

SUBSIDIARIES'
FINANCIAL STATEMENTS

PILL FINANCE & INVESTMENTS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Salil Singhal

Mr. Mayank Singhal

Mr. Rajnish Sarna

REGISTERED OFFICE

209, Himalaya Arcade

Near Bharat Petrol Pump

Vastrapur,

Ahmedabad- 380 015.

BANKERS

ICICI Bank Ltd.

IDBI Bank Ltd.

CORPORATE IDENTITY NUMBER (CIN)

U65990GJ1992PLC018163

STATUTORY AUDITORS

Kishan M. Mehta & Co.

Chartered Accountants

Ahmedabad- 380 009



DIRECTORS' REPORT

Dear Members

Your 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, 2016.

1. FINANCIAL RESULTS

| Particulars | (₹ in Lacs) | |
|-----------------------------|---------------------------|----------------------------|
| | Current year (2015-16) | Previous year (2014-15) |
| Total turnover | 24.97 | 25.30 |
| Expenditure | 1.01 | 0.92 |
| Profit before tax | 23.96 | 24.38 |
| Less: Provision for tax | 7.88 | 7.60 |
| Profit after tax | 16.08 | 16.78 |
| EPS- Basic & Diluted (in ₹) | 4.47 | 4.66 |

2. OPERATIONAL HIGHLIGHTS

During the year, Company had registered Profit before tax amounting to ₹ 23.96 Lacs and generated a net profit after tax of ₹ 16.08 Lacs as compared to ₹ 16.78 Lacs in previous year. The Earnings per share (EPS) for the year stood at ₹ 4.47 per share.

3. DIVIDEND

In order to plough back profits of the Company for business activities, the Directors do not recommend any dividend for the year.

4. TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to the General Reserve.

5. DIRECTORS' RE-APPOINTMENT

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Salil Singhal (DIN : 00006629), shall retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of the members at the forthcoming Annual General Meeting.

6. SHIFTING OF REGISTERED OFFICE

The Board of Directors at its meeting held on December 21, 2015 had recommended shifting of Registered office from state of Gujarat to state of Rajasthan subject to approval of shareholders, central government and regulatory authorities. The shareholders approved the aforesaid proposal at its extra ordinary General Meeting held on February 10, 2016. The Company had submitted the necessary application to the Chief Secretary of Gujarat and Registrar of Companies, Ahmedabad, for grant of approval for shifting the registered office. The same is pending for hearing as on the date of this report.

7. 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.17 to the financial statements as set out in the related party disclosures.

8. EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92(3) of Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is appended to the Board's report as Annexure 'A'.

9. 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 May 15, 2015, May 16, 2015, September 03, 2015, December 21, 2015 and February 01, 2016.

10. 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.

11. EMPLOYEE'S PARTICULARS

Your 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.



12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not made any Loans, Guarantees or Investment during the year under the provisions of Section 186 of the Companies Act, 2013.

13. MATERIAL CHANGES AND COMMENTS, 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.

14. AUDITORS AND AUDITORS' REPORT

The Statutory Auditors of the Company, M/s Kishan M. Mehta & Co., Chartered Accountants, Ahmedabad (Firm Regn. No. 105229W) hold the 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 a certificate to the effect 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 re-appointment of M/s Kishan M. Mehta & Co., Chartered Accountants, as the Auditors of the Company in relation to the financial year 2016-17 till the conclusion of the next Annual General Meeting. The re-appointment proposed is within the time frame for transition under the third proviso to sub-section (2) of Sec 139 of the Companies Act, 2013.

The Auditors Report do not contain any qualification, hence same does not call for any explanation.

15. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Your Company do not carry out, any manufacturing activity nor have any exports, hence information pertaining to conservation of

energy, technology absorption, foreign exchange earning 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 not applicable to the Company.

16. 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. Issue of Equity Shares with differential rights as to dividends, voting or otherwise.
2. Issue of shares (including Sweat Equity Shares) to the employees of the Company under any scheme.
3. Management Discussion and Analysis Report
4. No orders were passed by the Regulators, Courts and Tribunals
5. Corporate Social Responsibility (CSR)
6. The Company has not accepted any fixed deposit during the year.

17. ACKNOWLEDGEMENTS

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.

On behalf of Board of Directors

For PILL Finance & Investments Ltd.

Sd/-

Mayank Singhal

Director

Place: Gurgaon

Date: May 23, 2016

DIN: 00006651

Sd/-

Rajnish Sarna

Director

DIN: 06429468

ANNEXURE - A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[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 | 17th August 1992 |
| 3. Name of the Company | PILL Finance and Investments Ltd. |
| 4. Category/Sub-category of the Company | Public Company Limited by shares/ Non Government Company |
| 5. Address of the Registered office & contact details | 209, Himalaya Arcade Near Bharat Petrol Pump Vastrapur, Ahmedabad- 380 015. Contact no: 9212311051 |
| 6. Whether shares are listed on a recognized Stock Exchange | 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 April 1, 2015] | | | | No. of Shares held at the end of the year [As on March 31, 2016] | | | | % Change during the year | |
|-------------------------|-----------------------------------------------------------------------|-----------------|-----------------|-------------------|------------------------------------------------------------------|-----------------|-----------------|-------------------|--------------------------|---|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a) Individual/ HUF | - | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | Nil | 3,60,000 | 3,60,000 | 100% | Nil | 3,60,000 | 3,60,000 | 100% | Nil | |
| e) Banks / FI | - | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - | - |
| Sub-total (A) 1 | Nil | 3,60,000 | 3,60,000 | 100% | Nil | 3,60,000 | 3,60,000 | 100% | Nil | |

| | | | | | | | | | | |
|---------------------------------------------------------------------------------|------------|-----------------|-----------------|-------------|------------|-----------------|-----------------|-------------|------------|------------|
| (2) Foreign | | | | | | | | | | |
| a) NRIs- Individuals | - | - | - | - | - | - | - | - | - | - |
| b) Others- Individuals | - | - | - | - | - | - | - | - | - | - |
| c) Body Corporate | - | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - | - |
| e) Any others | - | - | - | - | - | - | - | - | - | - |
| Sub-total (A) 2 | - | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoters (A) = (A) 1 +(A)2 | | | | | | | | | | |
| | NIL | 3,60,000 | 3,60,000 | 100% | NIL | 3,60,000 | 3,60,000 | 100% | NIL | NIL |
| B. Public Shareholding | | | | | | | | | | |
| 1. Institutions | | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - | - |
| 2. Non-Institutions | | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to ₹ 1 lakh | - | - | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | - | - | - | - | - | - | - | - | - | - |
| c) Others (specify) | | | | | | | | | | |
| Non Resident Indians | - | - | - | - | - | - | - | - | - | - |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - | - |
| Clearing Members | - | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - | - |
| Foreign Bodies | - | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | - | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | - | - | - | - | - | - | - | - | - | - |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | | |
| | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|----------------------------|------------|-----------------|-----------------|-------------|------------|-----------------|-----------------|-------------|------------|
| 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-

| S. No | Shareholder's Name | Shareholding at the beginning of the year (as at April 1, 2015) | | | Shareholding at the end of the year (as at March 31, 2016) | | | % 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 Ltd. | 3,60,000 | 100% | - | 3,60,000 | 100% | - | - |

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

| S. No | 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 |
| 1 | At the beginning of the year | 3,60,000 | 100% | 3,60,000 | 100% |
| 2 | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease | - | - | - | - |
| 3 | At the end of the year | 3,60,000 | 100% | 3,60,000 | 100% |

(iv) Shareholding Pattern of top ten Shareholders:**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| S. No | 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 |
| 1 | At the beginning of the year | 3,60,000 | 100% | 3,60,000 | 100% |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease | - | - | - | - |
| 3 | At the end of the year | 3,60,000 | 100% | 3,60,000 | 100% |

(v) Shareholding of Directors and Key Managerial Personnel:

| S. No | 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 |
| 1 | At the beginning of the year | None of the Directors hold shares in the Company. | | | |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease | None of the Directors hold any equity shares either at the beginning or at the end of the year. | | | |
| 3 | At the end of the year | None of the Directors hold shares in the Company. | | | |

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 | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | - | - | - |
| Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL, Since the Company has no MD/WTD/Manager

| S. No | Particulars of Remuneration | Name of MD/WTD/ Manager |
|----------|-------------------------------------------------------------------------------------|-------------------------|
| 1 | Gross salary | - |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission | - |
| | - as % of profit | - |
| | - others, specify | - |
| 5 | Others, please specify | - |
| | Total (A) | - |
| | Ceiling as per Act. | - |

B. Remuneration to other Directors: NIL

| S. No | Particulars of Remuneration | Name of Directors |
|----------|---------------------------------------------|-------------------|
| 1 | Independent Directors | - |
| | Fee for attending Board /Committee meetings | - |
| | Commission | - |
| | Others, please specify | - |
| | Total (B1) | - |
| 2 | Other Non-Executive Directors | - |
| | Fee for attending Board Committee meetings | - |
| | Commission | - |
| | Others, please specify | - |
| | Total (B 2) | - |
| | Total (B 1+ B 2) | - |

| | |
|--------------------------------|---|
| Total Managerial Remuneration | - |
| Overall Ceiling as per the Act | - |

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: NIL

| S. No | Particulars of Remuneration | Key Managerial Personnel |
|-------|-------------------------------------------------------------------------------------|--------------------------|
| 1 | Gross salary | - |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission - as % of profit others, specify.. | - |
| 5 | Others, please specify | - |
| | Total | - |

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] | Appeals 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 | | | | | |

On behalf of Board of Directors

For PILL Finance & Investments Ltd.Place: Gurgaon
Date: May 23, 2016Sd/-
Mayank Singhal
Director
DIN: 00006651Sd/-
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, 2016, 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, 2016 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, 2016 ("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, 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, 2016, and taken on record by the Board of Directors, none of the Directors is disqualified

as on March 31, 2016, from being appointed as a Director in terms of Section 164(2) of the Act.

f) with respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" ; and

g) 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 Reg. No. : 105229W

Sd/-

(U.P.BHAVSAR)

Partner

M.No.043559

Place: Ahmedabad

Dated: April 22, 2016

Annexure-A to the Independent Auditors' Report

(Referred to in paragraph 1 of our report of even date)

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- 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.
- c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The nature of Company's activities during the year has been such that clause (ii) of paragraph 3 of the Company's (Auditor's Report) order, 2016 are not applicable to the Company for the year.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) According to the information and explanations given to us, in respect of investment made the Company has complied with the provisions of Section 185 and 186 of the Act. The Company has not given loans or guarantees or provided any security pursuant to Section 185 and 186 of the Act.
- (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 Act and rules made thereunder.
- (vi) The provisions of sub Section 1 of Section 148 of the Act regarding maintenance of cost record is not applicable to the Company.
- (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, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it.;
- b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax which have not been deposited on account of any disputes.
- (viii) Clause (viii) of paragraph 3 of the Company (Auditor's Report) order, 2016 is not applicable to the Company, as Company has not taken any loan from financial institution or bank or debenture holders.
- (ix) The Company has not raised moneys by ways of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no fraud on or by the Company or by its Officers or Employees has been noticed or reported during the course of our audit.
- (xi) Clause (xi) of paragraph 3 of the Company's (Auditor's report) order, 2016 is not applicable to the Company, as Company has not paid or provided any managerial remuneration during the year.
- (xii) Clause (xii) of paragraph 3 of the Company's (Auditor's report) order, 2016 is not applicable to the Company as the Company is not a Nidhi Company.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) Clause (xv) of paragraph 3 of the Company's (Auditor's Report) order, 2016 is not applicable to the Company, as the Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) According to the information and explanations given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **KISHAN M. MEHTA & CO.**

Chartered Accountants

Firm Reg. No. : 105229W

Sd/-

(U.P.BHAVSAR)

Partner

M.No. 043559

Place: Ahmedabad

Dated: April 22, 2016

Annexure-B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over Financial Reporting of PILL FINANCE & INVESTMENTS Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for 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, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial Reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **KISHAN M. MEHTA & CO.**
Chartered Accountants
Firm Reg. No. : 105229W

Sd/-
(U.P.BHAVSAR)
Partner
M.No. 043559

Place: Ahmedabad
Dated: April 22, 2016

Balance Sheet

as at March 31, 2016

| | | | | (Amount in ₹) | |
|------------------------------------|----------|----------------------|----------------------|---------------|--|
| Particulars | Note No. | As At March 31, 2016 | As at March 31, 2015 | | |
| I. EQUITY & LIABILITIES | | | | | |
| 1. Shareholders' Funds | | | | | |
| a. Share Capital | 1 | 36,00,000 | 36,00,000 | | |
| b. Reserves & Surplus | 2 | 2,88,65,020 | 2,72,56,715 | | |
| | | 3,24,65,020 | 3,08,56,715 | | |
| 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 | | 35,495 | 34,832 | | |
| c. Other current liabilities | | - | - | | |
| d. Short-Term Provisions | 4 | 7,60,000 | 7,60,000 | | |
| | | 7,95,495 | 7,94,832 | | |
| TOTAL | | 3,33,10,515 | 3,17,01,547 | | |
| II. ASSETS | | | | | |
| 1. Non Current Assets | | | | | |
| a. Fixed Assets | | | | | |
| - Tangible Assets | 5 | 12,35,962 | 12,35,962 | | |
| - Intangible Assets | | - | - | | |
| - Capital work-in-progress | | - | - | | |
| b. Non-Current investments | 6 | 4,12,512 | 4,12,512 | | |
| c. Deferred Tax assets (net) | | - | - | | |
| d. Long-Term loans and advances | 7 | 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 | 8 | 60 | 60 | | |
| d. Cash and cash equivalents | 9 | 2,94,64,371 | 2,95,94,560 | | |
| e. Short-term Loans and advances | 10 | 3,96,499 | 4,53,453 | | |
| f. Other current assets | 11 | 17,96,111 | - | | |
| | | 3,16,57,041 | 3,00,48,073 | | |
| TOTAL | | 3,33,10,515 | 3,17,01,547 | | |

Significant accounting policies & Notes to the financial statements 1 to 20 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. 043559

Place: Ahmedabad

Date: April 22, 2016

For and on behalf of Board of Directors

PILL Finance & Investments Limited

Sd/-

Mayank Singhal

Director

DIN: 00006651

Place: Ahmedabad

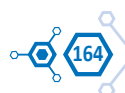
Date: April 21, 2016

Sd/-

Rajnish Sarna

Director

DIN: 06429468



Statement of Profit & Loss

for the year ended March 31, 2016

(Amount in ₹)

| Particulars | Note No. | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|---------------------------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| I. INCOME | | | |
| Revenue from operations | 12 | 24,65,247 | 24,98,485 |
| Other Income | 13 | 32,008 | 31,384 |
| TOTAL | | 24,97,255 | 25,29,869 |
| II. EXPENDITURE | | | |
| Miscellaneous Expenses | 14 | 16,939 | 11,037 |
| Bank Charges | | 1,341 | 1,367 |
| Legal & Professional Fees | | 46,885 | 45,000 |
| Payment to Auditor | | 35,495 | 34,832 |
| | | 1,00,660 | 92,236 |
| III. PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX | | 23,96,595 | 24,37,633 |
| Add: Exceptional items | | - | - |
| IV. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX | | 23,96,595 | 24,37,633 |
| Add: Extraordinary Items | | - | - |
| V. PROFIT BEFORE TAX | | 23,96,595 | 24,37,633 |
| Less: Provision For Current Tax | | 7,60,000 | 7,60,000 |
| Less: Prior Year Tax | | 28,290 | - |
| VI. PROFIT AFTER TAX | | 16,08,305 | 16,77,633 |
| No. of Equity Shares at the end of the year | | 3,60,000 | 3,60,000 |
| Profit for calculation of E.P.S. (₹) | | 16,08,305 | 16,77,633 |
| Earning Per share - Basic & Diluted | | 4.47 | 4.66 |

Significant accounting policies & Notes to the financial statements 1 to 20 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. 043559

Place: Ahmedabad

Date: April 22, 2016

For and on behalf of Board of Directors

PILL Finance & Investments Limited

Sd/-

Mayank Singhal

Director

DIN: 00006651

Place: Ahmedabad

Date: April 21, 2016

Sd/-

Rajnish Sarna

Director

DIN: 06429468

Cash Flow Statement

for the year ended March 31, 2016

| Particulars | (Amount in ₹) | |
|----------------------------------------------------------|----------------------|------------------|
| | March 31, 2016 | March 31, 2015 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax and Extraordinary items | 23,96,595 | 24,37,633 |
| Adjustment for : | | |
| Interest Received | (24,11,247) | (24,44,485) |
| Dividend Received | (32,008) | (31,384) |
| Operating Profit before working capital changes | (46,660) | (38,236) |
| Working capital | | |
| ((Increase)/Decrease in Non Current Investments | - | - |
| (Increase)/Decrease in Short Term Loans & Advances | 56,954 | 2,89,412 |
| (Increase)/Decrease in Other Bank Balances | (2,82,74,011) | - |
| (Increase)/Decrease in Other Current Assets | (17,96,111) | 20,67,919 |
| Increase/(Decrease) in Trade Payable | 663 | 5,506 |
| Increase/(Decrease) in Other Current Liabilities | - | (3,259) |
| Increase/(Decrease) in Short Term Provisions | - | - |
| Cash generated from operations | (3,00,59,165) | 23,21,342 |
| Direct Taxes Paid | (7,60,000) | (7,10,000) |
| CASH FLOW BEFORE EXTRAORDINARY ITEMS | (3,08,19,165) | 16,11,342 |
| Prior Year's Adjustment | (28,290) | - |
| Net Cash from operating activities | (3,08,47,455) | 16,11,342 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| (Increase)/Decrease in Short Term Loans & Advances | | |
| Interest Received | 24,11,247 | 24,44,485 |
| Dividend Received | 32,008 | 31,384 |
| Net Cash used in investing activities | 24,43,255 | 24,75,869 |
| 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 | (2,84,04,200) | 40,87,211 |
| Opening cash or cash equivalents | 2,95,94,560 | 2,55,07,349 |
| Closing cash or cash equivalents | 11,90,360 | 2,95,94,560 |

As per our report attached.

FOR KISHAN M. MEHTA & CO.

Chartered Accountants
Firm's Registration No.105229W

Sd/-

U.P. BHAVSAR

Partner

M. No. 043559

Place: Ahmedabad

Date: April 22, 2016

For and on behalf of Board of Directors

PILL Finance & Investments Limited

Sd/-

Mayank Singhal

Director

DIN: 00006651

Place: Ahmedabad

Date: April 21, 2016

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, 2016 | March 31, 2015 |
| Authorised: | | |
| 5,00,000 (5,00,000) 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 | | |
| 3,60,000 (3,60,000) 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

(Amount in ₹)

| Particulars | Equity Shares (No. of Shares) | | Equity Shares (Value of Shares) | |
|-------------------------------------------|-------------------------------|-------------------|---------------------------------|-------------------|
| | As at | As at | As at | As at |
| | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 |
| 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

(Amount in ₹)

| Particulars | Equity Shares | | | |
|-----------------------|----------------|--------------|----------------|--------------|
| | March 31, 2016 | | March 31, 2015 | |
| | No. of Shares | % of Holding | No. of Shares | % of holding |
| 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 March 31, 2016 | As at March 31, 2015 |
|-------------------------------------|----------------------|----------------------|
| Capital Redemption Reserve : | | |
| As per last year | 35,00,000 | 35,00,000 |
| | 35,00,000 | 35,00,000 |
| Profit & Loss Account | | |
| As per last year | 2,37,56,715 | 2,20,79,082 |
| Add: Current Year Profit | 16,08,305 | 16,77,633 |
| | 2,53,65,020 | 2,37,56,715 |
| TOTAL | 2,88,65,020 | 2,72,56,715 |

Notes forming part of financial statements

Note: 3 OTHER LONG TERM LIABILITIES

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|-------------------|----------------------|----------------------|
| Unsecured | | |
| Security Deposits | 50,000 | 50,000 |
| | 50,000 | 50,000 |
| TOTAL | 50,000 | 50,000 |

Note : 4 SHORT TERM PROVISIONS

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|----------------------|----------------------|----------------------|
| Income Tax provision | 7,60,000 | 7,60,000 |
| | 7,60,000 | 7,60,000 |
| TOTAL | 7,60,000 | 7,60,000 |

Note: 5 FIXED ASSETS - TANGIBLE

(Amount in ₹)

| Particulars | Gross Block | | | Depreciation | | | | | Net Block | |
|---------------------|----------------------|-----------|------------|----------------------|--------------------|-----------------|----------|-------|----------------------|----------------------|
| | As at April 01, 2015 | Additions | Deductions | As at March 31, 2016 | Upto Previous year | During the year | Recouped | Total | As at March 31, 2016 | As at March 31, 2015 |
| 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: 6 NON CURRENT INVESTMENTS (As valued, verified & certified by the Management)

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--------------------------------------------------------------------------------------------|----------------------|----------------------|
| 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 (900) Equity Shares of Sudarshan Chemical Industries Ltd. of ₹ 1 each fully paid | 4,140 | 4,140 |
| 2,070 (2,070) Equity Shares of Rallis India Ltd. of ₹ 1 each fully paid | 12,420 | 12,420 |
| 66 (66) Equity Shares of Bayer 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 (29) 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 Sprints 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 |
| 2,300 (2,300) Equity Shares of ICICI Bank Ltd. Of ₹ 2 each fully paid | 2,41,500 | 2,41,500 |
| (Aggregate market value of quoted shares is ₹ 32,25,327 (Previous Year. ₹ 38,82,228) | | |
| 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 |

Notes forming part of financial statements

NOTES TO ACCOUNTS (Contd...)

Note: 7 LONG TERM LOANS AND ADVANCES (Unsecured Considered Good) (Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|-------------------|----------------------|----------------------|
| Security Deposits | 5,000 | 5,000 |
| | 5,000 | 5,000 |
| TOTAL | 5,000 | 5,000 |

Note: 8 TRADE RECEIVABLES (Unsecured Considered Good) (Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|----------------------------------------------------|----------------------|----------------------|
| Trade Receivables | | |
| Exceeding Six Months from the due date of payments | 60 | 60 |
| | 60 | 60 |
| TOTAL | 60 | 60 |

Note: 9 CASH AND BANK BALANCES (Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|----------------------------------|----------------------|----------------------|
| Cash and Cash Equivalents | | |
| Cash in hand | 4,765 | 4,765 |
| Balances with Banks | | |
| IDBI BANK LTD | 8,73,584 | 2,93,08,556 |
| ICICI BANK LTD | 3,12,011 | 2,81,239 |
| | 11,85,595 | 2,95,89,795 |
| Other Bank Balances | | |
| Fixed Deposit with IDBI Bank | 2,82,74,011 | - |
| TOTAL | 2,94,64,371 | 2,95,94,560 |

NOTE : 10 SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good) (Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|------------------|----------------------|----------------------|
| Income Tax / TDS | 3,96,499 | 4,53,453 |
| | 3,96,499 | 4,53,453 |
| TOTAL | 3,96,499 | 4,53,453 |

NOTE : 11 OTHER CURRENT ASSETS (Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|------------------|----------------------|----------------------|
| Interest Accrued | 17,96,111 | - |
| | 17,96,111 | - |
| TOTAL | 17,96,111 | - |

Note: 12 REVENUE FROM OPERATIONS (Amount in ₹)

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|-----------------|---------------------------|---------------------------|
| Interest Income | 24,11,247 | 24,44,485 |
| | 24,11,247 | 24,44,485 |
| Lease Rent | 54,000 | 54,000 |
| | 54,000 | 54,000 |
| TOTAL | 24,65,247 | 24,98,485 |

Note: 13 OTHER INCOME (Amount in ₹)

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|--------------|---------------------------|---------------------------|
| Dividend | 32,008 | 31,384 |
| | 32,008 | 31,384 |
| TOTAL | 32,008 | 31,384 |



Notes forming part of financial statements

NOTES TO ACCOUNTS (Contd...)

Note: 14 MISCELLANEOUS EXPENSES

(Amount in ₹)

| Particulars | Year ended March 31, 2016 | Year ended March 31, 2015 |
|------------------|---------------------------|---------------------------|
| Professional Tax | 2,400 | 2,400 |
| Rates and Taxes | 2,285 | 8,402 |
| Other Expenses | 12,254 | 235 |
| | 16,939 | 11,037 |
| TOTAL | 16,939 | 11,037 |

15 PAYMENTS TO AUDITORS:

| Particulars | 2015-16 ₹ | 2014-15 ₹ |
|--------------------|---------------|---------------|
| Audit Fee | 14,885 | 14,607 |
| Income Tax Matters | 20,610 | 20,225 |
| TOTAL | 35,495 | 34,832 |

16 Provision for income tax is made as per Income Tax Regulations.

17 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

(Amount in ₹)

| S. No. | Particulars | Transaction during the year | | Balance outstanding as at March 31, 2016 | Balance outstanding as at March 31, 2015 |
|--------|------------------|-----------------------------|---------------|------------------------------------------|------------------------------------------|
| | | Current Year | Previous Year | | |
| 1 | Rent Received | 54,000 | 54,000 | - | - |
| 2 | Security Deposit | - | - | 50,000 Cr. | 50,000 Cr. |

18 Disclosure requirement of Accounting Standard 17 for Segment reporting does not apply as Company is not engaged in providing any product or service.

19 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.

20 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 20"

As per our report attached.

FOR KISHAN M. MEHTA & CO.

Chartered Accountants

Firm's Registration No.105229W

For and on behalf of Board of Directors

PILL Finance & Investments Limited

Sd/-

U.P. BHAVSAR

Partner

M. No. 43559

Place: Ahmedabad

Date: April 22, 2016

Sd/-

Mayank Singhal

Director

DIN: 00006651

Place: Ahmedabad

Date: April 21, 2016

Sd/-

Rajnish Sarna

Director

DIN: 06429468



PI LIFE SCIENCE RESEARCH LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Mayank Singhal
Mr. Rajnish Sarna
Mr. Rajendra Dev Kapoor

REGISTERED OFFICE

433-A, Ansal Chambers- II
6, Bhikaji Cama Place
New Delhi – 110 066

BANKERS

Axis Bank Ltd.
State Bank of Bikaner & Jaipur

CORPORATE IDENTITY NUMBER (CIN)

U73100DL2004PLC131109

STATUTORY AUDITORS

KSMN & Co.
Chartered Accountants
New Delhi



DIRECTORS' REPORT

Dear Members

Your 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, 2016.

1. FINANCIAL RESULTS

(₹ in Lacs)

| Particulars | Current year (2015-16) | Previous year (2014-15) |
|---------------------------------------|---------------------------|----------------------------|
| Total Revenue | 329.78 | 416.08 |
| Expenditure | 167.45 | 191.55 |
| Profit before tax | 162.33 | 224.53 |
| Less: Provision for current tax | 33.10 | 44.93 |
| Provision for deferred tax | (7.91) | (11.19) |
| Tax for earlier years | (0.006) | 0.47 |
| MAT Credit Entitlement – earlier year | 0.006 | (0.47) |
| MAT Credit Entitlement – Current year | (33.10) | (44.93) |
| Profit after Tax | 170.24 | 235.72 |
| EPS- Basic & Diluted (in ₹) | 18.01 | 24.94 |

2. OPERATIONAL HIGHLIGHTS

During the year, your Company had registered Profit before Tax amounting to ₹ 162.33 Lacs and generated a net profit after tax of ₹ 170.24 Lacs as compared to ₹ 235.72 Lacs in the previous year from its business operation. The earnings per share (EPS) for the year stood at ₹ 18.01 per share.

3. DIVIDEND

In order to plough back profits of the Company for business activities, the Directors do not recommend any dividend for the year.

4. TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to the General Reserve.

5. DIRECTORS' RE-APPOINTMENT

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Rajnish Sarna (DIN: 06429468), shall retire at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment for the approval of members at the forthcoming Annual General Meeting.

6. 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 statements as set out in the related party disclosures.

7. EXTRACTS OF ANNUAL RETURN

The extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92(3) of Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is appended to the Board's report as Annexure 'A'.

8. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW

During the year, Board of Directors met 4 (Four) times. The meetings were held on May 20, 2015 September 03, 2015, December 24, 2015 and February 1, 2016.

9. 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.

10. 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.

11. 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.

12. AUDITORS AND AUDITORS’ REPORT

The Statutory Auditors of the Company, M/s KSMN & Company, Chartered Accountants (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 re-appointment of M/s KSMN & Company, Chartered Accountants, as the Auditors of the Company in relation to the financial year 2016-17 till the conclusion of the next Annual General Meeting. The re-appointment 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.

13. PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Your Company does not carry out any manufacturing activity hence 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. 25 to 28 of the Annual Accounts.

14. INCORPORATION OF WHOLLY OWNED SUBSIDIARY

Your Company has incorporated a Wholly Owned Subsidiary namely “Solinnos Agro Sciences Pvt. Ltd.” on May 02, 2016 for the purpose of registration of agrochemicals products. The company has not yet commenced any business operations as on date of this report.

15. 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. Issue of Equity Shares with differential rights as to dividends, voting or otherwise.
2. Issue of shares (including Sweat Equity Shares) to the employees of the Company under any scheme.
3. Management Discussion and Analysis Report.
4. Loans, investments or guarantees under Sec 186 of the Companies Act, 2013.
5. No orders were passed by the Regulators, Courts and Tribunals.
6. Corporate Social Responsibility (CSR).
7. The Company has not accepted any fixed deposits during the year.

16. ACKNOWLEDGEMENTS

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 Government of India, Delhi and Rajasthan and business associates.

Your Directors also place their appreciation to the employees who put forth their efforts in operation of the Company.

On behalf of Board of Directors

For PI Life Science Research Ltd.

Sd/-
Mayank Singhal
 Director
 Place: Gurgaon
 Date: May 23, 2016
 DIN: 00006651

Sd/-
Rajnish Sarna
 Director
 DIN: 06429468

ANNEXURE - A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

[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 | 9th December 2004 |
| 3 | Name of the Company | PI Life Science Research Ltd. |
| 4 | Category/Sub-category of the Company | Public Company Limited by shares/Non Government Company |
| 5 | Address of the Registered office & contact details | 433-A, Ansal Chambers –II, 6, Bhikaji Cama Place, New Delhi-110 066 Mob. 09212311051 |
| 6 | Whether shares are listed on a recognized Stock Exchange, If Yes, give details of the Stock Exchange where the shares are listed. | 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 April 1, 2015] | | | | No. of Shares held at the end of the year [As on March 31, 2016] | | | | % Change during the year | |
|-------------------------|-----------------------------------------------------------------------|-----------------|-----------------|-------------------|------------------------------------------------------------------|-----------------|-----------------|-------------------|--------------------------|---|
| | Demat | Physical | Total | % of total shares | Demat | Physical | Total | % of total shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a) Individual/ HUF | - | - | - | - | - | - | - | - | - | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | NIL | 9,45,000 | 9,45,000 | 100% | NIL | 9,45,000 | 9,45,000 | 100% | NIL | |
| e) Banks / FI | - | - | - | - | - | - | - | - | - | - |
| f) Any other | - | - | - | - | - | - | - | - | - | - |
| Sub-total (A) 1 | NIL | 9,45,000 | 9,45,000 | 100% | NIL | 9,45,000 | 9,45,000 | 100% | NIL | |

(2) Foreign

| | | | | | | | | | |
|------------------------|---|---|---|---|---|---|---|---|---|
| a) NRIs- Individuals | - | - | - | - | - | - | - | - | - |
| b) Others- Individuals | - | - | - | - | - | - | - | - | - |
| c) Body Corporate | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any others | - | - | - | - | - | - | - | - | - |
| Sub-total (A) 2 | - | - | - | - | - | - | - | - | - |

Total shareholding of

| | | | | | | | | | |
|------------------------------------|------------|-----------------|-----------------|-------------|------------|-----------------|-----------------|-------------|------------|
| Promoters (A) = (A) 1 +(A)2 | NIL | 9,45,000 | 9,45,000 | 100% | NIL | 9,45,000 | 9,45,000 | 100% | NIL |
|------------------------------------|------------|-----------------|-----------------|-------------|------------|-----------------|-----------------|-------------|------------|

B. Public Shareholding:

1. Institutions

| | | | | | | | | | |
|----------------------------------|---|---|---|---|---|---|---|---|---|
| a) Mutual Funds | - | - | - | - | - | - | - | - | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1):- | - | - | - | - | - | - | - | - | - |

2. Non-Institutions

a) Bodies Corp.

| | | | | | | | | | |
|--------------|---|---|---|---|---|---|---|---|---|
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |

b) Individuals

| | | | | | | | | | |
|---------------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|
| i) Individual shareholders holding nominal share capital up to ₹ 1 lakh | - | - | - | - | - | - | - | - | - |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | - | - | - | - | - | - | - | - | - |

c) Others (specify)

| | | | | | | | | | |
|---------------------------|---|---|---|---|---|---|---|---|---|
| Non Resident Indians | - | - | - | - | - | - | - | - | - |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | - | - | - | - | - | - | - | - | - |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | - | - | - | - | - | - | - | - | - |

Total Public Shareholding

| | | | | | | | | | |
|---------------------------|---|---|---|---|---|---|---|---|---|
| (B)=(B)(1)+ (B)(2) | - | - | - | - | - | - | - | - | - |
|---------------------------|---|---|---|---|---|---|---|---|---|

C. Shares held by Custodian for

| | | | | | | | | | |
|------------------------|---|---|---|---|---|---|---|---|---|
| GDRs & ADRs | - | - | - | - | - | - | - | - | - |
|------------------------|---|---|---|---|---|---|---|---|---|

| | | | | | | | | | |
|----------------------------|------------|-----------------|-----------------|-------------|------------|-----------------|-----------------|-------------|------------|
| 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:

| S. No | Shareholder's Name | Shareholding at the beginning of the year (as at April 1, 2015) | | | Shareholding at the end of the year (as at March 31, 2016) | | | % change in share- holding 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 Ltd. | 9,45,000 | 100% | - | 9,45,000 | 100% | - | - |

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

| S. No | 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 |
| 1 | At the beginning of the year | 9,45,000 | 100% | 9,45,000 | 100% |
| 2 | Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease | - | - | - | - |
| 3 | At the end of the year | 9,45,000 | 100% | 9,45,000 | 100% |

(iv) Shareholding Pattern of top ten Shareholders:**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| S. No | 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 |
| 1 | At the beginning of the year | 9,45,000 | 100% | 9,45,000 | 100% |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease | - | - | - | - |
| 3 | At the end of the year | 9,45,000 | 100% | 9,45,000 | 100% |

(v) Shareholding of Directors and Key Managerial Personnel:

| S. No | 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 |
| 1 | At the beginning of the year | None of the Directors hold shares in the Company. | | | |
| 2 | Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease | None of the Directors hold any Equity Shares either at the beginning or at the end of the year. | | | |
| 3 | At the end of the year | None of the Directors hold shares in the Company. | | | |

V) INDEBTEDNESS: NIL

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 | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | - | - | - |
| Reduction | - | - | - | - |
| Net Change | - | - | - | - |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL, Since the Company has no MD/WTD/Manager

| S. No | Particulars of Remuneration | Name of MD/WTD/ Manager |
|-------|-------------------------------------------------------------------------------------|-------------------------|
| 1 | Gross salary | - |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission | - |
| | - as % of profit | - |
| | - others, specify | - |
| 5 | Others, please specify | - |
| | Total (A) | - |
| | Ceiling as per Act. | - |

B. Remuneration to other Directors: NIL

| S.No | Particulars of Remuneration | Name of Directors |
|------|---------------------------------------------|-------------------|
| 1 | Independent Directors | - |
| | Fee for attending Board /Committee meetings | - |
| | Commission | - |
| | Others, please specify | - |
| | Total (B1) | - |
| 2 | Other Non-Executive Directors | - |
| | Fee for attending Board Committee meetings | - |
| | Commission | - |
| | Others, please specify | - |
| | Total (B 2) | - |
| | Total (B 1+ B 2) | - |
| | Total Managerial Remuneration | - |
| | Overall Ceiling as per the Act | - |

C. Remuneration to Key Managerial Personnel other than MD /Manager/WTD: NIL

| S. No. | Particulars of Remuneration | Key Managerial Personnel |
|--------|-------------------------------------------------------------------------------------|--------------------------|
| 1 | Gross salary | - |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - |
| | (c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961 | - |
| 2 | Stock Option | - |
| 3 | Sweat Equity | - |
| 4 | Commission - as % of profit others, specify.. | - |
| 5 | Others, please specify | - |
| | Total | - |

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] | Appeals 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 | | | | | |

On behalf of Board of Directors

For PI Life Science Research Ltd.

 Place: Gurgaon
 Date: May 23, 2016

 Sd/-
Mayank Singhal
 Director
 DIN: 00006651

 Sd/-
Rajnish Sarna
 Director
 DIN: 06429468


Independent Auditor's Report

To The Members

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, 2016, the Statement of Profit and Loss, 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 and presentation 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 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 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. 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, 2016 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, 2016 ("the Order"), as amended, 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" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 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 written representations received from the Directors as on March 31, 2016 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



(g) 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 does not have any long term contracts including derivative contracts.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **K S M N & Company**
Chartered Accountants
Firm Reg. No. : 001075N

Sd/-

Birjesh Bansal
Partner

Membership No.:096740

Place: Gurgaon
Date: April 20, 2016

“Annexure - A” to the Independent Auditors’ Report

The Annexure **as referred in paragraph (1) ‘Report on Other Legal and Regulatory Requirements** of our Independent Auditors’ Report to the members of **PI LIFE SCIENCE RESEARCH LIMITED** on the financial statements for the year ended March 31, 2016, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the Management during the year, in our opinion, the frequency of physical 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.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold any immovable property. Accordingly, the provision of Clause 3(i)(c) is not applicable to the Company.
- ii. The nature of Company’s business/activities/transactions does not require it to hold inventories. Hence, the provisions of clause 3(ii) of the order are not applicable to the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii)(a) to (c) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has not given any loans, investment, guarantee and security in the terms of Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, during the year the Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, Clause 3(vi) of the Order are not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, sales-tax, income tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2016.
- (b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, duty of custom, or value added tax which have not been deposited on account of any dispute.
- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not taken any loan from any banks and financial institutions. The Company does not have any loans or borrowings from the government and has not issued any debentures. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable to the Company.
- ix. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. During the year the Company has not taken any term loan from Bank. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company.
- x. 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.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not paid/ provided any managerial remuneration. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **K S M N & Company**
Chartered Accountants
Firm Reg. No. : 001075N

Place: Gurgaon
Date: April 20, 2016

Sd/-
Birjesh Bansal
Partner
Membership No.:096740

“Annexure B” to the Independent Auditors’ Report

“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of PI LIFE SCIENCE RESEARCH LIMITED.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’

We have audited the Internal Financial Controls over Financial Reporting of **PI LIFE SCIENCE RESEARCH LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for 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, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over

financial reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company’s Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of Internal Financial Controls over Financial Reporting, including the possibility of collusion or improper Management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls over Financial

Reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering

the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K S M N & Company**
Chartered Accountants
Firm Reg. No. : 001075N

Sd/-

Birjesh Bansal

Partner

Membership No.:096740

Place: Gurgaon
Date: April 20, 2016

Balance Sheet

as at March 31, 2016

(Amount in ₹)

| Particulars | Note No. | As at March 31, 2016 | As at March 31, 2015 |
|--------------------------------------------------|----------|----------------------|----------------------|
| I. EQUITY & LIABILITIES | | | |
| 1. SHAREHOLDERS' FUNDS: | | | |
| a. Share Capital | B1 | 94,50,000 | 94,50,000 |
| b. Reserves & Surplus | B2 | 12,19,93,636 | 10,49,69,506 |
| 2. NON-CURRENT LIABILITIES: | | | |
| a. Deferred tax liabilities (Net) | B3 | 22,71,323 | 30,62,776 |
| b. Long-Term Provisions | B4 | 1,29,919 | 86,905 |
| 3. CURRENT LIABILITIES: | | | |
| a. Trade Payables | B5 | | |
| - Dues to Micro and Small Enterprises | | - | - |
| - Dues to Others | | 1,24,151 | 2,25,053 |
| b. Other current liabilities | B6 | 5,60,580 | 4,71,606 |
| c. Short-Term Provisions | B7 | 7,255 | 4,584 |
| TOTAL | | 13,45,36,864 | 11,82,70,430 |
| II. ASSETS | | | |
| 1. NON CURRENT ASSETS: | | | |
| a. Fixed Assets | | | |
| - Tangible Assets | B8 | 2,29,52,837 | 2,82,94,542 |
| b. Long-Term loans and advances | B9 | 2,86,49,375 | 2,29,18,766 |
| 2. CURRENT ASSETS: | | | |
| a. Cash and Bank Balances | B10 | 8,18,03,164 | 6,59,78,639 |
| b. Other current assets | B11 | 11,31,488 | 10,78,483 |
| TOTAL | | 13,45,36,864 | 11,82,70,430 |
| 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

Sd/-

BIRJESH KUMAR BANSAL

Partner

M. No. 096740

Place: Gurgaon

Date: April 20, 2016

For and on behalf of the Board of Directors of

PI Life Science Research Limited

Sd/-

Mayank Singhal

Director

DIN: 00006651

Sd/-

Rajnish Sarna

Director

DIN: 06429468



Statement of Profit & Loss

for the year ended March 31, 2016

(Amount in ₹)

| Particulars | Note No. | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|-------------------------------------------------------|----------|--------------------------------------|--------------------------------------|
| I. INCOME | | | |
| Revenue From Operations | B12 | 2,73,95,144 | 3,73,29,759 |
| Other Income | B13 | 55,82,377 | 42,78,807 |
| Total Revenue | | 3,29,77,521 | 4,16,08,566 |
| II. EXPENDITURE | | | |
| Cost of Material Consumed | B14 | 24,42,173 | 47,95,667 |
| Employee Benefit Expenses | B15 | 29,47,109 | 27,26,437 |
| Depreciation and Amortization expenses | B8 | 53,41,705 | 61,33,501 |
| Other Expenses | B16 | 60,13,857 | 54,99,619 |
| Total Expenses | | 1,67,44,844 | 1,91,55,224 |
| III. PROFIT BEFORE PRIOR PERIOD INCOME AND TAX | | 1,62,32,677 | 2,24,53,342 |
| IV. PROFIT/(LOSS) BEFORE TAX | | 1,62,32,677 | 2,24,53,342 |
| V. PROVISION FOR TAXATION | | | |
| - Current Tax | | 33,10,000 | 44,93,000 |
| - Deferred Tax | | (7,91,453) | (11,19,161) |
| - Tax for earlier years | | (592) | 47,043 |
| - MAT Credit Entitlement- Earlier Years | | 592 | (47,043) |
| - MAT Credit Entitlement- Current Year | | (33,10,000) | (44,93,000) |
| VI. PROFIT/(LOSS) AFTER TAX | | 1,70,24,130 | 2,35,72,503 |
| VII. EARNING PER SHARE | B17 | | |
| - Basic | | 18.01 | 24.94 |
| - Diluted | | 18.01 | 24.94 |
| (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

Sd/-

BIRJESH KUMAR BANSAL

Partner

M. No. 096740

Place: Gurgaon

Date: April 20, 2016

For and on behalf of the Board of Directors of

PI Life Science Research Limited

Sd/-

Mayank Singhal

Director

DIN: 00006651

Sd/-

Rajnish Sarna

Director

DIN: 06429468

Cash Flow Statement

for the year ended March 31, 2016

(Amount in ₹)

| Particulars | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit / Loss before tax and Extraordinary items | 1,62,32,677 | 2,24,53,342 |
| Adjustment for : | | |
| Depreciation | 53,41,705 | 61,33,501 |
| Operating Profit before working capital changes | 2,15,74,382 | 2,85,86,843 |
| Adjustment for : | | |
| Decrease/(Increase) in trade receivables | - | 1,62,49,089 |
| Decrease/(Increase) in long term advances | (3,96,125) | - |
| Increase/(Decrease) in trade payables | (1,00,902) | (66,370) |
| Increase/(Decrease) in other current liabilities | 88,974 | 47,233 |
| Decrease/(Increase) in other current assets | (53,005) | (3,26,871) |
| Increase/(Decrease) in long-term provisions | 43,014 | 52,524 |
| Increase/(Decrease) in short-term provisions | 2,671 | 2,685 |
| Cash generated from/ (used in) operations | 2,11,59,009 | 4,45,45,133 |
| Direct Taxes paid | (53,34,484) | (54,24,171) |
| Net Cash Flow from/ (used in) operating activities (A) | 1,58,24,525 | 3,91,20,962 |
| 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) | 1,58,24,525 | 3,33,65,713 |
| Opening cash or cash equivalents | 6,59,78,639 | 3,26,12,926 |
| Closing cash or cash equivalents | 8,18,03,164 | 6,59,78,639 |
| Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following:- | | |
| - Cash on Hand | 898 | 9,146 |
| - Balances with Scheduled Banks in Current A/c | 94,96,567 | 93,90,855 |
| Other Bank Balances | | |
| - Fixed Deposits With Bank | 7,23,05,699 | 5,65,78,638 |
| Total | 8,18,03,164 | 6,59,78,639 |

As per our report of even date

For K S M N & Company
Chartered Accountants
Firm Reg. No. 001075N

Sd/-
BIRJESH KUMAR BANSAL
Partner
M. No. 096740

Place: Gurgaon
Date: April 20, 2016

For and on behalf of the Board of Directors of

PI Life Science Research Limited

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN: 06429468



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 Summary of significant accounting policies

2.1 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.

2.2 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.

2.3 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.

2.4 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.

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



Significant Accounting Policies and Notes to Accounts

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.

2.5 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.

2.6 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.

2.7 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.

2.8 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 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.

Significant Accounting Policies and Notes to Accounts

(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.

2.9 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.

2.10 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.

2.11 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 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.

Significant Accounting Policies and Notes to Accounts

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.

2.12 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.

2.13 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.

2.14 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.

2.15 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.

2.16 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, 2016 | As at March 31, 2015 |
|---------------------------------------------------------------|----------------------|----------------------|
| SHARE CAPITAL | | |
| 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 | 2015-16 | | 2014-15 | |
|----------------------------------------|---------------|-----------|---------------|-----------|
| | 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, 2016 | | As at March 31, 2015 | |
|----------------------------------------|----------------------|-----------|----------------------|-----------|
| | 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, 2016 | | As at March 31, 2015 | |
|----------------------------------------|----------------------|-----------|----------------------|-----------|
| | No. of Shares | ₹ | No. of Shares | ₹ |
| PI Industries Limited and its nominees | 9,45,000 | 94,50,000 | 9,45,000 | 94,50,000 |

Significant Accounting Policies and Notes to Accounts

NOTES TO ACCOUNTS (Contd...)

2. RESERVES & SURPLUS

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---------------------------------------------------------------------------------------------|----------------------|----------------------|
| Surplus in the Statement of Profit and Loss | | |
| Balance as per last financial statements | 10,49,69,506 | 8,14,39,516 |
| Less: Depreciation for assets having NIL remaining life as on April 01, 2014 ⁽ⁱ⁾ | - | (62,931) |
| Add: Deferred tax of assets having NIL remaining life as on April 01, 2014 ⁽ⁱ⁾ | - | 20,418 |
| Add: Profit for the year | 1,70,24,130 | 2,35,72,503 |
| | <u>12,19,93,636</u> | <u>10,49,69,506</u> |
| TOTAL | 12,19,93,636 | 10,49,69,506 |

- (i) During the Previous Year 2014-15, 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 FY 2014-15.

3. DEFERRED TAX LIABILITIES (NET)

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| 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 | 45,353 | 29,684 |
| Sub- Total (a) | 45,353 | 29,684 |
| Deferred Tax Liabilities | | |
| Difference in depreciation and amortization in block of fixed assets as per Income Tax Act and books of accounts & Others | 23,16,676 | 30,92,460 |
| Sub- Total (b) | 23,16,676 | 30,92,460 |
| Net Deferred Tax Liability (b)-(a) | 22,71,323 | 30,62,776 |

4. LONG TERM PROVISIONS

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---------------------------------|----------------------|----------------------|
| LONG TERM PROVISIONS | | |
| Provision for employee benefits | | |
| Gratuity Payable | 61,438 | 45,988 |
| Leave Encashment | 68,481 | 40,917 |
| (Refer Note No. 30) | 1,29,919 | 86,905 |
| TOTAL | 1,29,919 | 86,905 |

5. TRADE PAYABLES

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|--------------------------------------------------|----------------------|----------------------|
| Payable to Micro & Small Enterprises | - | - |
| Payable to Others than Micro & Small Enterprises | 1,24,151 | 2,25,053 |
| | <u>1,24,151</u> | <u>2,25,053</u> |
| TOTAL | 1,24,151 | 2,25,053 |

Significant Accounting Policies and Notes to Accounts

NOTES TO ACCOUNTS (Contd...)

5.1 Micro, Small And Medium Enterprises Development Act, 2006

| Particulars | As at March 31, 2016 | | As at March 31, 2015 | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------|----------------------|----------|
| | Principal Amount | Interest | Principal Amount | Interest |
| Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March | - | - | - | - |
| 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 | - | - | - | - |
| 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. | - | - | - | - |

6. OTHER CURRENT LIABILITIES

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|-----------------------------------------|----------------------|----------------------|
| Other Payables: | | |
| - Payable to Employee | 4,24,493 | 3,60,896 |
| - Statutory Dues(Including PF and ESI) | 20,676 | 20,881 |
| - Miscellaneous Expenses Payable | 1,15,411 | 89,829 |
| | <u>5,60,580</u> | <u>4,71,606</u> |
| TOTAL | 5,60,580 | 4,71,606 |

7. SHORT TERM PROVISIONS

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|---------------------------------|----------------------|----------------------|
| Provision for employee benefits | | |
| Gratuity Payable | 143 | 107 |
| Leave encashment | 7,112 | 4,477 |
| (Refer Note No.30) | <u>7,255</u> | <u>4,584</u> |
| TOTAL | 7,255 | 4,584 |

8. FIXED ASSETS - TANGIBLE

(Amount in ₹)

| Particulars | Gross Carrying Value | | | Depreciation * | | | Net Carrying Value | | | |
|----------------------|----------------------|-----------|------------|----------------------|---------------------|------------------|--------------------|----------------------|----------------------|----------------------|
| | As at April 1, 2015 | Additions | Deductions | As at March 31, 2016 | As at April 1, 2015 | During the year | Deductions | As at March 31, 2016 | As at March 31, 2016 | As at March 31, 2015 |
| Plant & Equipment | 4,14,14,646 | - | - | 4,14,14,646 | 1,32,50,899 | 52,50,367 | - | 1,85,01,266 | 2,29,13,380 | 2,81,63,747 |
| Furniture & Fixtures | 3,55,301 | - | - | 3,55,301 | 3,06,102 | 23,676 | - | 3,29,778 | 25,523 | 49,199 |
| Office Equipments | 5,82,664 | - | - | 5,82,664 | 5,01,068 | 67,662 | - | 5,68,730 | 13,934 | 81,596 |
| T O T A L | 4,23,52,611 | - | - | 4,23,52,611 | 1,40,58,069 | 53,41,705 | - | 1,93,99,774 | 2,29,52,837 | 2,82,94,542 |
| GRAND TOTAL | 4,23,52,611 | - | - | 4,23,52,611 | 1,40,58,069 | 53,41,705 | - | 1,93,99,774 | 2,29,52,837 | 2,82,94,542 |
| Previous Year | 3,68,18,683 | - | - | 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 |

* Out of the total depreciation charge for the Previous Year 2014-15, ₹ 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 2(i).

Significant Accounting Policies and Notes to Accounts

NOTES TO ACCOUNTS (Contd...)

9. LONG-TERM LOANS AND ADVANCES

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|----------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Unsecured, Considered Good : | | |
| Security Deposit with Sales Tax Department | 20,000 | 20,000 |
| Advance Income Tax (Net of Provision for Income Tax ₹ 1,35,64,451, Previous Year ₹ 1,03,00,043) | 36,27,728 | 16,02,652 |
| MAT Credit Entitlement | 2,46,05,522 | 2,12,96,114 |
| Capital Advances | 3,96,125 | - |
| TOTAL | 2,86,49,375 | 2,29,18,766 |

10. CASH & BANK BALANCES

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|------------------------------------------------|----------------------|----------------------|
| Cash and Cash Equivalents | | |
| - Cash on Hand | 898 | 9,146 |
| - Balances with Scheduled Banks in Current A/c | 94,96,567 | 93,90,855 |
| | 94,97,465 | 94,00,001 |
| Other Bank Balances | | |
| -Fixed Deposits With Bank | 7,23,05,699 | 5,65,78,638 |
| TOTAL | 8,18,03,164 | 6,59,78,639 |

11. OTHER CURRENT ASSETS

(Amount in ₹)

| Particulars | As at March 31, 2016 | As at March 31, 2015 |
|------------------------|----------------------|----------------------|
| Prepaid Expenses | 65,889 | 4,65,648 |
| Service Tax receivable | 4,64,489 | 97,605 |
| Accrued Interest | 6,01,110 | 5,15,230 |
| | 11,31,488 | 10,78,483 |
| TOTAL | 11,31,488 | 10,78,483 |

12. REVENUE FROM OPERATIONS

(Amount in ₹)

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|--------------------------------------|---------------------------|---------------------------|
| Revenue from sale of services | | |
| - Royalty Income | 2,66,19,014 | 2,83,76,539 |
| - Income from Research & Development | 7,76,130 | 89,53,220 |
| | 2,73,95,144 | 3,73,29,759 |
| TOTAL | 2,73,95,144 | 3,73,29,759 |

13. OTHER INCOME

(Amount in ₹)

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|-----------------------------------------|---------------------------|---------------------------|
| Interest Received | 55,54,111 | 39,06,466 |
| Excess provision written back | - | 1,81,517 |
| Foreign Exchange Gain | 28,266 | - |
| Prior Period Income | - | 38,700 |
| Insurance Claim/ profit on Fixed Assets | - | 1,52,124 |
| | 55,82,377 | 42,78,807 |
| TOTAL | 55,82,377 | 42,78,807 |

Significant Accounting Policies and Notes to Accounts

NOTES TO ACCOUNTS (Contd...)

14. COST OF MATERIAL CONSUMED

(Amount in ₹)

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|----------------------|---------------------------|---------------------------|
| Chemical Consumption | 21,76,603 | 40,78,182 |
| Laboratory Apparatus | 2,65,570 | 7,17,485 |
| | 24,42,173 | 47,95,667 |
| TOTAL | 24,42,173 | 47,95,667 |

15. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|-------------------------------------------|---------------------------|---------------------------|
| Salary, wages and Other Allowances | 24,14,066 | 23,20,358 |
| Contribution to provident and other funds | 1,58,505 | 1,59,976 |
| Employee welfare Expenses | 3,74,538 | 2,46,103 |
| TOTAL | 29,47,109 | 27,26,437 |

16. OTHER EXPENSES

(Amount in ₹)

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|----------------------------------------|---------------------------|---------------------------|
| Power & Electric Expenses | 25,08,818 | 16,49,353 |
| Repairs to machinery | 9,18,525 | 14,21,043 |
| Foreign Exchange rate difference(Net) | - | 29,482 |
| Postage & Telegram Expenses | - | 8,800 |
| Printing & Stationary | 3,360 | 735 |
| Office Expenses | 2,01,449 | 2,14,352 |
| Rent | 19,16,602 | 17,51,486 |
| Auditor remuneration | 25,190 | 27,438 |
| Travelling Expenses | 2,21,836 | 47,204 |
| Legal & Professional Fee | 64,916 | 79,624 |
| Freight charges | 5,487 | 82,734 |
| Bank Charges | 14,714 | 45,616 |
| Interest | 540 | 39,375 |
| Misc. Expenses | 1,32,420 | 1,02,377 |
| | 60,13,857 | 54,99,619 |
| TOTAL | 60,13,857 | 54,99,619 |
| a. Auditor Remuneration | | |
| Statutory Audit | 25,190 | 27,438 |
| Reimbursement of expenses | - | - |
| | 25,190 | 27,438 |
| TOTAL | 25,190 | 27,438 |

17. EARNING PER SHARE

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|-------------------------------------------------------------------|---------------------------|---------------------------|
| Net Profit/(Loss) after tax (₹) | 1,70,24,130 | 2,35,72,503 |
| Net Profit/(Loss) after tax available for Equity Shareholders (₹) | 1,70,24,130 | 2,35,72,503 |
| 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 | 18.01 | 24.94 |
| Diluted | 18.01 | 24.94 |

Significant Accounting Policies and Notes to Accounts

NOTES TO ACCOUNTS (Contd...)

18. 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** - Parteek Finance & Investment Co. Ltd. (till March 30th, 2015)
- III. **Enterprises under common control** - PILL Finance & Investment Ltd. & PI Japan Co. Ltd.
- IV. **Enterprises over which KMP and their relatives are able to exercise significant influence** - None
- V. **Key Managerial Personnel** - Mr. Mayank Singhal, Mr. Salil Singhal & Mr. Rajnish Sarna (Directors of Holding Company)

The following transactions were carried out with related parties in the ordinary course of business:

(Amount in ₹)

| Particulars | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|------------------------------------------------------------------|------------------------------|------------------------------|
| RELATED PARTY DISCLOSURE | | |
| Transactions with Holding Company - PI Industries limited | | |
| Sale of Goods and Services | 2,66,19,014 | 2,83,76,540 |
| Rent, electricity and other miscellaneous payment | 43,81,022 | 37,87,681 |

19. As per information available with the Management as certified by them, there is no contingent liability as at March 31st, 2016.
20. As per the information available with the Management and as certified by them, there is no outstanding Capital Commitment as on March 31st, 2016.
21. 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.
22. 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.
23. 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'.
24. 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.

Significant Accounting Policies and Notes to Accounts

NOTES TO ACCOUNTS (Contd...)

25. VALUE OF IMPORTS CALCULATED ON CIF BASIS

(Amount in ₹)

| Particulars | Year Ended | Year Ended |
|---------------|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Raw Materials | 5,91,661 | 14,06,743 |
| Capital Goods | - | 41,26,751 |

26. EARNINGS IN FOREIGN CURRENCY

(Amount in ₹)

| Particulars | Year Ended | Year Ended |
|------------------------------------------------------|----------------|----------------|
| | March 31, 2016 | March 31, 2015 |
| Export of goods and services calculated on FOB basis | 7,76,130 | 89,53,220 |

27. 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, 2016 | | As at March 31, 2015 | |
|-------------|----------|----------------------|-------------|----------------------|-------------|
| | | Amount | Amount in ₹ | Amount | Amount in ₹ |
| | | in Foreign Currency | | in Foreign Currency | |
| Debtors | USD | - | - | - | - |
| Creditors | USD | - | - | 260 | 16,252 |

28. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED

| | Year Ended March 31, 2016 | | Year Ended March 31, 2015 | |
|-----------------------|---------------------------|--------|---------------------------|--------|
| | Amount in ₹ | % | Amount in ₹ | % |
| Raw Materials: | | | | |
| Imported | 5,91,661 | 27.18% | 14,06,743 | 34.49% |
| Indigenous | 15,84,943 | 72.82% | 26,71,439 | 65.51% |

29. 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.

30. 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 ₹ 1,58,505 (Previous Year ₹ 1,59,976) towards defined contribution plan.

b. Defined benefits plans - as per actuarial valuation as on March 31st, 2016:

(Amount in ₹)

| Particulars | 2015-16 | | 2014-15 | |
|-------------------------------------------------------------------------------------|---------------------|------------------|---------------------|------------------|
| | Gratuity Non-Funded | Leave Encashment | Gratuity Non-Funded | Leave Encashment |
| Expenses recognized in the Statement of Profit and Loss Account for the year | | | | |
| Current Service Cost | 26,353 | 33,459 | 26,135 | 27,953 |
| Interest Cost | 3,572 | 3,518 | 1,495 | 1,588 |
| Past Service cost | - | 9,738 | - | - |
| Expected return on plan assets | | | | |

Significant Accounting Policies and Notes to Accounts

(Amount in ₹)

| Particulars | 2015-16 | | 2014-15 | |
|--------------------------------------------------------------|------------------------|---------------------|------------------------|---------------------|
| | Gratuity Non-Funded | Leave Encashment | Gratuity Non-Funded | Leave Encashment |
| Net Actuarial (Gain)/Loss | (14,439) | (409) | 872 | 9,084 |
| Total Expense | 15,486 | 46,306 | 28,502 | 38,625 |
| Net Asset/(Liability) recognized in the Balance Sheet | | | | |
| Present Value of obligation as at year-end | 61,581 | 75,593 | 46,095 | 45,394 |
| Fair value of plan assets at year -end | | | | |
| Funded status {Surplus/(Deficit)} | (61,581) | (75,593) | (46,095) | (45,394) |
| Net Asset/(Liability) | (61,581) | (75,593) | (46,095) | (45,394) |
| Change in obligation during the year ended | | | | |
| Present value of obligation at the beginning of the year | 46,095 | 45,394 | 17,593 | 18,687 |
| Current Service Cost | 26,353 | 33,459 | 26,135 | 27,953 |
| Interest Cost | 3,572 | 3,518 | 1,495 | 1,588 |
| Past Service cost | - | 9,738 | - | - |
| Net Actuarial (Gain)/Loss | (14,439) | (409) | 872 | 9,084 |
| Benefits Paid | - | (16,107) | - | (11,918) |
| Present Value of obligation as at year-end | 61,581 | 75,593 | 46,095 | 45,394 |
| Actuarial Assumptions | | | | |
| Discount Rate | 8.00% | 8.00% | 7.75% | 7.75% |
| Expected rate of return on plan assets | | | | |
| Mortality Table | IALM (2006 - 08) | IALM (2006 - 08) | IALM (2006 - 08) | IALM (2006 - 08) |
| Salary Escalation | 5.50% | 5.50% | 5.50% | 5.50% |
| Short term Provision | 143 | 7,112 | 107 | 4,477 |
| Long Term Provision | 61,438 | 68,481 | 45,988 | 40,917 |

31. 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 ₹ 19,16,602 (Previous year ₹ 17,51,486) are charged to Statement of Profit & Loss during the year.

32. 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

Sd/-
BIRJESH KUMAR BANSAL
Partner
M. No. 096740

Place: Gurgaon
Date: April 20, 2016

For and on behalf of the Board of Directors of

PI Life Science Research Limited

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN: 06429468



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, 2016

(Amount in JPY)

| Particulars | Note No. | As at March 31st 2016 | As at March 31st 2015 |
|--------------------------------------------|----------|--------------------------|--------------------------|
| I LIABILITIES | | | |
| 1 Shareholder's Fund | | | |
| a. Share Capital | 1 | 50,00,000 | 50,00,000 |
| b. Retained Earnings | 1 | 1,39,28,471 | 1,20,68,349 |
| | | 1,89,28,471 | 1,70,68,349 |
| 2 Current Liabilities | | | |
| a. Other Current Liabilities | 2 | 30,56,075 | 29,09,123 |
| b. Short Term Provisions | 3 | 5,56,029 | 4,94,475 |
| | | 36,12,104 | 34,03,598 |
| TOTAL | | 2,25,40,575 | 2,04,71,947 |
| II ASSETS | | | |
| 1 Non- Current Assets | | | |
| Fixed Assets | | | |
| | 4 | | |
| Tangible Assets Gross | | 20,02,266 | 20,02,266 |
| Accumulated Depreciation | | (16,63,041) | (15,73,719) |
| Tangible Assets Net | | 3,39,225 | 4,28,547 |
| 2 Non- Current Loans & Advances | 5 | 26,53,840 | 26,53,840 |
| 3 Current Assets | | | |
| a. Cash & Cash Equivalents | | 1,32,04,319 | 1,16,45,530 |
| b. Trade Receivable | | 46,79,773 | 44,06,420 |
| c. Short Term Loans and advances | 6 | 16,63,418 | 13,37,610 |
| | | 1,95,47,510 | 1,73,89,560 |
| TOTAL | | 2,25,40,575 | 2,04,71,947 |

Statement of Profit & Loss

for the year ended March 31, 2016

(Amount in JPY)

| Particulars | Note no. | For the year ended March 31, 2016 | For the year ended March 31, 2015 |
|-------------------------------------------|----------|--------------------------------------|--------------------------------------|
| Sales | | 5,18,35,608 | 5,08,07,573 |
| Gross Profit | | 5,18,35,608 | 5,08,07,573 |
| Selling General & Administrative Expenses | 7 | 4,93,67,252 | 4,83,88,171 |
| Operating Profit | | 24,68,356 | 24,19,402 |
| Interest Income | | 2,669 | 2,325 |
| Miscellaneous Income | | 3,165 | 4,264 |
| Ordinary Profit | | 24,74,190 | 24,25,991 |
| Profit Before Tax Deduction | | 24,74,190 | 24,25,991 |
| Income Taxes | | 6,14,068 | 5,90,770 |
| Net Profit | | 18,60,122 | 18,35,221 |
| Notes to Accounts | 8 | | |

Notes to Accounts

Note: 1 SHAREHOLDERS FUND

(Amount in JPY)

| Particulars | As at | | |
|-----------------------------|------------------------------------|--------------------|--------------------|
| | March 31, 2016 | March 31, 2015 | |
| 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 | 1,20,68,349 | 1,02,33,128 |
| | Changes of items during the period | 18,60,122 | 18,35,221 |
| | Ending Balance | 1,39,28,471 | 1,20,68,349 |

Note: 2 OTHER CURRENT LIABILITIES

(Amount in JPY)

| Particulars | As at | |
|------------------|------------------|------------------|
| | March 31, 2016 | March 31, 2015 |
| Accrued Expenses | 29,05,981 | 27,59,772 |
| Social Insurance | 1,50,094 | 1,49,351 |
| | 30,56,075 | 29,09,123 |

Note: 3 SHORT TERM PROVISIONS

(Amount in JPY)

| Particulars | As at | |
|----------------------|-----------------|-----------------|
| | March 31, 2016 | March 31, 2015 |
| Income Taxes Payable | 3,30,300 | 2,84,200 |
| Withholding Tax | 2,25,729 | 2,10,275 |
| | 5,56,029 | 4,94,475 |

Note : 4 TANGIBLE & INTANGIBLE ASSETS

(Amount in JPY)

| Particulars | Gross Block | | | Depreciation | | | Net Block | | | |
|-----------------------------------|---------------------|---------------------------|------------|----------------------|---------------------|---------------------------|------------|----------------------|----------------------|----------------------|
| | As at April 1, 2015 | Additions during the year | Deductions | As at March 31, 2016 | As at April 1, 2015 | Additions during the year | Deductions | As at March 31, 2016 | As at March 31, 2016 | As at March 31, 2015 |
| Lease Hold Improvements | | | | | | | | | | |
| Room Divider | 5,75,991 | - | - | 5,75,991 | 4,11,051 | 23,421 | - | 4,34,472 | 1,41,519 | 1,64,940 |
| Equipments | | | | | | | | | | |
| Video Conferencing System | 9,30,000 | - | - | 9,30,000 | 6,66,393 | 65,901 | - | 7,32,294 | 1,97,706 | 2,63,607 |
| 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 | 15,73,719 | 89,322 | - | 16,63,041 | 3,39,225 | 4,28,547 |

Notes to Accounts

NOTES TO ACCOUNTS (Contd...)

Note: 5 NON-CURRENT LOANS AND ADVANCES

(Amount in JPY)

| Particulars | As at | As at |
|--------------------|------------------|------------------|
| | March 31, 2016 | March 31, 2015 |
| Lease Deposits | 26,53,840 | 26,53,840 |
| Organization Costs | - | - |
| | 26,53,840 | 26,53,840 |

Note: 6 CURRENT LOANS AND ADVANCES

(Amount in JPY)

| Particulars | As at | As at |
|--------------------------------|------------------|------------------|
| | March 31, 2016 | March 31, 2015 |
| Prepaid Expenses | 3,86,080 | 3,60,000 |
| Advance for employee insurance | 4,339 | 23,622 |
| Consumption Tax Receivable | 9,74,039 | 9,53,988 |
| Sundry Receivable | 2,98,960 | - |
| | 16,63,418 | 13,37,610 |

Note: 7 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

(Amount in JPY)

| Particulars | For the year ended | For the year ended |
|-----------------------------------------|--------------------|--------------------|
| | March 31, 2016 | March 31, 2015 |
| Directors' Remuneration | 1,94,28,000 | 1,95,00,000 |
| Salary | 36,83,800 | 35,08,800 |
| Depreciation | 89,322 | 1,15,165 |
| Legal Welfare | 18,10,204 | 18,77,163 |
| Welfare | 1,72,857 | 1,35,792 |
| Advertising | 6,000 | 45,917 |
| Rental | 2,68,304 | 2,85,266 |
| Repair | 2,22,000 | 1,72,000 |
| Supplies | 5,63,166 | 2,19,653 |
| Electricity and Water | 2,33,504 | 2,65,574 |
| Charge | 1,68,472 | 89,399 |
| Taxes and Dues | 10,937 | 13,150 |
| Entertainment | 19,67,584 | 19,29,617 |
| Communication | 15,18,250 | 13,73,082 |
| Seminar | 1,52,600 | 4,20,710 |
| Books, Papers | 2,44,024 | 2,57,254 |
| Office Rent | 40,00,008 | 40,00,008 |
| Conference | 3,17,977 | 1,31,008 |
| Transportation (travel within 200km) | 8,70,530 | 8,19,114 |
| Domestic Travelling (travel over 200km) | 4,22,211 | 6,14,632 |
| International Travelling | 16,37,568 | 12,72,517 |
| Commutation | 12,29,184 | 12,45,704 |
| Consultant Fee | 1,02,60,400 | 99,56,203 |
| Market research | - | 52,000 |
| Miscellaneous | 90,350 | 88,443 |
| TOTAL | 4,93,67,252 | 4,83,88,171 |

Notes to Accounts

Note: 8 SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES (Contd...)

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

- a) Leasehold improvements- Declining balance method
- b) Equipments (over 200,000 yen)- Declining balance method
- c) 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 46,79,773 yen

III Notes about profit and loss statement

Transaction with parent Company

Operating transaction

Sales 5,18,35,608 yen

IV Notes about statement of changes in equity

Information about issued Share Capital

| Sort | March 31, 2015 | Increase | Decrease | March 31,2016 |
|---------------|----------------|----------|----------|---------------|
| Common shares | 100 shares | - | - | 100 shares |

Shareholding: 100% PI Industries Ltd. (India)

V Information about related party

| Attribute | Name | Voting right | Relations | | | Amount | Account title | Ending balance |
|----------------|--------------------|--------------|---------------------------------|------------------|--------------------|-----------------|---------------------|----------------|
| | | | The additional post of Director | Actual relations | Detail of business | | | |
| Parent Company | PI Industries Ltd. | 100% | - | Service | Market research | 5,18,35,608 yen | Accounts receivable | 46,79,773 yen |

VI Information about per share

Book value per share 1,89,284 yen
Net profit per share 18,601 yen