scheme in order to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company (including subsidiary companies) with an intent to attract and retain talent in the organization. The aforesaid scheme was duly approved by shareholders in its EGM held on January 21, 2011 and is administered through independent trust. During the year, Compensation Committee of the Board granted following options under PII ESOP 2010 Scheme to certain category of employees as per criteria laid down by Compensation Committee of the Board.

Particulars	2014-15	2013-14
Options Granted (No. of Shares)	4,093,731	3,728,221
Options Vested and Exercisable	263,106	234,815
Options Exercised	1,432,554	1,009,096
Options Cancelled	637,488	280,800
Options lapsed	-	-
Total number of Options in force	2,023,689	2,438,325
Variations in terms of ESOP	Not Applicable	Not Applicable
Total number of shares arising as a result of exercise of options	1,432,554	1,009,096
Money realised by exercise of options (in ₹ lacs)	797.62	495.51

The details of exercise price for stock option outstanding at the end of the year

Particulars	2014-15		2013-14	
	No. of Options	Weighted average exercise price (₹)	No. of Options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	2,438,325	91.50	1,770,510	61.00
Granted during the year	365,510	409.28	1,415,211	110.07
Forfeited during the year	356,688	128.39	225,435	63.53
Exercised during the year*	423,458	71.06	521,961	50.50
Expired during the year	-	-	-	-
Outstanding at the end of the year	2,023,689	146.61	2,438,325	91.50
Exercisable at the end of the year	263,106	42.98	234,814	52.98
Weighted average remaining contractual life of outstanding options (in Years)		7.06		7.40
Weighted average fair value of options granted (in ₹)		278.94		77.32

* Shares allotted by PII ESOP Trust against exercise of options.

The details of Exercise Price for stock options outstanding at the end of the year

Range of Exercise price	2014-15			2013-14		
	No. of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise price	No. of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise price
PII ESOP 2010 PLAN						
25-75	318,492	5.31	51.88	633,062	5.93	51.46
75-125	1,375,931	7.19	105.82	1,805,263	7.92	105.54
150-500	329,266	8.23	409.28	-	-	-

Methods and Assumptions used to estimate the Fair Value of Options granted during the year: 2014-15

The fair value of options granted during the year has been calculated using the Black Scholes Option Pricing model.

The assumptions used in the model are as follows:

Variables	September 19, 2014	August 03, 2013
1 Risk Free Interest rate	8.56% to 8.57%	8.81% to 8.46%
2 Expected Life	4 years to 7 years	4 years to 7 years
3 Expected Volatility	45% to 61%	53.29% to 64.96%
4 Dividend Yield	0.48%	0.82%
5 Price of the underlying share in market at the time of the option granted (₹)	454.75	122.20

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

33. EMPLOYEE STOCK OPTION PLANS (Contd...)

The stock based compensation cost calculated as per the intrinsic value method for the financial year 2014-15 is ₹ 74.12 lacs (Previous Year ₹ 59.93 lacs). If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2014-15 would be ₹ 503.57 lacs (Previous Year ₹ 378.63 lacs). The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro-Forma Adjusted Net Income and Earning Per Share

Particulars	(₹ in Lacs)	
	2014-15	2013-14
Net Income as reported	24,589.35	18,800.35
Add: Intrinsic Value Compensation Cost	74.12	59.93
Less: Fair Value Compensation cost	(503.57)	(378.63)
Adjusted Pro Forma Net income	24,159.90	18,481.65
Earning Per Share: Basic		
As Reported	18.03	13.84
Adjusted Pro Forma	17.72	13.60
Earning Per Share: Diluted		
As Reported	17.84	13.73
Adjusted Pro Forma	17.53	13.50

34. CAPITAL & OTHER COMMITMENT

Particulars	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
a. Estimated Amount of Contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 3,868.21 lacs (Previous Year ₹ 691.81 lacs)}	2,226.34	520.13
b. Bank Guarantees*	1,842.63	1,426.69
c. Letter of Credit	11,378.19	9,559.86
d. Export Commitment	52,815.06	43,455.48

* Refer Note 14

35. LEASES

The Company is a lessee under various operating leases. Total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

Particulars	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
- Payable within one year	804.30	676.24
- Later than one year and not later than five years	1,674.58	1,274.17
- Later than five years	-	247.46
- Lease payments recognised in Statement of P&L	786.38	750.71

The Company has entered a lease agreement with some of the parties for lease for the corporate office. The lease rent would be increased by 12.5% after every 3 years.

36. CAPITALISATION OF EXPENDITURE

Pre-operative expenditure capitalised as a part of Fixed Assets and carried forward is as under:

Particulars	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
A. Brought forward from the earlier year	930.66	1,467.88
B. Expenditure incurred during the year:		
Staff Costs	564.70	488.59
Other Expenses	391.61	201.87
Exchange Difference	290.37	1,120.50
	1,246.68	1,810.96
C. Capitalised as part of :		
Plant & Equipment	528.36	1,672.31
Building	182.53	508.09
Furniture, Fixtures & Office equipments	-	15.33
Intangible Assets	-	53.14
	710.89	2,248.87
D. Other adjustments	-	99.31
	-	99.31
E. Carried forward as part of capital work in progress	1,466.45	930.66

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

37. SEGMENT INFORMATION

The Company is engaged in the business of chemical which is a single business segment and constitutes the primary segment. Accordingly, no separate disclosure is required to be given as per Accounting Standard AS-17.

Secondary Segment information (Geographical Segments)

The Company is organised into two key geographical segment based upon the location of its customer within India (domestic) and outside India (export)

Particulars	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
1 Segment Revenue		
- Within India	1,06,809.95	88,598.90
- Outside India	1,16,332.20	97,705.15
	2,23,142.15	1,86,304.05
2 Segment Assets*		
- Within India	1,43,551.45	1,19,852.29
- Outside India	19,767.42	11,937.84
	1,63,318.87	1,31,790.13

* Segment Assets outside India is entirely related to Sundry Debtors.

38. RELATED PARTY DISCLOSURES

Related party disclosures, as required by Accounting Standard-18, is as below:

a) List of Related Parties

i Enterprises which control the entity

Parteek Finance & Investment Co. (Holding Company till March 30, 2015) (Refer Note 32)

ii Where control exists during the year:

Trust under control - (a) PII ESOP Trust (Trust)

iii Key Managerial Personnel & their relatives (KMP)

(a) Key Managerial Personnel (KMP)

Mr. Salil Singhal	Chairman & Managing Director
Mr. Mayank Singhal	Managing Director & CEO
Mr. Rajnish Sarna	Whole-time Director & CFO

(b) Relatives of Key Managerial Personnel:-

Relation with Key Managerial Personnel	Mr. Salil Singhal	Mr. Mayank Singhal
Father		Mr. Salil Singhal
Mother	Ms. Saraswati Singhal	Ms. Madhu Singhal
Wife	Ms. Madhu Singhal	
Sister		Ms. Pooja Singhal, Ms. Shefali Khushlani
Son	Mr. Mayank Singhal	
Daughter	Ms. Pooja Singhal, Ms. Shefali Khushlani	

iv Enterprises over which KMP and their relatives are able to exercise significant influence

- Wolkem India Ltd.
- Secure Meters Ltd.
- Salil Singhal (HUF)
- Singhal Foundation
- PI Foundation

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

38. RELATED PARTY DISCLOSURES (Contd...)

b) The following transactions were carried out with related parties in the ordinary course of business: (₹ in Lacs)

Nature of Transaction	Type of relation	2014-15			2013-14		
		Transactions during the period		Balance outstanding Dr (Cr)	Transactions during the period		Balance outstanding Dr (Cr)
		Recd/Pur.	Paid/Sales		Recd/Pur.	Paid/Sales	
Purchase/Sales of goods and services	a(iv)(a)	2.61	-	-	2.33	-	(0.17)
Remuneration to Directors	a (iii)(a)	-	1,520.12	(625.00)	-	1,067.51	(515.89)
Interest	a(ii)(a), a(iii)(a),a(iii)(b), a(iv)(c)	36.57	42.97	36.57	24.52	77.28	(37.01)
Rent & Power Cost	a(iii)(b), a(iv)(a)	2.80	15.06	-	2.40	14.25	11.83
Deposits Received and Paid	a(iii)(a), a(iii)(b), a(iv)(c)	-	578.45	-	73.68	65.53	(651.19)
Loans given	a(ii)(a)	420.93	500.00	344.07	100.00	275.00	265.00
Recovery of Dues on account of expenses incurred	a(iii)(b), a(iv)(a), a(iv)(b)	54.42	-	33.51	34.05	-	18.84
Reimbursement on account of expenses	a(iv)(b)	-	1.49	(1.49)	-	1.28	-
Donation	a(iv)(d)	-	5.00	-	-	5.00	-
Salary	a (iii)	-	1.23	-	-	1.08	-
Travel & Other expenditure incurred	a (iii)(a), a(iii)(b)	-	318.92	8.20	-	413.40	0.76
Contribution towards CSR Activities	a (iv)(e)	-	348.00	-	-	-	-

c) During the year the Company has allotted 73,851,390 Equity Shares to the Promoters, viz., Salil Singhal and Family, pursuant to the merger of Parteeek Finance & Investment Co. Ltd. with PI Industries Ltd. For details, refer Note 1(e) and Note 32.

39. CONTINGENT LIABILITIES

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Disputed Taxation demands not acknowledged as debts:		
- Sales Tax	124.42	119.06
- Excise Duty	310.50	509.17
- Income Tax	935.59	689.47
- ESI	6.09	6.09
Anti Dumping Duty	-	230.44
Counter Guarantee to GIDC	32.85	32.85
Bill Discounted	-	2,382.45

40. DERIVATIVES INSTRUMENTS AND HEDGED/ UNHEDGED FOREIGN CURRENCY EXPOSURE

i) All financial and derivative contracts entered into by the Company are for hedging purposes.

ii) Forward Contract outstanding as at Balance Sheet date

(in Lacs)

Currency	Amount Outstanding as at March 31, 2015	Amount Outstanding as at March 31, 2014	Buy / Sell	Purpose
USD	455.00	170.00	Sell	Hedging

These forward covers are against export orders and future receivables over a period of one year against committed orders in hand.

iii) Particulars for Hedged Foreign Currency Exposure

(in Lacs)

Particulars	Currency	Amount as at March 31, 2015 (in Foreign Currency)	Amount as at March 31, 2015 (in INR)	Amount as at March 31, 2014 (in Foreign Currency)	Amount as at March 31, 2014 (in INR)
Export Debtors	USD	89.65	5,752.39	51.97	3,169.39

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

40. DERIVATIVES INSTRUMENTS AND HEDGED/ UNHEDGED FOREIGN CURRENCY EXPOSURE (Contd...)

iv) Foreign currency exposure that are not hedged by derivative or forward contracts as at Balance Sheet Date (in Lacs)

Particulars	Currency	Amount as at	Amount as at	Amount as at	Amount as at
		March 31, 2015 (in Foreign Currency)	March 31, 2015 (in INR)	March 31, 2014 (in Foreign Currency)	March 31, 2014 (in INR)
1 ECB Term loan	USD	80.00	5,000.00	133.33	8,013.33
2 Buyers Credit	USD	6.95	434.37	3.10	186.47
3 EEFC Account	USD	6.87	429.65	18.26	1,097.19
4 Import Creditors (Net)	USD	144.94	9,058.86	99.65	5,989.01
	EURO	11.07	743.56	1.12	92.67
	GBP	(0.31)	(28.75)	2.49	248.37
	CHF	(0.20)	(12.85)	-	-
	JPY	(2.11)	(1.10)	-	-
5 Export Debtors	USD	219.53	13,720.67	139.94	8,405.20
	EURO	4.38	294.36	4.40	363.25

41. DEFERRAL/ CAPITALISATION OF EXCHANGE DIFFERENCE

Pursuant to notification dated March 31, 2009 and December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Company decided to exercise the option of accounting for Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in the previous financial statements in so far as they relate to the acquisition of depreciable capital assets by addition to/ deduction from the cost of the asset and depreciate the same over the balance life of the asset. Accordingly, the current year exchange losses amounting to ₹ 290.37 lacs (Previous Year ₹ 1,120.50 lacs) have been adjusted to the cost of fixed assets/CWIP.

42. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

(₹ in Lacs)

Particulars	March 31, 2015		March 31, 2014	
	Principal Amount	Interest Amount	Principal Amount	Interest Amount
Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March	424.21	-	484.13	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	274.67	2.30	217.38	3.50
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-	-
Further interest remaining due and payable in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-	-	-

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

43. VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Raw Materials	63,089.88	52,853.76
Spare Parts & Components	257.83	43.33
Capital Goods	199.62	70.93

44. EARNINGS IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Export of Goods on FOB Basis	1,14,888.69	97,149.55

45. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	March 31, 2015	March 31, 2014
Professional	352.51	58.68
Interest	269.32	413.97
Travelling	24.06	10.59
Salary	115.46	36.02
Others	456.56	410.82

46. ACTUAL PRODUCTION, PURCHASES, SALES AND STOCK OF GOODS MANUFACTURED

Sl. No.	Product	Opening Stock	Production	Purchases	Sales	Closing Stock
(I)	QUANTITY (IN TONNES)					
	Current Year					
	Chemicals including by-product/ Traded goods	12,181	60,957	452	63,528	10,062
	TOTAL	12,181	60,957	452	63,528	10,062
	Previous Year					
	Chemicals including by-product/ Traded goods	(10,704)	(72,013)	(340)	(70,876)	(12,181)
	TOTAL	(10,704)	(72,013)	(340)	(70,876)	(12,181)
(II)	IN VALUE (₹ In lacs)					
	Current Year					
	Chemicals including by-product/ Traded goods	14,705.40	-	5,611.20	2,18,486.52	16,981.04
	TOTAL	14,705.40	-	5,611.20	2,18,486.52	16,981.04
	Previous Year					
	Chemicals including by-product/ Traded goods	(11,079.60)	-	(4,597.97)	(1,83,736.98)	(14,705.40)
	TOTAL	(11,079.60)	-	(4,597.97)	(1,83,736.98)	(14,705.40)

47. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	March 31, 2015		March 31, 2014	
	Qty (in Tonnes)	(in ₹ Lacs)	Qty (in Tonnes)	(in ₹ Lacs)
Technical Pesticides	565	2,181.20	760	3,001.05
Inert Chemicals & Adjuvants	73,320	1,01,496.69	75,633	81,661.33
Others	-	4,522.25	-	6,342.78
TOTAL	73,885	1,08,200.14	76,393	91,005.16

Significant Accounting Policies and Notes to Accounts

B. NOTES TO ACCOUNTS (Contd...)

47. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED (Contd...)

Particulars	March 31, 2015		March 31, 2014	
	%	(in ₹ Lacs)	%	(in ₹ Lacs)
i Raw Material				
Imported	53.82	55,461.87	85.49	73,445.77
Indigenous	46.18	47,595.85	14.51	12,467.08
ii Packing Material				
Imported	0.67	34.54	-	-
Indigenous	99.33	5,107.88	100.00	5,092.30

48. ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III TO COMPANIES ACT 2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARIES

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of Consolidated Net Assets	Amount (in ₹ Lacs)	As % of Consolidated Profit or Loss	Amount (in ₹ Lacs)
Parent				
PI Industries Ltd.	98.45%	88,252.78	98.92%	24,324.90
Subsidiaries Indian				
PI Life Science Research Ltd.	1.28%	1,144.20	0.96%	235.73
PILL Finance and Investments Ltd	0.34%	308.57	0.07%	16.78
Subsidiaries Foreign				
PI Japan Company Ltd	0.10%	88.97	0.04%	10.25
Total Eliminations	-0.17%	-149.09	0.01%	1.69
TOTAL	100.00%	89,645.43	100.00%	24,589.35

49. In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of loans, advances and other current assets, in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet and provisions has been made for all known liabilities.

50. Figures of previous year have been regrouped and/ or rearranged wherever necessary to make them comparable with those of the current year.

Signatures to the Notes to Accounts

As per our separate report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.

Chartered Accountants

Firm Reg. No. 000756N

Sd/-

Yogesh K Gupta

Partner

M. No.: 93214

Sd/-

Salil Singhal

Chairman & Managing Director

DIN: 00006629

Sd/-

Mayank Singhal

Managing Director & CEO

DIN: 00006651

Place: Gurgaon

Date: May 23, 2015

Sd/-

Rajnish Sarna

Whole-time Director & CFO

DIN: 06429468

Sd/-

Naresh Kapoor

Company Secretary

Form AOC-I

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures
(Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(₹ in Lacs)

Sl. No.	Particulars	Name of the subsidiary		
		PI Life Science Research Ltd.	PI Japan Company Ltd.	PILL Finance and Investments Ltd.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	JPY; 1 JPY = 0.52125 INR	INR
3	Share capital	94.50	26.06	36.00
4	Reserves & surplus	1,049.70	62.91	272.57
5	Total assets	1,182.70	106.71	317.02
6	Total Liabilities	38.50	17.74	8.45
7	Investments	-	-	4.13
8	Turnover	373.30	283.81	24.98
9	Profit before taxation	224.53	13.55	24.38
10	Provision for taxation	(11.19)	3.30	7.60
11	Profit after taxation	235.72	10.25	16.78
12	Proposed Dividend	-	-	-
13	% of shareholding	100%	100%	100%

Notes:

1	Names of subsidiaries which are yet to commence operations	NIL
2	Names of subsidiaries which have been liquidated or sold during the year	NIL
3	Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on March 31, 2015.	

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director
DIN: 00006629

Sd/-
Mayank Singhal
Managing Director & CEO
DIN: 00006651

Place: Gurgaon
Date: May 23, 2015

Sd/-
Rajnish Sarna
Whole-time Director & CFO
DIN: 06429468

Sd/-
Naresh Kapoor
Company Secretary



SUBSIDIARIES'

FINANCIAL STATEMENTS

PILL FINANCE & INVESTMENTS LIMITED

CORPORATE INFORMATION

Board of Directors

Mr. Salil Singhal

Mr. Mayank Singhal

Mr. Rajnish Sarna

Bankers

ICICI Bank Ltd.

IDBI Bank Ltd.

Auditors

Kishan M. Mehta & Co.

Chartered Accountants

Ahmedabad - 380 009

Registered Office

209, Himalaya Arcade

Near Bharat Petrol Pump

Vastrapur,

Ahmedabad - 380 015.

Corporate Identity Number (CIN)

U65990GJ1992PLC018163

Director's Report

Dear members

The Directors have pleasure in submitting their report on the business and operations of the Company along with Audited Accounts for the year ended on March 31, 2015.

Financial Results

(₹ in Lacs)

Particulars	Current year (2014-15)	Previous year (2013-14)
Total Turnover	25.30	23.88
Expenditure	0.92	0.73
Profit before tax	24.38	23.15
Less: Provision for Tax	7.60	9.87
Profit after Tax	16.78	13.28
EPS in ₹ - Basic & Diluted	4.66	3.69

Operational Highlights

During the year, Company had registered Profit before tax amounting to ₹24.38 Lacs. The net profit grew to ₹16.78 lacs as compared to ₹13.28 lacs in previous year.

Dividend

In order to plough back the profits of the Company for business activities, the Directors do not recommend any dividend for the year.

Directors re- appointment/ appointment

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Mayank Singhal (DIN : 00006651), shall retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

During the year 2014-15, Mr. Rajnish Sarna (DIN: 06429468) was appointed as an Additional Director of the Company and he holds his office till the conclusion of forthcoming Annual General Meeting. The Board recommends their re-appointment/ appointment for approval of the members at the forthcoming Annual General Meeting.

Further, Mr Anurag Surana (DIN: 00006665), Director of the Company ceased to be Director at the Company's last Annual General Meeting held on September 27, 2014 as he had not offered his candidature for reappointment. The Board records its deep appreciation of the valuable services rendered by Mr Anurag Surana during his long association with the Company.

Particulars of contracts or arrangements with related parties

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arms' length basis. Your Directors draw attention of the members to Note No. 18 to the financial statement set out related party disclosures.

Extracts of annual return

The extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this Report.

Number of Board meetings conducted during the year under review

During the year, Board of Directors met 5 (Five) times. The meetings

were held on 29th April, 2014, 3rd July, 2014, 26th September, 2014, 20th December, 2014 and 6th February, 2015.

Directors responsibility statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- the Directors had 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 and of the profit of the Company for that period;
- the Directors had 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;
- the Directors had prepared the annual accounts on a going concern basis;
- 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 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; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Employee's particulars

The company has not employed any individual whose particulars need to be disclosed as required in Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014.

Material changes and commitments, if any, affecting the financial position of the Company.

There are no material changes or commitments subsequent to the close of the financial year of the Company that may affect the financial position of the Company.

Auditors and auditors report

The Statutory Auditors of the Company, M/s Kishan M. Mehta & Co., Chartered Accountants, Ahmedabad, hold office till the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Company has received their written consent and certificate that they meet the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies

Act, 2013 and rules framed thereunder. The Board of Directors recommends the reappointment of M/s Kishan M. Mehta & Co., Chartered Accountants, as the Auditors of the Company in relation the financial year 2015-16 till the conclusion of the next Annual General Meeting. The reappointment proposed is within the time frame for transition under the third proviso to sub-section (2) of Sec 139 of the Companies Act, 2013.

Auditors Report do not contain any qualification, hence same does not call for any explanation.

Particulars relating to conservation of energy, technology absorption and foreign exchange outgo.

The information pertaining to conservation of energy, technology absorption, as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, do not apply to the Company and as to foreign exchange earnings and outgo, there are no activities relating to exports and no foreign exchange was used by the Company.

General

Your Directors state that no disclosures or reporting is required in respect to the following items as there were no transactions on these items during the year under review or were not applicable :-

1. The Company has not accepted any fixed deposits during the year.

2. Issue of Equity Shares with differential rights as to dividends, voting or otherwise.
3. Issue of shares (including Sweat Equity Shares) to the employees of the Company under any scheme.
4. Management Discussion and Analysis
5. Loans, investments or guarantees under Sec 186 of the Companies Act, 2013
6. No orders were passed by the Regulators, Courts and Tribunals.
7. Corporate Social Responsibility (CSR).

Acknowledgement:

Your Directors wish to place on record their appreciation for the support and co-operation received by the Company from bankers, various departments of the Governments of India, Gujarat and business associates.

For and on behalf of Board of Directors

<i>Sd/-</i> Mayank Singhal <i>Director</i>	<i>Sd/-</i> Rajnish Sarna <i>Director</i>
Place: Ahmedabad Date: May 15, 2015	DIN: 00006651 DIN : 06429468

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U65990GJ1992PLC018163
2.	Registration Date	17/08/1992
3.	Name of the Company	PILL FINANCE & INVESTMENTS LIMITED
4.	Category/Sub-category of the Company	PUBLIC LIMITED
5.	Address of the Registered office & contact details	209, Himalaya Arcade Near Bharat Petrol Pump Vastrapur, Ahmedabad - 380 015. Contact no: 9212311051
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	INVESTMENTS		100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
1	PI Industries Ltd. Udaisagar Road, Udaipur – 313001 Rajasthan	L24211RJ1946PLC000469	Holding Company

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% 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	3,60,000	3,60,000	100%	NIL	3,60,000	3,60,000	100%	NIL
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	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.									
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 up to 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
Non Resident Indians	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Overseas 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 - D R	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	3,60,000	3,60,000	100%	NIL	3,60,000	3,60,000	100%	NIL

(ii) Shareholding of Promoter-

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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. PI INDUSTRIES LIMITED	3,60,000	100%	NIL	3,60,000	100%	NIL	NIL

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

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	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

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	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	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	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

V) 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	NIL	NIL	NIL	NIL
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	NIL	NIL	NIL	NIL
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
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-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	NIL	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) 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	NIL	NIL	NIL	NIL	NIL
	- as % of profit					
	- 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

S.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	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 (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	NIL	NIL	NIL	NIL	NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NIL	NIL	NIL	NIL
	(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) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	others, specify	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of Board of Directors

Place: Ahmedabad
Date: May 15, 2015

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Independent Auditor's Report

To The members of

PILL FINANCE & INVESTMENT LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PILL FINANCE & INVESTMENT LIMITED. ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year 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 flow 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 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 thereunder.

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 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 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 March 31, 2015 and its Profit and its Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 appears from our examination of those books.
 - c) the Balance Sheet, the 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 financial statements, comply with the applicable Accounting Standards referred to under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - e) on the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - (i) The Company does not have any pending litigation which would impact its financial position.
 - (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - (iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Kishan M. Mehta & Co.
Chartered Accountants
Firm's Registration No.105229W

Sd/-

U.P. Bhavsar

Partner

Place: Ahmedabad
Date: May 16, 2015

Membership No. 43559

Annexure to the Auditor's Report

(Referred to in paragraph 1 of our report of even date)

- | | |
|---|---|
| <p>(i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;</p> <p>b) As explained to us, the fixed assets have been physically verified by the Management in reasonable interval and no material discrepancies have been noticed on such verification.</p> <p>(ii) The nature of Company's activities during the year has been such that clause (ii)(a),(ii)(b)and (ii)(c) of paragraph 3 of the Company's (Auditor's Report) order, 2015 are not applicable to the Company for the year.</p> <p>(iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.</p> <p>(iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business of with regard to purchases of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.</p> <p>(v) The Company has not accepted any deposits during the year from public within the meaning of the provisions of Section 73 to 76 of the Companies Act, 2013 and rules made thereunder.</p> <p>(vi) The provisions of sub-section 1 of Section 148 of the companies Act, 2013 regarding maintenance of cost record is not applicable to the Company.</p> <p>(vii) a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues applicable to it.</p> <p>b) According to the information and explanations given to us and based on the records of the Company examined by</p> | <p>us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess which have not been deposited on account of any disputes.</p> <p>c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.</p> <p>(viii) There are no accumulated losses of the Company as on March 31, 2015. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.</p> <p>(ix) Clause (ix) of paragraph 3 of the Company's (Auditor's Report) order, 2015 is not applicable to the Company for the year as Company has not taken any loan from financial institution or bank or debenture holders.</p> <p>(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.</p> <p>(xi) According to the information and explanation given to us the Company has not raised any term loan during the year.</p> <p>(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statement and as per the information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.</p> |
|---|---|

For Kishan M. Mehta & Co.
Chartered Accountants
Firm's Registration No.105229W

Sd/-

U.P. Bhavsar

Partner

Place: Ahmedabad

Date: May 16, 2015

Membership No. 43559

Balance Sheet as at March 31, 2015

(Amount in ₹)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	1	36,00,000	36,00,000
b. Reserves & Surplus	2	2,72,56,715	2,55,79,082
		3,08,56,715	2,91,79,082
2. Non-Current Liabilities			
a. Long-Term Borrowings		-	-
b. Deferred tax liabilities (Net)		-	-
c. Other Long-Term Liabilities	3	50,000	50,000
d. Long-Term Provisions		-	-
		50,000	50,000
3. Current Liabilities			
a. Short-Term Borrowings		-	-
b. Trade Payables		34,832	29,326
c. Other current liabilities	4	-	3,259
d. Short-Term Provisions	5	7,60,000	7,10,000
		7,94,832	7,42,585
TOTAL		3,17,01,547	2,99,71,667
II. ASSETS			
1. Non Current Assets			
a. Fixed Assets			
- Tangible Assets	6	12,35,962	12,35,962
- Intangible Assets		-	-
- Capital work-in-progress		-	-
b. Non-Current investments	7	4,12,512	4,12,512
c. Deferred Tax assets (net)		-	-
d. Long-Term loans and advances	8	5,000	5,000
e. Other non-current assets		-	-
		16,53,474	16,53,474
2. Current Assets			
a. Current Investments		-	-
b. Inventories		-	-
c. Trade Receivables	9	60	60
d. Cash and cash equivalents	10	2,95,94,560	2,55,07,349
e. Short-term Loans and advances	11	4,53,453	7,42,865
f. Other current assets	12	-	20,67,919
		3,00,48,073	2,83,18,193
TOTAL		3,17,01,547	2,99,71,667

Significant accounting policies & Notes to the financial statements 1 to 21 are accompanying

As per our report attached.

FOR KISHAN M. MEHTA & CO.

Chartered Accountants.

Firm's Registration No.105229W

Sd/-

U.P. Bhavsar

Partner

M. No. 43559

Place: Ahmedabad

Date: May 16, 2015

For and on behalf of the Board of Directors

PILL Finance & Investments Limited

Sd/-

Mayank Singhal

Director

DIN:00006651

Place: Ahmedabad

Date: May 15, 2015

Sd/-

Rajnish Sarna

Director

DIN:06429468

Statement of Profit & Loss for the year ended March 31, 2015

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
I. INCOME			
Revenue from operations	13	24,98,485	23,51,688
Other Income	14	31,384	35,886
TOTAL		25,29,869	23,87,574
II. EXPENDITURE			
Miscellaneous Expenses	15	11,037	2,435
Bank Charges		1,367	928
Legal & Professional Fees		45,000	36,500
Payment to Auditor		34,832	32,585
TOTAL		92,236	72,448
III. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX		24,37,633	23,15,126
Add: Exceptional items		-	-
IV. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX		24,37,633	23,15,126
Add: Extraordinary Items		-	-
V. PROFIT BEFORE TAX		24,37,633	23,15,126
Less: Provision For Current Tax		7,60,000	7,10,000
Less: Prior Year Tax		-	2,77,340
VI. PROFIT AFTER TAX		16,77,633	13,27,786
No. of Equity Shares at the end of the year		3,60,000	3,60,000
Profit for calculation of E.P.S. (₹)		16,77,633	13,27,786
Earning Per share - Basic & Diluted		4.66	3.69

Significant accounting policies & Notes to the financial statements 1 to 21 are accompanying

As per our report attached.

FOR KISHAN M. MEHTA & CO.
Chartered Accountants.
Firm's Registration No.105229W

For and on behalf of the Board of Directors
PILL Finance & Investments Limited

Sd/-
U.P. Bhavsar
Partner
M. No. 43559
Place: Ahmedabad
Date: May 16, 2015

Sd/-
Mayank Singhal
Director
DIN:00006651
Place: Ahmedabad
Date: May 15, 2015

Sd/-
Rajnish Sarna
Director
DIN:06429468

Cash Flow Statement for the year ended March 31, 2015

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and Extraordinary items	24,37,633	23,15,126
Adjustment for :		
Interest Received	(24,44,485)	(22,97,688)
Dividend Received	(31,384)	(35,886)
Operating Profit before working capital changes	(38,236)	(18,448)
Working capital		
(Increase) /Decrease in Non Current Investments	-	-
(Increase)/Decrease in Short Term Loans & Advances	2,89,412	(4,38,309)
(Increase)/Decrease in other current assets	20,67,919	(20,67,919)
Increase/(Decrease) in Trade Payable	5,506	(23,484)
Increase/(Decrease) in other current liabilities	(3,259)	(1,235)
Increase/ (Decrease) in short term provisions	-	-
Cash generated from operations	23,21,341	(25,49,394)
Direct Taxes Paid	(7,10,000)	(4,90,000)
Cash flow before extraordinary items	16,11,341	(30,39,394)
Prior Year's Adjustment	-	(2,77,340)
Net Cash from operating activities	16,11,341	(33,16,734)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	24,44,485	22,97,688
Dividend Received	31,384	35,886
Net Cash used in investing activities	24,75,869	23,33,574
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Increase)/Decrease in Long term Loans	-	-
Net Cash used in financing activities	-	-
INCREASE / (DECREASE) IN CASH OR CASH EQUIVALENTS	40,87,211	(9,83,161)
Opening cash or cash equivalents	2,55,07,349	2,64,90,510
Closing cash or cash equivalents	2,95,94,560	2,55,07,349

As per our separate report attached.

FOR KISHAN M. MEHTA & CO.
Chartered Accountants.
Firm's Registration No.105229W

Sd/-
U.P. Bhavsar
Partner
M. No. 43559
Place: Ahmedabad
Date: May 16, 2015

For and on behalf of the Board of Directors
PILL Finance & Investments Limited

Sd/-
Mayank Singhal
Director
DIN:00006651
Place: Ahmedabad
Date: May 15, 2015

Sd/-
Rajnish Sarna
Director
DIN:06429468

Significant Accounting Policies

Significant Accounting Policies:

(a) Basis of Accounting:

The financial statements have been prepared under the historical cost convention, on accrual basis, in accordance with the generally accepted accounting principles (GAAP) in India and applicable Accounting Standards referred to under Section 133 of the companies act 2013 read with rule 7 of the Companies (Accounts) rules 2014.

(b) Fixed Assets :

Fixed assets being land is stated at cost of acquisition.

(c) Impairment of Assets :

The carrying amount of assets is reviewed at each Balance Sheet date to determine whether there is any indication of impairment of assets. If any indication exists, the recoverable amount of such assets is estimated. An impairment loss is recognized whenever the carrying amount of an assets or its cash generating unit exceeds its recoverable amount.

(d) Investments:

Investments are stated at cost. Provision for diminution in the value of investment is made, if it is other than temporary.

(e) Revenue Recognition:

Lease rent Income: Lease income is recognised on straight line basis over the lease term.

Investment Income: Income from Investment is accounted on accrual basis, inclusive of related tax deducted at source.

Dividend Income: Dividend income is accounted for in the year in which the right to receive the same is established.

(f) Taxes on income:

i) Tax on income for the current period is determined on the basis of estimated taxable income computed in accordance with the provisions of the Income Tax Act,1961.

ii) Deferred tax is recognized on timing difference between the accounting income and the estimated taxable income for the period and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

iii) Deferred tax assets are recognized for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which deferred tax asset can be realized. But, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that sufficient future taxable income will be available to realize deferred tax assets.

(g) Other accounting policies:

Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

Notes forming part of financial statements

Note: 1(a) SHARE CAPITAL

(Amount in ₹)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Authorised:		
500,000 (500,000) Equity Shares of ₹10 each	50,00,000	50,00,000
35,000 (35,000) Redeemable Preference Shares of ₹100 each	35,00,000	35,00,000
TOTAL	85,00,000	85,00,000
Issued & Subscribed & Paid Up		
360,000 (360,000) Equity Shares of ₹10 each fully paid up (entire share capital is held by Holding Company PI Industries Ltd. and its' nominees)	36,00,000	36,00,000
TOTAL	36,00,000	36,00,000

* Figures in bracket pertains to previous year

Note: 1(b) RECONCILIATION OF SHARES OUTSTANDING

Particulars	Equity Shares (No. of Shares)		Equity Shares (Value of Shares)	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
a. Share outstanding at beginning of year	3,60,000	3,60,000	36,00,000	36,00,000
b. Shares issued during the year	–	–	–	–
c. Shares bought back during the year	–	–	–	–
Share outstanding at end of year	3,60,000	3,60,000	36,00,000	36,00,000

Note: 1(c) SHAREHOLDERS HOLDING MORE THAN 5% SHARES

Particulars	Equity Shares			
	March 31, 2015		March 31, 2014	
	No. of Shares	%	No. of Shares	%
PI Industries Limited	3,60,000	100	3,60,000	100

Note: 1(d) TERMS/ RIGHTS ATTACHED TO EQUITY SHARES

The Company has issued only one class of Equity Shares having a par value of ₹ 10 per share (Previous Year ₹ 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 ensuing Annual General meeting.

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.

Note: 2 RESERVES & SURPLUS

(Amount in ₹)

Particulars	As at		As at	
	March 31, 2015		March 31, 2014	
Capital Redemption Reserve				
As per last year	35,00,000		35,00,000	
		35,00,000		35,00,000
Statement of Profit and Loss				
As per last year	2,20,79,082		2,07,51,296	
Add: Current Year Profit	16,77,633		13,27,786	
		2,37,56,715		2,20,79,082
TOTAL		2,72,56,715		2,55,79,082

Note: 3 OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at		As at	
	March 31, 2015		March 31, 2014	
Unsecured				
Security Deposits	50,000		50,000	
		50,000		50,000
TOTAL		50,000		50,000

Notes forming part of financial statements

Note: 4 OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
TDS Payable	-		3,259	
		-		3,259
TOTAL		-		3,259

Note: 5 SHORT-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Income Tax provision	7,60,000		7,10,000	
		7,60,000		7,10,000
TOTAL		7,60,000		7,10,000

Note: 6 FIXED ASSETS - TANGIBLE

(Amount in ₹)

Particulars	Gross block				Depreciation				Net block	
	As at April 1, 2014	Additions	Deductions	As at March 31, 2015	Upto Previous Year	During the year	Recouped	Total	As at March 31, 2015	As at March 31, 2014
Freehold Land	12,35,962	-	-	12,35,962	-	-	-	-	12,35,962	12,35,962
Current Year	12,35,962	-	-	12,35,962	-	-	-	-	12,35,962	12,35,962
Prev. Year	12,35,962	-	-	12,35,962	-	-	-	-	12,35,962	12,35,962

Note: 7 NON CURRENT INVESTMENTS (As valued, verified & certified by the Management)

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
	Quoted, Non-trade & Long Term	
700(700) Equity Shares of United Credit Ltd. of ₹ 10 each fully paid	21,000	21,000
12 (12) Equity Shares of Summit Securities Ltd. of ₹10 each fully paid	-	-
50(50) Equity Shares of Akzo Nobel India Ltd. of ₹10 each fully paid	5,400	5,400
976(976) Equity Shares of BASF India Ltd. of ₹10 each fully paid	45,571	45,571
900(90) Equity Shares of Sudarshan Chemical Industries Ltd. of ₹1 (₹10) each fully paid	4,140	4,140
2070 (2070) Equity Shares of Rallis India Ltd. of ₹1 each fully paid	12,420	12,420
66(66) Equity Shares of Bayers Cropscience Ltd. of ₹10 each fully paid	18,680	18,680
248(248) Equity Shares of Punjab Chemicals & Crop Protection Ltd. of ₹10 each fully paid	8,804	8,804
29(42) Equity Shares of Pfizer Ltd. of ₹10 each fully paid (Erstwhile Wyeth Ltd.)	15,246	15,246
100(100) Equity Shares of Sanofi India Ltd. of ₹10 each fully paid	3,300	3,300
150(150) Equity Shares of L.M.L.Ltd. of ₹10 each fully paid	1,776	1,776
188(188) Equity Shares of United Sprits Ltd. of ₹10 each fully paid	4,644	4,644
360(360) Equity Shares of RPG Life Sciences Ltd. of ₹10 each fully paid	21,817	21,817
100(100) Equity Shares of Voltas Ltd. of ₹1 each fully paid	1,345	1,345
2300(460) Equity Shares of ICICI Bank Ltd. of ₹2 (₹10)each fully paid	2,41,500	2,41,500
[Aggregate market value of quoted shares is ₹ 3,882,228 (Previous Year ₹2,859,455)]		
UNQUOTED, NON TRADE & LONG TERM		
160(160) Equity Shares of Syngenta India Ltd. of ₹10 each fully paid	1,869	1,869
100(100) Equity Shares of Ciba CKD Biochem Ltd. of ₹10 each fully paid	5,000	5,000
TOTAL	4,12,512	4,12,512

Note: 8 LONG-TERM LOANS AND ADVANCES (Unsecured Considered Good)

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Security Deposits	5,000		5,000	
		5,000		5,000
TOTAL		5,000		5,000

Notes forming part of financial statements

Note: 9 TRADE RECEIVABLES (Unsecured Considered Good)

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Trade Receivables				
Exceeding Six Months from the due date of payments	60		60	
		60		60
TOTAL		60		60

Note: 10 CASH AND BANK BALANCES

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Cash and Cash Equivalents				
Cash in hand	4,765		-	
Balances with Banks	2,95,89,795		15,07,349	
Fixed Deposit with Bank	-		2,40,00,000	
		2,95,94,560		2,55,07,349
TOTAL		2,95,94,560		2,55,07,349

Note: 11 SHORT-TERM LOANS AND ADVANCES (Unsecured Considered Good)

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Income Tax / TDS	4,53,453		7,42,865	
		4,53,453		7,42,865
TOTAL		4,53,453		7,42,865

Note: 12 OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Interest Accrued	-		20,67,919	
		-		20,67,919
TOTAL		-		20,67,919

Note: 13 REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Interest Income	24,44,485		22,97,688	
		24,44,485		22,97,688
Lease Rent	54,000		54,000	
		54,000		54,000
TOTAL		24,98,485		23,51,688

Note: 14 OTHER INCOME

(Amount in ₹)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Dividend	31,384		35,886	
		31,384		35,886
TOTAL		31,384		35,886

Note: 15 MISCELLANEOUS EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Professional Tax	2,400		2,400	
Rates and Taxes	8,402		-	
Other Expenses	235		35	
		11,037		2,435
TOTAL		11,037		2,435

Notes forming part of financial statements

Note: 16 PAYMENTS TO AUDITORS

Particulars	2014-15	2013-14
	₹	₹
Audit Fee	14,607	12,360
Income Tax Matters	20,225	20,225
TOTAL	34,832	32,585

17 Provision for income tax is made as per Income Tax Regulations.

18 RELATED PARTY DISCLOSURE, AS REQUIRED BY ACCOUNTING STANDARD - 18, IS AS BELOW:

The following transactions were carried out with holding company PI INDUSTRIES LTD. in the ordinary course of activities

Particulars	Transaction during the year		(Amount in ₹)	
	Current year	Previous year	Balance	Balance
			Outstanding as at March 31, 2015	Outstanding as at March 31, 2014
Rent Received	54,000	54,000	-	-
Security Deposit	-	-	50,000 Cr.	50,000 Cr.

19 Disclosure requirement of Accounting Standard 17 for Segment reporting does not apply as Company is not engaged in providing any product or service.

20 In the opinion of the Management, the assets other than Fixed Assets and Non Current Investments have a realisable value, in the ordinary course of business, approximately of the amount at which they are stated in these financial statements. Balances of parties are subject to confirmation.

21 Previous year's figures are regrouped or rearranged to make them comparable with those of current year.

Significant Accounting Policies/Notes to Financial Statements

"1 to 21"

As per our report attached.

FOR KISHAN M. MEHTA & CO.

Chartered Accountants.

Firm's Registration No.105229W

Sd/-

U.P. Bhavsar

Partner

M. No. 43559

Place: Ahmedabad

Date: May 16, 2015

For and on behalf of the Board of Directors

PILL Finance & Investments Limited

Sd/-

Mayank Singhal

Director

DIN:00006651

Place: Ahmedabad

Date: May 15, 2015

Sd/-

Rajnish Sarna

Director

DIN:06429468

CORPORATE INFORMATION

Board of Directors

Mr. Mayank Singhal

Mr. Anurag Surana

Mr. Rajnish Sarna

Mr. R. D. Kapoor

Bankers

Axis Bank Ltd.

State Bank of Bikaner & Jaipur

Auditors

KSMN & Co.

Chartered Accountants

New Delhi

Registered Office

433-A, Ansal Chambers - II

6, Bhikaji Cama Place

New Delhi – 110 066

Corporate Identity Number (CIN)

U73100DL2004PLC131109

Director's Report

Dear members

The Directors have pleasure in submitting their report on the business and operations of the Company along with Audited Accounts for the year ended March 31, 2015.

FINANCIAL RESULTS (₹ in Lacs)

Particulars	Current year (2014-15)	Previous year (2013-14)
Total Turnover	416.08	448.75
Expenditure	191.55	158.51
Profit before tax	224.53	290.24
Less: Provision for current tax	44.93	57.60
Provision for deferred tax	(11.19)	(2.20)
Tax for earlier years	0.47	2.35
MAT Credit Entitlement – earlier year	(0.47)	(109.96)
MAT Credit Entitlement – Current year	(44.93)	(57.60)
Profit after Tax	235.72	400.06

OPERATIONAL HIGHLIGHTS

The Company has registered a turnover of ₹416.08 Lacs during the year under review from business activities and generated net profit after tax of ₹235.72 Lacs from its business operation.

DIVIDEND

In order to plough back the profits of the Company for business activities, the Directors do not recommend any dividend for the year.

DEPOSITS

The Company has not accepted any deposit during the period under review within the meaning of erstwhile provisions of Section 58A of the Companies Act, 1956 or under the Companies Act, 2013. Therefore, Chapter V of the Companies Act, 2013 or rules are not applicable to the Company.

DIRECTORS RE-APPOINTMENT /APPOINTMENT

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Anurag Surana (DIN : 00006665), shall retire at the forthcoming Annual General Meeting and since he has not offered his candidature for reappointment, he shall cease to be Director on conclusion of forthcoming Annual General Meeting.

During the year 2014-15, Mr. Rajendra Dev Kapoor (DIN: 00419722) was appointed as an Additional Director of the Company w.e.f. 20.05.2015 and he holds his office till the conclusion of forthcoming Annual General Meeting. The Board recommends his appointment for approval of the members at the forthcoming Annual General Meeting.

Dr. Satya Prakash Vishnoi (DIN: 01106853) stepped down from the Board w.e.f. December 6, 2014. The Board records its deep appreciation of the valuable services rendered by Dr. Satya Prakash Vishnoi during his long association with the Company.

PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on an arms' length basis. Your Directors draw attention of the members to Note No. 19 to the financial statement set out related party disclosures.

EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is attached to this Report.

NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year, Board of Directors met 6 (Six) times. The meetings were held on May 09, 2014, July 03, 2014, 26th September, 2014, 28th October, 2014, 20th December, 2014 and 6th February, 2015.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- the Directors had 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 and of the profit of the Company for that period;
- the Directors had 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;
- the Directors had prepared the annual accounts on a going concern basis;
- 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 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; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EMPLOYEE'S PARTICULARS

The company has not employed any individual whose particulars need to be disclosed as required in Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY.

There are no material changes or commitments subsequent to the close of the financial year of the Company that may affect the financial position of the Company.

AUDITORS AND AUDITORS REPORT

The Statutory Auditors of the Company, M/s KSMN & Company, Chartered Accountants having Firm Regn No. 001075N, hold office till the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

The Company has received their written consent and certificate that they meet the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder. The Board of Directors recommends the reappointment of M/s KSMN & Company, Chartered Accountants, as the Auditors of the Company in relation to the financial year 2015-16 till the conclusion of the next Annual General Meeting. The reappointment proposed is within the time frame for transition under the third proviso to sub-section (2) of Sec 139 of the Companies Act, 2013.

Auditors Report do not contain any qualification, hence same does not call for any explanation.

PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO.

The information pertaining to conservation of energy, technology absorption, as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, do not apply to the Company. Further, foreign exchange earning and outgo appear in Note No.27 to 30 of the Annual Accounts.

GENERAL

Your Directors state that no disclosures or reporting is required in respect to the following items as there were no transactions on these items during the year under review or were not applicable :-

1. The Company has not accepted any fixed deposits during the year.

2. Issue of Equity Shares with differential rights as to dividends, voting or otherwise.
3. Issue of shares (including Sweat Equity Shares) to the employees of the Company under any scheme.
4. Management Discussion and Analysis
5. Loans, investments or guarantees under Sec 186 of the Companies Act, 2013
6. No orders were passed by the Regulators, Courts and Tribunals.
7. Corporate Social Responsibility (CSR)

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation for the support and co-operation received by the Company from bankers, various departments of the Governments of India, Rajasthan and business associates.

Your Directors also place their appreciation to the employees who put forth their efforts in operation of the Company.

For and on behalf of Board of Directors

Place: Gurgaon	Sd/- (Mayank Singhal)	Sd/- (Rajnish Sarna)
Date: May 20, 2015	Director	Director
	DIN: 00006651	DIN: 06429468

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U73100DL2004PLC131109
2.	Registration Date	09/12/2004
3.	Name of the Company	PI LIFE SCIENCE RESEARCH LTD
4.	Category/Sub-category of the Company	PUBLIC LIMITED
5.	Address of the Registered office & contact details	433-A, Ansal Chambers -II, 6, Bhikaji Cama Place, New Delhi-110 066, Contact No. 9212311051
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NOT APPLICABLE

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	Research & Development Activities	73100	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
1	PI Industries Ltd. Udaisagar Road, Udaipur – 313001 Rajasthan	L24211RJ1946PLC000469	Holding Company

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% 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	9,45,000	9,45,000	100%	NIL	9,45,000	9,45,000	100%	NIL
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	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	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.									
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 up to 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
Non Resident Indians	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Overseas 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 - D R	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	9,45,000	9,45,000	100%	NIL	9,45,000	9,45,000	100%	NIL

(ii) Shareholding of Promoter-

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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. PI INDUSTRIES LIMITED	9,45,000	100%	NIL	9,45,000	100%	NIL	NIL

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

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	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

(iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

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	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

(v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	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	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

V) 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	NIL	NIL	NIL	NIL
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	NIL	NIL	NIL	NIL
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
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-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S.No	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	NIL	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) 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	NIL	NIL	NIL	NIL	NIL
	- as % of profit					
	- 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

S.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	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 (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	NIL	NIL	NIL	NIL	NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NIL	NIL	NIL	NIL
	(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) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of Board of Directors

Place: Gurgaon
Date: May 20, 2015

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Independent Auditor's Report

To The members of

PI LIFE SCIENCE RESEARCH LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of PI LIFE SCIENCE RESEARCH LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended on that date, 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 sub-section 5 of Section 134 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 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 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 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 March 31, 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by sub-section 3 of Section 143 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 March 31, 2015 taken on record by the Board of Directors, none of the Directors are disqualified as on March 31, 2015 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.

(f) 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 does not have any pending litigation

which would impact its financial position.

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

(iii) There were no amount which required to be transferred to the Investor Education and Protection Fund by the Company.

For KSMN & Company
Chartered Accountants
Firm's Regn. No. 001075N

Sd/-

Vijay Kumar

Partner

Place: Gurgaon

Date: May 20, 2015

M.No. 092671

Annexure to the Auditor's Report

The Annexure referred to in our paragraph "Report on other legal and Regulatory Requirements" report to the members of PI LIFE SCIENCE RESEARCH LIMITED ("the Company") for the year ended March 31, 2015, we report that:

- | | |
|--|--|
| <p>(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) As explained to us, fixed assets have been physically verified by the Management during the year, in our opinion, the frequency of physically verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification as compared to the books of accounts.</p> <p>(ii) The nature of Company's business does not require it to hold inventories. Hence, the provisions of clause (ii) (a), (b) & (c) of paragraph 3 of the order are not applicable to the Company.</p> <p>(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) (a) and (b) of paragraph 3 of the Order are not applicable.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.</p> <p>(v) The Company has not accepted any deposits from public and consequently, the directives issued by the Reserve Bank of India and the provision of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under are not applicable to the Company.</p> <p>(vi) The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company. Accordingly, clause (vi) of paragraph 3 of the Order are not applicable.</p> <p>(vii) (a) According to the records of the Company examined by us and the information and explanation given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues to the extent applicable to it.</p> <p>(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income</p> | <p>Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.</p> <p>(c) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Sales Tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise and Cess which have not been deposited with the appropriate authorities on account of any dispute.</p> <p>(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any dues on account of Investor Education and Protection Fund.</p> <p>(viii) The Company does not have accumulated losses as at the end of the financial year. There are no cash losses during the financial year under report and in the immediately preceding financial year.</p> <p>(ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not taken any loan from any financial institution or banks, therefore clause (ix) of paragraph 3 of the Order is not applicable to the Company.</p> <p>(x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions, therefore clause (x) of paragraph 3 of the Order is not applicable to the Company.</p> <p>(xi) According to the information and explanations given to us, there are no term loans taken by the Company which could be applied for the purpose for which they were raised.</p> <p>(xii) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practice in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.</p> |
|--|--|

For KSMN & Company
Chartered Accountants
Firm's Regn. No. 001075N

Sd/-

Vijay Kumar
Partner

M.No. 092671

Place: Gurgaon
Date: May 20, 2015

Balance Sheet as at March 31, 2015

(Amount in ₹)

Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I. EQUITY & LIABILITIES			
1. Shareholders' Funds			
a. Share Capital	B1	94,50,000	94,50,000
b. Reserves & Surplus	B2	10,49,69,506	8,14,39,516
2. Non-Current Liabilities			
a. Deferred tax liabilities (Net)	B3	30,62,776	42,02,354
b. Long-Term Provisions	B4	86,905	34,381
3. Current Liabilities			
a. Trade Payables	B5	2,25,053	2,91,423
b. Other current liabilities	B6	4,71,606	4,24,373
c. Short-Term Provisions	B7	4,584	1,899
TOTAL		11,82,70,430	9,58,43,946
II. ASSETS			
1. Non Current Assets			
a. Fixed Assets			
- Tangible Assets	B8	2,82,94,542	2,87,35,725
b. Long-Term loans and advances	B9	2,29,18,766	1,74,94,595
2. Current Assets			
a. Trade Receivables	B10	-	1,62,49,089
b. Cash and Bank Balances	B11	6,59,78,639	3,26,12,926
c. Other current assets	B12	10,78,483	7,51,612
TOTAL		11,82,70,430	9,58,43,946
Refer accompanying notes to financial statements	A&B		

As per our report of even date.

For K S M N & Company
Chartered Accountants
Firm Reg. No. 001075N

For and on behalf of the Board of Directors of
PI Life Science Research Limited

Sd/-
Vijay Kumar
Partner
M. No. 092671

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN : 06429468

Place: Gurgaon
Date: May 20, 2015

Profit & Loss Statement for the year ended March 31, 2015

(Amount in ₹)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
I. INCOME			
Revenue From Operations	B13	3,73,29,759	4,39,60,375
Other Income	B14	42,78,807	9,14,929
Total Revenue		4,16,08,566	4,48,75,304
II. EXPENDITURE			
Cost of Material Consumed	B15	47,95,667	68,37,688
Employee Benefit Expenses	B16	27,26,437	24,16,638
Depreciation and Amortization expenses	B8	61,33,501	17,68,676
Other Expenses	B17	54,99,619	48,28,333
Total Expenses		1,91,55,224	1,58,51,335
III. PROFIT BEFORE PRIOR PERIOD INCOME AND TAX		2,24,53,342	2,90,23,969
IV. PROFIT/(LOSS) BEFORE TAX		2,24,53,342	2,90,23,969
V. Provision for Taxation			
- Current Tax		44,93,000	57,60,000
- Deferred Tax		(11,19,161)	(2,20,348)
- Tax for earlier years		47,043	2,34,983
- MAT Credit Entitlement- Earlier Years		(47,043)	(1,09,96,071)
- MAT Credit Entitlement- Current Year		(44,93,000)	(57,60,000)
VI. PROFIT/(LOSS) AFTER TAX		2,35,72,503	4,00,05,405
VII. Earning per share			
	B18		
- Basic		24.94	42.33
- Diluted		24.94	42.33
(Face value ₹10 per share)			
Refer accompanying notes to financial statements	A&B		

As per our report of even date.

For K S M N & Company
Chartered Accountants
Firm Reg. No. 001075N

For and on behalf of the Board of Directors of
PI Life Science Research Limited

Sd/-
Vijay Kumar
Partner
M. No. 092671

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN : 06429468

Place: Gurgaon
Date: May 20, 2015

Cash Flow Statement for the year ended March 31, 2015

(Amount in ₹)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / Loss before tax and Extraordinary items	2,24,53,342	2,90,23,969
Adjustment for :		
Depreciation	61,33,501	17,68,676
Operating Profit before working capital changes	2,85,86,843	3,07,92,646
Adjustment for :		
Decrease/(Increase) in trade receivables	1,62,49,089	(30,43,079)
Increase/(Decrease) in trade payables	(66,370)	(93,842)
Increase/(Decrease) in other current liabilities	47,233	(3,48,565)
Decrease/(Increase) in other current assets	(3,26,871)	(1,71,847)
Increase/ (Decrease) in long-term provisions	52,524	22,259
Increase/ (Decrease) in Short-term provisions	2,685	(1,78,272)
Cash generated from/ (used in) operations	4,45,45,133	2,69,79,300
Direct Taxes paid	(54,24,171)	(46,22,081)
Net Cash Flow from/ (used in) operating activities (A)	3,91,20,962	2,23,57,219
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase for Fixed Assets	(57,55,249)	-
Net Cash Flow from/ (used in) investing activities (B)	(57,55,249)	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	-
Net Cash Flow from/ (used in) financing activities (C)	-	-
INCREASE / (DECREASE) IN CASH OR CASH EQUIVALENTS (A+B+C)	3,33,65,713	2,23,57,219
Opening cash or cash equivalents	3,26,12,926	1,02,55,707
Closing cash or cash equivalents	6,59,78,639	3,26,12,926

As per our separate report of even date attached

For K S M N & Company
Chartered Accountants
Firm Reg. No. 001075N

For and on behalf of the Board of Directors of
PI Life Science Research Limited

Sd/-
Vijay Kumar
Partner
M. No. 092671

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN : 06429468

Place: Gurgaon
Date: May 20, 2015

Significant Accounting Policies and Notes to Accounts

A SIGNIFICANT ACCOUNTING POLICIES

1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 to the extent applicable. The financial statements have been prepared on an accrual basis and under the historical cost convention on going concern basis.

2 Change in Accounting Policy

The useful life of fixed assets have been revised in accordance with the Schedule II to the Companies Act 2013 which is applicable from accounting periods commencing on or after April 1st, 2014. Accordingly, an amount of ₹ 42,513 (net of deferred tax) representing assets beyond their useful life as of April 1st, 2014 has been charged to General Reserve and in respect of the remaining assets, an additional depreciation amounting to ₹ 43,66,224 has been charged to the Profit and Loss Statement for the year.

3 Summary of significant accounting policies

3.1 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. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

3.2 Revenue recognition

a) Sale of Goods & Services

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.

b) Revenue is recognized as the service is performed by the completed service method, no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the services and the revenue can be reliably measured.

c) Interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

d) Dividend is recognized when shareholders' right to receive payment is established by the Balance Sheet date.

3.3 Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost individually. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments in case of long term investments.

3.4 Fixed and Intangible Assets

Fixed Assets

Fixed assets 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 asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Significant Accounting Policies and Notes to Accounts

Depreciation on tangible fixed assets is provided on the Straight Line Method over the useful lives of assets specified under Schedule II of the Companies Act, 2013.

Intangible Assets

Capital Expenditure on purchase and development of identifiable non-monetary assets without physical substance is recognized as Intangible Assets in accordance with principles given under AS-26 – Intangible Assets. These are grouped and separately shown under the schedule of Fixed Assets. These are amortized over a period of 3-5 years on a straight line basis.

3.5 Expenses Incurred During Construction Period

Preliminary project expenditure, capital expenditure, indirect expenditure incidental and related to construction / implementation, interest on borrowings to finance fixed assets and expenditure on start-up / commissioning of assets forming part of a composite project are capitalized upto the date of commissioning of the project as the cost of respective assets.

3.6 Impairment of assets

Assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. cash generating units). For the purpose of assessing impairment at each Balance Sheet date, Assets within a Cash Generating Unit are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount at which the assets under individual Cash Generating Unit are carried in the books exceeds its recoverable amount being the higher of the assets net selling price and its value in use. Value in use is based on the present value of the estimated future cash flows relating to the assets.

Previously recognized impairment losses, relating to assets other than goodwill, are reversed where the recoverable amount increases because of favourable changes in the estimates used to determine the recoverable amount since the last impairment was recognized. A reversal of an asset impairment loss is limited to its carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

3.7 Foreign exchange transactions/Translation

- 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 transaction.
- b) Conversion: Foreign currency monetary items are reported using the closing rate. Non-Monetary items that are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) Exchange Differences: Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognized as income or as expense in the year in which they arise.

3.8 Employees Benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard 15 – Employee Benefits.

(i) Provident Fund & ESI

The Company makes contribution to statutory provident fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(ii) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit/obligation at the Balance Sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are

Significant Accounting Policies and Notes to Accounts

charged or credited to the Statement of Profit and Loss in the year to which such gains or losses relate.

(iii) Leave Encashment

Liability in respect of leave encashment becoming due or expected after the Balance Sheet date is estimated on the basis of an actuarial valuation performed by an independent Actuary using the projected unit credit method.

(iv) Other Short Term Benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

3.9 Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of the 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

Assets subject to operating leases are included in fixed assets. Lease income 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.

3.10 Segment Accounting & Reporting

Identification of Segments

The Company's operating businesses are organized and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products.

Allocation of Common Costs

Common allocable costs are allocated to each segment on reasonable basis.

Unallocated Items

Unallocable assets and liabilities represent the assets and liabilities not allocable to any segment as identified as per the Accounting Standard.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

3.11 Taxes on Income

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized 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 realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying

Significant Accounting Policies and Notes to Accounts

amount of a 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 realized. 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.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

3.12 Government Grant & Subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

3.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3.14 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. A contingent liability is recognized for:

- (i) a present obligation that arises from past events but is not recognized as a provision because either the possibility that an outflow of resources embodying economic benefits will be required to settle the obligation is remote or a reliable estimate of the amount of the obligation cannot be made.
- (ii) a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company.
- (iii) Contingent assets are neither accounted for nor disclosed in the financial statements.

3.15 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to Equity Shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of Equity Shares outstanding during the period. Partly paid Equity Shares are treated as a fraction of an Equity Share to the extent that they were entitled to participate in dividends relative to a fully paid Equity Share during the reporting period. The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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

3.16 Cash and Cash Equivalents

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS

1. SHARE CAPITAL

(Amount in ₹)

Particulars	As at March 31, 2015	As at March 31, 2014
Authorized capital		
10,00,000(previous year 10,00,000) Equity Shares of ₹ 10 each	1,00,00,000	1,00,00,000
	1,00,00,000	1,00,00,000
Issued, Subscribed & fully Paid up		
9,45,000 (previous year 9,45,000) Equity Shares of ₹ 10 each	94,50,000	94,50,000
TOTAL	94,50,000	94,50,000

1.1. Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period

Particulars	2014-15		2013-14	
	No. of Shares	₹	No. of Shares	₹
Share outstanding at beginning of year	9,45,000	94,50,000	9,45,000	94,50,000
Bonus Shares issued during the year	-	-	-	-
Shares Converted into Equity	-	-	-	-
Split of shares	-	-	-	-

1.2 Terms/ rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per share (Previous Year ₹ 10 per share). Each holder of Equity Shares is entitled to one vote per share. The Company declares and pay dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General meeting. However, The Company has not proposed any dividend in the current year and in previous year.

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.

1.3. Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% Holding	No. of Shares	% Holding
PI Industries Limited and its nominees	9,45,000	100	9,45,000	100

1.4. Equity Shares held by holding Company

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹	No. of Shares	₹
PI Industries Limited and its nominees	9,45,000	94,50,000	9,45,000	94,50,000

2. RESERVES & SURPLUS

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	₹	No. of Shares	₹
Surplus in the Statement of Profit and Loss				
Balance as per last financial statements	8,14,39,516		4,14,34,111	
Less: Depreciation for assets having NIL remaining life as on April 01, 2014*	(62,931)		-	
Add: Deferred tax of assets having NIL remaining life as on April 01, 2014*	20,418		-	
Add: Profit for the year	2,35,72,503		4,00,05,405	
		10,49,69,506		8,14,39,516
TOTAL		10,49,69,506		8,14,39,516

* Refer Note A2 of Significant Accounting Policies

Significant Accounting Policies and Notes to Accounts

3. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Deferred tax assets/ liabilities are attributable to the following items;				
Deferred Tax Assets				
Effects of expenditure debited to Statement of P&L in the current year but allowed for tax purposes in the following year	29,684		11,771	
Sub- Total (a)		29,684		11,771
Deferred Tax Liabilities				
Difference in depreciation and amortization in block of fixed assets as per Income Tax Act and books of accounts & Others	30,92,460		42,14,125	
Sub- Total (b)		30,92,460		42,14,125
Net Deferred Tax Liability (b)-(a)		30,62,776		42,02,354

4. LONG-TERM PROVISIONS

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Provision for employee benefits				
Gratuity Payable	45,988		17,566	
Leave Encashment (Refer Note 32)	40,917		16,815	
		86,905		34,381
TOTAL		86,905		34,381

5. TRADE PAYABLES

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Payable to Micro & Small Enterprises	–		–	
Payable to Others than Micro & Small Enterprises	2,25,053		2,91,423	
		2,25,053		2,91,423
TOTAL		2,25,053		2,91,423

5.1 Micro, Small and Medium Enterprises Development Act, 2006

The Management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 and circularized the letters for this purpose. However, the Management has not yet received response from any of the enterprises as at March 31, 2015. Accordingly, the disclosures in respect of the amounts payable to such medium and small enterprises at March 31, 2015 have not been made in the financial statements. In the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

6. OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Other Payables				
- Payable to Employee	3,60,896		3,26,519	
- Statutory Dues (Including PF and ESI)	20,881		14,280	
- Miscellaneous Expenses Payable	89,829		83,574	
		4,71,606		4,24,373
TOTAL		4,71,606		4,24,373

Significant Accounting Policies and Notes to Accounts

7. SHORT-TERM PROVISIONS

(Amount in ₹)

Particulars	As at	
	March 31, 2015	March 31, 2014
Provision for employee benefits		
Gratuity Payable	107	27
Leave encashment (Refer Note No. 32)	4,477	1,872
		1,899
TOTAL	4,584	1,899

8. FIXED ASSETS - TANGIBLE

(Amount in ₹)

Particulars	Gross Carrying Value				Depreciation *				Net Carrying Value	
	As at April 1, 2014	Additions	Deductions	As at March 31, 2015	As at April 1, 2014	During the year	Deductions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Plant & Equipment	3,58,80,718	68,37,132	13,03,204	4,14,14,646	75,11,066	59,61,154	2,21,321	1,32,50,899	2,81,63,747	2,83,69,652
Furniture & Fixtures	3,55,301	-	-	3,55,301	2,67,908	38,194	-	3,06,102	49,199	87,393
Office Equipments	5,82,664	-	-	5,82,664	3,03,984	1,97,084	-	5,01,068	81,596	2,78,680
TOTAL	3,68,18,683	68,37,132	13,03,204	4,23,52,611	80,82,958	61,96,432	2,21,321	1,40,58,069	2,82,94,542	2,87,35,725
GRAND TOTAL	3,68,18,683	68,37,132	13,03,204	4,23,52,611	80,82,958	61,96,432	2,21,321	1,40,58,069	2,82,94,542	2,87,35,725
Previous Year	3,68,18,683	-	-	3,68,18,683	63,14,282	17,68,676	-	80,82,958	2,87,35,725	3,05,04,401

* Out of the total depreciation charge for the year, ₹ 62,931 representing assets beyond their useful life as of April 1st, 2014 has been charged to General Reserve in accordance with the Schedule II to the Companies Act 2013. Refer Note A2 of Significant Accounting Policies.

9. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Unsecured, Considered Good :		
Security Deposit with Sales Tax Department	20,000	20,000
Advance Income Tax (Net of Provision for Income Tax ₹ 10,300,043 , Previous Year ₹ 11,079,000)	16,02,652	7,18,524
MAT Credit Entitlement	2,12,96,114	1,67,56,071
TOTAL	2,29,18,766	1,74,94,595

10. TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at	
	March 31, 2015	March 31, 2014
Unsecured, considered good, unless stated otherwise		
a) Receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
		-
b) Other receivables*	-	1,62,49,089
		1,62,49,089
TOTAL		1,62,49,089

* Includes Receivables from Holding Company ₹ Nil, previous year ₹ 12,760,073.

Significant Accounting Policies and Notes to Accounts

11. CASH & BANK BALANCES

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Cash and Cash Equivalents				
- Cash on Hand	9,146		4,055	
- Balances with Scheduled Banks in Current A/c	93,90,855		1,75,998	
		94,00,001		1,80,053
Other Bank Balances				
Fixed Deposit with Bank		5,65,78,638		3,24,32,873
TOTAL		6,59,78,639		3,26,12,926

12. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at March 31, 2015		As at March 31, 2014	
Prepaid Expenses	4,65,648		3,83,947	
Service Tax receivable	97,605		1,18,511	
Accrued Interest	5,15,230		2,49,154	
		10,78,483		7,51,612
TOTAL		10,78,483		7,51,612

13. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Revenue from sale of services				
- Royalty Income	2,83,76,539		3,36,71,339	
- Income from Research & Development	89,53,220		1,02,89,036	
		3,73,29,759		4,39,60,375
TOTAL		3,73,29,759		4,39,60,375

14. OTHER INCOME

(Amount in ₹)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Interest Received	39,06,466		7,87,770	
Excess provision written back	1,81,517		1,27,159	
Prior Period Income	38,700		-	
Insurance Claim/ profit on Fixed Assets	1,52,124		-	
		42,78,807		9,14,929
TOTAL		42,78,807		9,14,929

15. COST OF MATERIAL CONSUMED

(Amount in ₹)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Chemical Consumption	40,78,182		63,58,813	
Laboratory Apparatus	7,17,485		4,49,475	
R & D Expenses	-		29,400	
		47,95,667		68,37,688
TOTAL		47,95,667		68,37,688

16. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
Salary, wages and Other Allowances	23,20,358		20,74,320	
Contribution to provident and other funds	1,59,976	24,80,334	1,40,436	22,14,756
Employee welfare Expenses		2,46,103		2,01,882
TOTAL		27,26,437		24,16,638

Significant Accounting Policies and Notes to Accounts

17. OTHER EXPENSES

(Amount in ₹)

Particulars	Year ended	
	March 31, 2015	March 31, 2014
Power & Electric Expenses	16,49,353	17,36,253
Repairs to machinery	14,21,043	3,03,756
Foreign Exchange rate difference(Net)	29,482	2,41,169
Postage & Telegram Expenses	8,800	4,357
Printing & Stationary	735	2,394
Office Expenses	2,14,352	1,09,728
Rent	17,51,486	16,01,278
Auditor remuneration	27,438	22,000
Travelling Expenses	47,204	21,063
Legal & Professional Fee	79,624	75,649
Freight charges	82,734	3,72,692
Bank Charges	45,616	29,406
Interest	39,375	844
Misc. Expenses	1,02,377	3,07,744
	54,99,619	48,28,333
TOTAL	54,99,619	48,28,333
Auditor Remuneration		
Statutory Audit	27,438	22,000
Reimbursement of expenses	-	-
	27,438	22,000
TOTAL	27,438	22,000

18. EARNING PER SHARE

Particulars	Year ended	Year ended
	March 31, 2015	March 31, 2014
Net Profit/(Loss) after tax (₹)	2,35,72,503	4,00,05,405
Net Profit/(Loss) after tax available for Equity Shareholders (₹)	2,35,72,503	4,00,05,405
Weighted average number of Equity Share		
For Basic EPS	9,45,000	9,45,000
For Diluted EPS	9,45,000	9,45,000
Nominal Value of shares	10	10
Earning per share (EPS) (₹)		
Basic	24.94	42.33
Diluted	24.94	42.33

19. RELATED PARTY DISCLOSURE

Related party disclosure, as required by Accounting Standard - 18, is as below:

List of related persons

- I. **Holding Company** - PI Industries Ltd.
- II. **Ultimate Holding Company** - Parteeek Finance & Investment Co. Ltd. (till March 30th, 2015)
- III. **Enterprises under common control** - PILL Finance & Investment Ltd. & PI Japan Co. Ltd.
- IV. **Enterprises in respect of which Holding Company is an associate** - Parteeek Finance & Investment Co. Ltd. (till March 30th, 2015)
- V. **Enterprises over which KMP and their relatives are able to exercise significant influence** - MSP Enterprises Private Limited, Wolkem India Ltd., Secure Meters Ltd. & Salil Singhal HUF (Karta).
- VI. **Key Managerial Personnel & their relatives** - Mr. Anurag Surana(Director), Mr. Mayank Singhal (Director), Mr. Salil Singhal (Director of Holding Company), Mr. Rajnish Sarna (Director). Relatives - Nature of relation with Mr. Salil Singhal has been given in Brackets Mrs. Madhu Singhal (Wife), Mr. Arvind Singhal & Mr. Sanjaya Singhal (Brothers), Mrs. Shefali Khushlani & Ms. Pooja Singhal (Daughters), Sanjaya Singhal HUF (Brother's HUF).

Significant Accounting Policies and Notes to Accounts

19. RELATED PARTY DISCLOSURE (Contd...)

The following transactions were carried out with related parties in the ordinary course of business:

(Amount in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
RELATED PARTY DISCLOSURE		
Transactions with Holding Company - PI Industries Limited		
Sale of Goods and Services	2,83,76,540	3,36,71,339
Rent, electricity and other miscellaneous payment(inclusive of service tax)	37,87,681	37,27,502
Reimbursement of expenses	-	-
Loan Given and received back	-	-
Interest Received	-	-
Closing Balances	-	-
Amount receivable	-	1,27,60,073

20. As per information available with the Management as certified by them, there is no contingent liability as at March 31st, 2015.

21. As per the information available with the Management and as certified by them, there is no outstanding Capital Commitment as on March 31st, 2015.

22. The Company's profits from export of the services relating to Research and Development activities are fully deductible from taxable income. In view of the allowance available to the Company under Section 80-IB(8A) of the Income Tax Act, 1961, the Company does not have any liability for tax in respect of the profits for the year. However, the Company has accounted for liability for Minimum Alternative Tax in respect of the profits for the year under Section 115JB of the Income Tax Act, 1961.

23. Loans & advances, trade receivables and other current / non-current assets are reviewed annually and in the opinion of the Management do not have a value on realization in the ordinary course of business, less than the amount at which they are stated in the Balance Sheet.

24. There are no present obligations requiring provisions in accordance with the guiding principles as enunciated in Accounting Standard (AS)-29 'Provisions, Contingent Liabilities & Contingent Assets'.

25. In accordance with the provisions of Accounting Standard on impairment of Assets, (AS-28), the Management has made assessment of assets in use & considering the business prospects related thereto, no provision is considered necessary in these accounts on account of impairment of assets.

26. VALUE OF IMPORTS CALCULATED ON CIF BASIS

(Amount in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Raw Materials	14,06,743	12,01,214
Capital Goods	41,26,751	-

27. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(Amount in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Spare parts for Machinery Repair	-	1,87,555

28. EARNINGS IN FOREIGN CURRENCY

(Amount in ₹)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014
Export of goods and services calculated on FOB basis	89,53,220	1,02,89,036

29. DERIVATIVE INSTRUMENTS AND HEDGED/UNHEDGED FOREIGN CURRENCY EXPOSURE

There is no hedged foreign currency exposure as at the Balance Sheet date and details of Un-hedged foreign currency exposure as at the Balance Sheet date is as follows:

Particulars	Currency	As at March 31, 2015		As at March 31, 2014	
		Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
Debtors	USD	-	-	64,167	34,89,016
Creditors	USD	260	16,252		

Significant Accounting Policies and Notes to Accounts

30. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED

Particulars	Year ended March 31, 2015		Year ended March 31, 2014	
	Amount in ₹	%	Amount in ₹	%
Raw Materials				
Imported	14,06,743	34.49%	12,01,214	18.89%
Indigenous	26,71,439	65.51%	51,57,599	81.11%

31. The Company operates in only one business segment viz “Research & Development Services”, which is the reportable segment in accordance with the requirements of Accounting Standard specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

32. GRATUITY AND LEAVE ENCASHMENT

As per Accounting Standard (AS)- 15 “Employees Benefits”, the disclosures of employee benefits as defined in the accounting standard are given below:

a. Defined Contribution Plans:

The Company has recognized an expense of ₹159,976 (Previous Year ₹140,436) towards defined contribution plan.

b. Defined benefits plans - as per actuarial valuation as on March 31st, 2015:

(Amount in ₹)

Particulars	2014-15		2013-14	
	Gratuity Non-Funded	Leave Encashment	Gratuity Non-Funded	Leave Encashment
Expenses recognized in the Statement of Profit and Loss for the year				
Current Service Cost	26,135	27,953	13,498	14,586
Interest Cost	1,495	1,588	10,279	5,104
Expected return on plan assets				
Net Actuarial (Gain)/Loss	872	9,084	18,806	5,333
Total Expense	28,502	38,625	42,583	25,023
Net Asset/(Liability) recognized in the Balance Sheet				
Present Value of obligation as at year-end	46,095	45,394	17,593	18,687
Fair value of plan assets at year -end				
Funded status {Surplus/(Deficit)}	(46,095)	(45,394)	(17,593)	(18,687)
Net Asset/(Liability)	(46,095)	(45,394)	(17,593)	(18,687)
Change in obligation during the year ended				
Present value of obligation at the beginning of the year	17,593	18,687	1,28,490	63,803
Current Service Cost	26,135	27,953	13,498	14,586
Interest Cost	1,495	1,588	10,279	5,104
Net Actuarial (Gain)/Loss	872	9,084	18,806	5,333
Benefits Paid	-	(11,918)	(1,53,480)	(70,139)
Present Value of obligation as at year-end	46,095	45,394	17,593	18,687
Actuarial Assumptions				
Discount Rate	7.75%	7.75%	8.50%	8.50%
Expected rate of return on plan assets				
Mortality Table	IALM (2006 - 08)	IALM (2006 - 08)	LIC(1994-96) duly modified	
Salary Escalation	5.50%	5.50%	6.00%	6.00%
Short term Provision	107	4,477	27	1,872
Long Term Provision	45,988	40,917	17,566	16,815

Significant Accounting Policies and Notes to Accounts

33. In accordance with Accounting Standard 19 - Leases, the following disclosures in respect of operating leases is made as under:

The Company has taken corporate office on cancellable operating lease. Minimum lease payments of ₹ 17,51,486 (Previous year ₹ 16,01,278) are charged to Statement of Profit & Loss during the year.

34. Figures of previous year have been regrouped and/or rearranged wherever necessary to make them comparable with those of the current year.

As per our report of even date.

For K S M N & Company
Chartered Accountants
Firm Reg. No. 001075N

For and on behalf of the Board of Directors of
PI Life Science Research Limited

Sd/-
Vijay Kumar
Partner
M. No. 092671

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN : 06429468

Place: Gurgaon
Date: May 20, 2015

PI JAPAN CO. LIMITED

CORPORATE INFORMATION

Board of Directors

Mr. Junichi Nakano

Mr. Katsumi Nakamura

Bankers

Mitsubishi Tokyo UFJ Bank, Japan

Registered Office

2-11-4, The To-han Building

4th Floor, Uchikanda,

2-Chome, Chiyoda-Ku,

Tokyo, 101-0047 Japan

Balance Sheet as at March 31, 2015

				<i>(Amount in JPY)</i>	
Particulars	Note No.	As at March 31, 2015	As at March 31, 2014		
I LIABILITIES					
1 Shareholders Fund					
a. Share Capital	1	50,00,000	50,00,000		
b. Retained Earnings	1	1,20,68,349	1,02,33,128		
		1,70,68,349	1,52,33,128		
2 Current Liabilities					
a. Other Current Liabilities	2	29,09,123	29,19,333		
b. Short Term provisions	3	4,94,475	5,29,945		
		34,03,598	34,49,278		
TOTAL		2,04,71,947	1,86,82,406		
II ASSETS					
1 Non- Current Assets					
Fixed Assets					
	4				
Tangible Assets Gross		20,02,266	20,02,266		
Accumulated Depreciation		(15,73,719)	(14,58,554)		
Tangible Assets Net		4,28,547	5,43,712		
2 Non- Current Loans & Advances	5	26,53,840	26,53,840		
3 Current Assets					
a. Cash & Cash Equivalents		1,16,45,530	1,01,67,504		
b. Trade Receivable		44,06,420	42,64,306		
c. Short Term Loans and advances	6	13,37,610	10,53,044		
		1,73,89,560	1,54,84,854		
TOTAL		2,04,71,947	1,86,82,406		

Statement of Profit and Loss for the year ended March 31, 2015

(Amount in JPY)

Particulars	Note No.	For the year ended March 31, 2015	For the year ended March 31, 2014
Sales		5,08,07,573	5,35,13,461
Gross Profit		5,08,07,573	5,35,13,461
Selling General & Administrative Expenses	7	4,83,88,171	5,09,65,206
Operating Profit		24,19,402	25,48,255
Interest Income		2,325	1,943
Miscellaneous Income		4,264	610
Amortization of Organization Costs		-	-
Ordinary Profit		24,25,991	25,50,808
Profit Before Tax Deduction		24,25,991	25,50,808
Income Taxes		5,90,770	6,49,193
Net Profit		18,35,221	19,01,615
Notes to Accounts	8		

Notes to Accounts

Note: 1 SHAREHOLDERS FUND

(Amount in JPY)

Particulars		As at	As at
		March 31, 2015	March 31, 2014
Shareholders' Equity			
Share Capital	Beginning Balance	50,00,000	50,00,000
	Changes of items during the period	-	-
	Ending Balance	50,00,000	50,00,000
Retained Earnings	Beginning Balance	1,02,33,128	83,31,513
	Changes of items during the period	18,35,221	19,01,615
	Ending Balance	1,20,68,349	1,02,33,128

Note: 2 OTHER CURRENT LIABILITIES

(Amount in JPY)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Accrued Expenses	27,59,772	27,63,162
Social Insurance	1,49,351	1,56,171
TOTAL	29,09,123	29,19,333

Note: 3 SHORT-TERM PROVISIONS

(Amount in JPY)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Income Taxes Payable	2,84,200	3,19,000
Withholding Tax	2,10,275	2,10,945
TOTAL	4,94,475	5,29,945

Note: 4 TANGIBLE & INTANGIBLE ASSETS

(Amount in JPY)

Particulars	Gross block			Depreciation				Net block		
	As at April 1, 2014	Additions during the year	Deductions	As at March 31, 2015	As at April 1, 2014	Additions during the year	Deductions	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Lease Hold Improvements										
Room Divider	5,75,991	-	-	5,75,991	3,83,754	27,297	-	4,11,051	1,64,940	1,92,237
Equipments										
Video Conferencing System	9,30,000	-	-	9,30,000	5,78,525	87,868	-	6,66,393	2,63,607	3,51,475
Laptop	1,03,810	-	-	1,03,810	1,03,810	-	-	1,03,810	-	-
Book (JIS Standard color samples)	1,36,322	-	-	1,36,322	1,36,322	-	-	1,36,322	-	-
Laptop	1,43,381	-	-	1,43,381	1,43,381	-	-	1,43,381	-	-
Laptop	1,12,762	-	-	1,12,762	1,12,762	-	-	1,12,762	-	-
GRAND TOTAL	20,02,266	-	-	20,02,266	14,58,554	1,15,165	-	15,73,719	4,28,547	5,43,712

Note: 5 NON-CURRENT LOANS AND ADVANCES

(Amount in JPY)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Lease Deposits	26,53,840	26,53,840
Organization Costs	-	-
TOTAL	26,53,840	26,53,840

Note: 6 CURRENT LOANS AND ADVANCES

(Amount in JPY)

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Prepaid Expenses	3,60,000	3,60,000
Advance for employee insurance	23,622	18,292
Consumption Tax Receivable	9,53,988	6,74,752
TOTAL	13,37,610	10,53,044

Notes to Accounts

Note: 7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

(Amount in JPY)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
Directors' Remuneration	1,95,00,000	1,67,91,665
Salary	35,08,800	73,18,800
Depreciation	1,15,165	1,86,561
Legal Welfare	18,77,163	25,97,195
Welfare	1,35,792	92,860
Advertising	45,917	6,000
Rental	2,85,266	3,36,287
Repair	1,72,000	1,72,000
Supplies	2,19,653	1,53,523
Electricity and Water	2,65,574	3,02,714
Charge	89,399	1,02,100
Taxes and Dues	13,150	20,600
Entertainment	19,29,617	15,78,735
Communication	13,73,082	13,48,920
Seminar	4,20,710	3,01,400
Books, Papers	2,57,254	3,02,253
Office Rent	40,00,008	40,00,008
Conference	1,31,008	2,49,633
Transportation (travel within 200km)	8,19,114	9,81,202
Domestic Travelling (travel over 200km)	6,14,632	7,38,971
International Travelling	12,72,517	9,48,355
Commutation	12,45,704	13,68,036
Consultant Fee	99,56,203	1,09,29,157
Market research	52,000	50,000
Miscellaneous	88,443	88,231
TOTAL	4,83,88,171	5,09,65,206

Note: 8 SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES

I Significant Accounting Policies

The financial statements have been prepared in accordance with Accounting Standards for Small and Medium Enterprises in Japan.

1 Depreciation method for fixed assets

- Leasehold improvements - Declining balance method
- Equipments (over 200,000 yen) - Declining balance method
- Equipments (100,000 yen - 200,000 yen) - Straight-line method

2 Accounting for consumption taxes and regional consumption taxes

Consumption taxes and regional consumption taxes are excluded from all figures.

II Notes about Balance Sheet

Monetary assets and liabilities to parent Company

Accounts Receivable 4,406,420 yen

III Notes about Profit and Loss Statement

Transaction with parent Company

Operating transaction

Sales 50,807,573 yen

IV Notes about statement of changes in equity

Information about issued Share Capital

Sort	March 31, 2014	Increase	Decrease	March 31, 2015
Common shares	100 shares	-	-	100 shares

Shareholding: 100% PI Industries Ltd. (India)

Notes to Accounts

Note: 8 SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES (Contd...)

V Information about related party

Attribute	Name	Voting right	Relations		Detail of business	Amount	Account title	Ending balance
			The additional post of Director	Actual relations				
Parent Company	PI Industries Ltd.	100%	–	Service	Market Research	50,807,573 yen	Accounts receivable	4,406,420 yen

VI Information about per share

Book Value per share	170,683 yen
Net profit per share	18,352 yen



PI Industries Limited

Form No. MGT – 11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L24211RJ1946PLC000469
Name of the Company	PI Industries Limited
Registered Office	Udaisagar Road, Udaipur – 313 001 (Rajasthan) Phone: 0294 2492451 – 55, Fax: 0294 2491946 E-mail Address: investor.grievance@piind.com Website: www.piindustries.com

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./Client ID	DP ID:

I/We, being the Member(s) of _____ shares of the above Company, hereby appoint:

1	Name	
	Address	
	E-mail:	Signature

or failing him/her

2	Name	
	Address	
	E-mail:	Signature

or failing him/her

3	Name	
	Address	
	E-mail:	Signature



As my/our proxy to attend and vote (on poll) for me/us and on/our behalf at the Annual General Meeting of the Company to be held on **Tuesday, September 15, 2015 at 11.45 AM** at PI Industries Ltd., Udaisagar Road, Udaipur – 313 001 (Rajasthan) and at any adjournment thereof in respect of such Resolutions as are indicated below

Resolution No.	Description
Ordinary Business:	
1	To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2015 and the Reports of Directors and Auditors thereon.
2	To confirm the payment of Interim Dividend and to declare Final Dividend on equity shares for the Financial Year ended March 31, 2015.
3	To appoint a Director in place of Mr. Rajnish Sarna, (DIN 06429468), who retires by rotation and being eligible offers himself for re-appointment
4	To appoint M/s. S.S. Kothari Mehta & Co., Chartered Accountants (ICAI Registration No. 000756N) as statutory auditors of the Company and fix their remuneration
Special Business:	
5	Ratification of Cost Auditor's Remuneration.

Signed this day of 2015.

Affix
Revenue
Stamp

Signature of Shareholder.....

Signature of Proxy holder(s).....

NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



PI Industries Limited

CIN L24211RJ1946PLC000469

Regd Office: Udaisagar Road, Udaipur – 313 001 (Rajasthan)

Corporate Office: 5th Floor, Vipul Square, B- Block, Sushant Lok, Phase – I, Gurgaon – 122 009

Email id: investor.grievance@piind.com, Website:- www.piindustries.com

Phone: 0124-6790000 Fax: 0124 – 6790236/4081247

ATTENDANCE SLIP

(To be presented at the entrance)

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over the same, duly signed at the space provided, at the entrance of the meeting hall.

I hereby record my presence at the **SIXTY EIGHTH ANNUAL GENERAL MEETING** of the Company at Udaisagar Road, Udaipur – 313 001 (Rajasthan) on **Tuesday, September 15, 2015 at 11.45 AM.**

Folio No. / DP ID No. & Client ID

Name of the Shareholder

Signature

.....

.....

Name of the Proxy holder

Signature

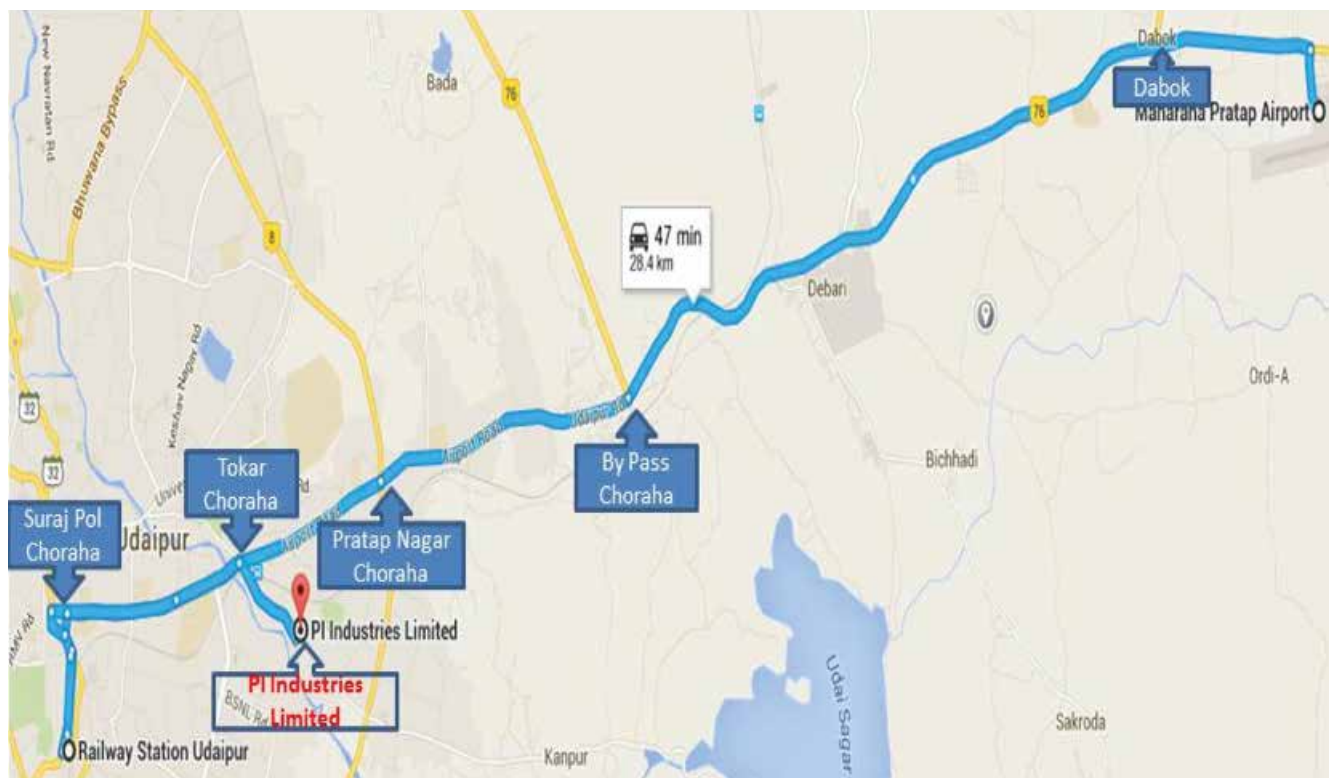
.....

.....

Note: Shareholder/Proxy holder desiring to attend the Meeting should bring his copy of the Annual Report for reference at the Meeting.



ROUTE MAP FOR AGM VENUE WITH PROMINENT LANDMARK



Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion on future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Inspired by Science

Registered Office: PI Industries Ltd

Post Box No.- 20, Udaisagar Road, Udaipur - 313001

Tel: +91 – 0294 - 2491451-5, 2491477

Fax: +91 – 0294 - 2491946, 2491384

Corporate Office: PI Industries Ltd

5th floor, Vipul Square, B Block, Sushant Lok,

Phase - 1, Gurgaon-122009

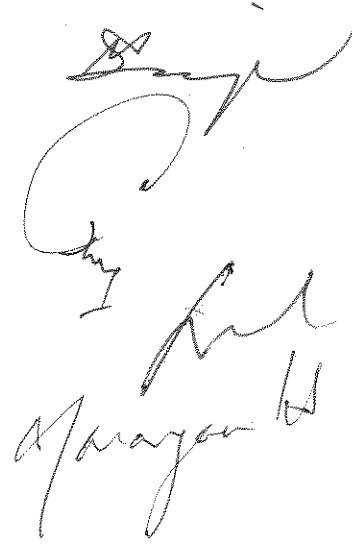
Tel: +91 - 124 - 6790000 Fax: +91 - 124 - 4081247

Email: corporate@piind.com

Website: www.piindustries.com

**Format of covering letter of the Annual Audit Report to be
filed with the Stock Exchanges**

FORM – A

1	Name of the Company	PI Industries Limited
2	Annual Financial Statement for the year ended	31 st March, 2015
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Whether appeared first time ... / Repetitive ... / since how long period ... - Not applicable -
5	To be signed by: <ul style="list-style-type: none"> • Managing Director & CEO • CFO • Auditor of the Company • Audit Committee Chairman 	

Place: Gurgaon

Date: 28.7.2015