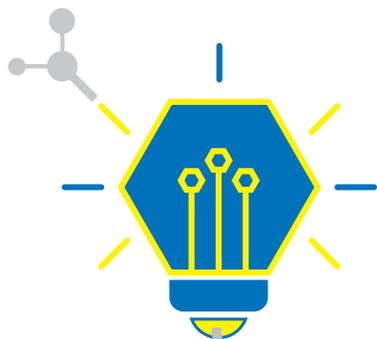




Inspired by Science



Driven by **Passion.**
Ignited by **Imagination.**



PI Industries Ltd
ANNUAL REPORT 2015-16

Cautionary Statement Regarding Forward-Looking Statement

Statement in this annual report describing the Company's objectives, expectations or forecasts, may be forward-looking within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence PI Industries Limited's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors, such as litigation and industrial relations.



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AGM Notice

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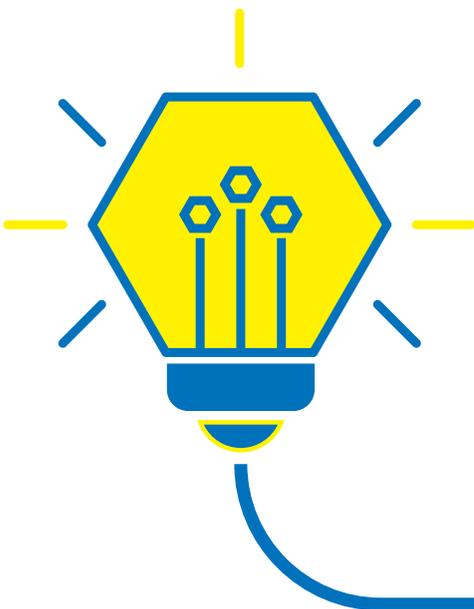
Driven by **Passion**. Ignited by **Imagination**.

We strive for newer possibilities and creatively stimulate and carve paths never explored. Our Passion for Innovation drives our core competencies to reach out and strive towards excellence.

We open ourselves to imagination staying firmly rooted to realities. Insights and new discoveries replenishes and revitalizes our approach to offering customized and differentiated solutions for our customers and stakeholders.

With our firmly embedded values of Trust, Adaptability, Speed and Innovation, we nurture our Imagination as a key ingredient for advancement. We follow a contemporary approach, strengthening our position as the leading player in the Agri-Sciences value chain.

We are never shy of asking questions that need new answers. We strive with Passion. We are inspired by Imagination.



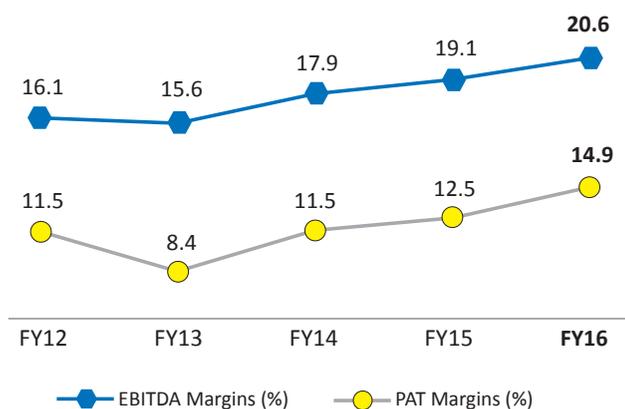


Financial Highlights

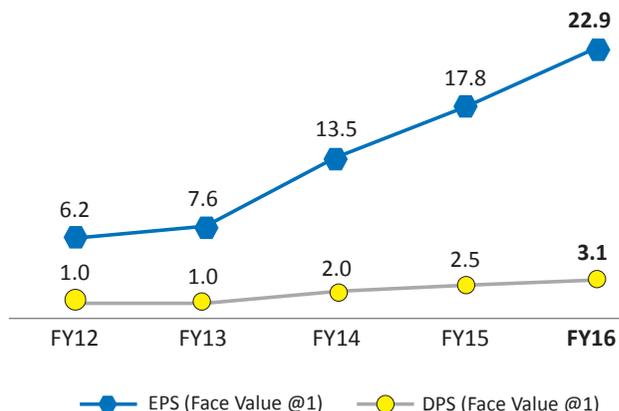
Key Figures						₹ crore
Year Ended March 31	FY16	FY15	FY14	FY13	FY12	
Total Income	2,096.7	1,939.7	1,594.9	1,150.5	877.1	
EBITDA	432.7	370.0	285.6	179.3	141.1	
Profit Before Tax	403.8	352.6	258.0	143.7	139.4	
PAT	313.4	243.2	183.7	96.3	100.5	
Net Fixed Assets	943.9	662.9	566.1	535.4	375.1	
Cash Profit	367.1	292.4	215.1	118.2	117.6	
EBITDA Margins (%)	20.6	19.1	17.9	15.6	16.1	
PAT Margins (%)	14.9	12.5	11.5	8.4	11.5	
ROE (%)	27.1	27.6	26.9	18.4	31.5	
ROCE (%)	32.3	40.3	36.8	27.2	36.4	
D/E Ratio (In times)	0.1	0.1	0.1	0.2	0.4	
EPS (Face Value @ 1)	22.9	17.8	13.5	7.6	6.2	
DPS (Face Value @ 1)	3.1	2.5	2.0	1.0	1.0	

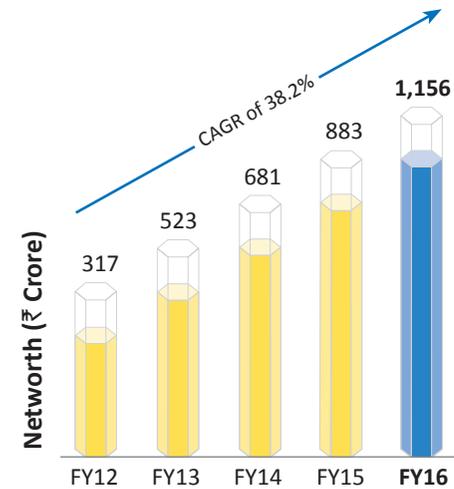
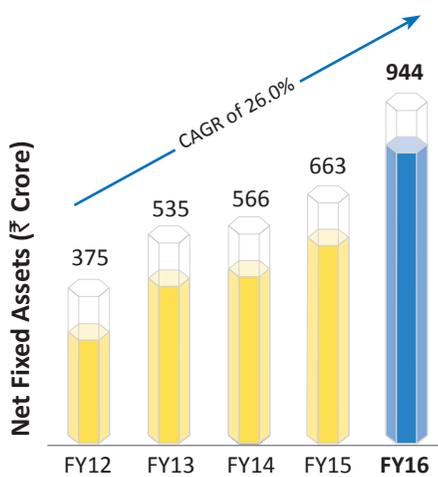
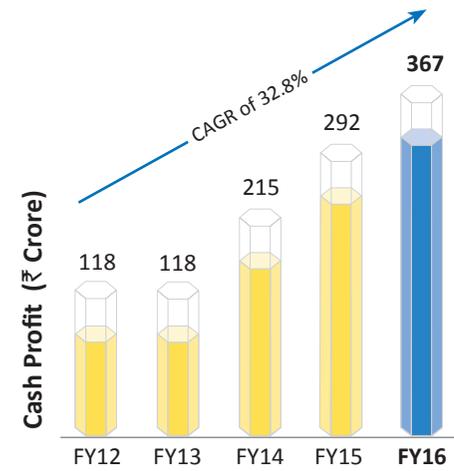
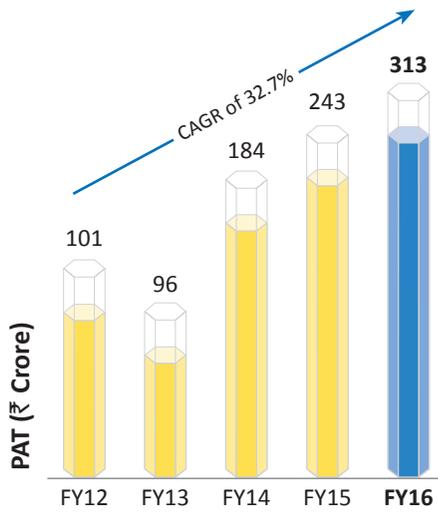
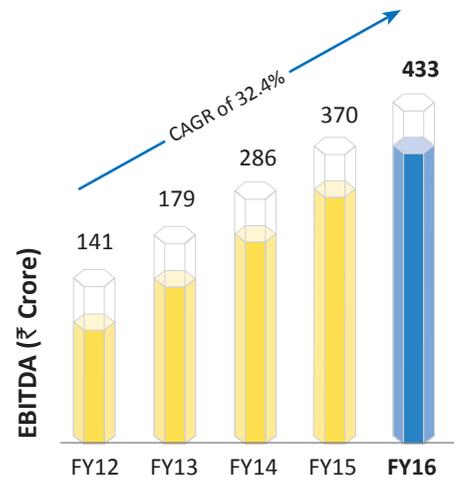
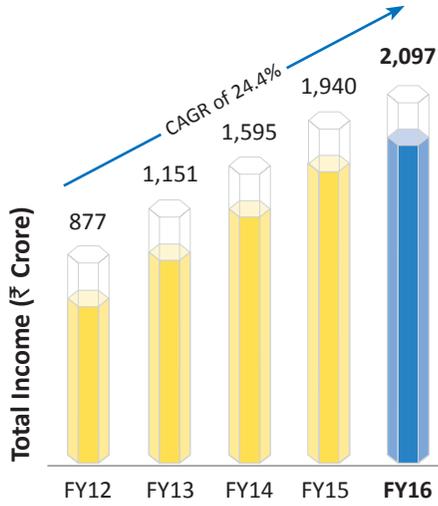
Balance Sheet Summary						₹ crore
Year Ended March 31	FY16	FY15	FY14	FY13	FY12	
Shareholders' Funds	1,155.8	882.5	683.1	524.6	319.2	
Non-Current Liabilities	208.2	77.0	113.1	149.9	163.9	
Current Liabilities	599.1	661.7	512.9	454.2	313.6	
Total	1,963.1	1,621.2	1,309.1	1,128.7	796.7	
Non-Current Assets	997.4	709.6	581.2	548.2	397.7	
Current Assets	965.7	911.6	727.9	580.5	399.0	
Total	1,963.1	1,621.2	1,309.1	1,128.7	796.7	

Profitability Margins in %



Per Share Earnings





Key Events, Awards



July-15

'Golden Peacock Environment Management Award 2015' awarded by the Institute of Directors.

DQ 'Business Technology Award' for excellence in adoption of technology for business benefits.



June-15

Partnership with Punjab Agriculture University on Farmers Training Programme.



Aug-15

Won 'CIO-Leader Business Impact Award' for Application Access Management given by Mediaworx.



Sept-15

The 2nd multi purpose unit at Jambusar commenced commercial production

Dec-15

Mr. Mayank Singhal, Managing Director & CEO was awarded the **'Best Manager with Strategic Vision'** at the Agrow Award 2015. PI Industries Ltd. also got recommendation certificate for the **'Best Company from Emerging Region'**.



Dec-15

Mr. Salil Singhal, Chairman emerged as the **'Best CEO in the Chemical Industry'** by Business Today.

VIBRANT, our new insecticide for rice crop was launched in the market.

Jan-16

The 3rd multi purpose unit at Jambusar got commissioned.

Bloomberg Business article covered PI: "Stock with 121,597% return sees five year record profit run."



Feb-16

The new state-of-the-art Research & Development Centre at Udaipur became operational.

Mar-16

Won Bronze Award for 'Unnat Kheti, Samridhh Kisan' Rural Marketing Campaign at the **'FLAME ASIA AWARDS 2016'**.

Researchbytes.com bestowed the **'Best Investor Communication'** award to PI Industries in the 'Material - Emerging Corporates' category.





Salil Singhal

From the desk of the Chairman

“With dwindling land under cultivation and an alarmingly lower portion of that under irrigation, the need to increase farm productivity with efficient use of plant nutrients and protection is pressing.”

Dear Shareholders,

I am pleased to be once again share my thoughts on the world of agriculture, agrochemicals and the steady performance of your company in the year gone by. The unevenness of global economic recovery continued in a year marked by the possible bottoming out of commodity prices. The agriculture sector too witnessed stress. So did the global demand for agrochemicals.

The global recovery has remained moderate and unevenly distributed. While the developed block drove the global GDP growth in 2015, the slowdown in the Emerging Markets and particularly in the sizeable economies of China, Brazil, Russia has contained the global growth. India continues to defy the trends in emerging as the fastest growing major economy, thanks to a set of favourable macro-economic factors like, private consumption, contained inflation and relatively stable interest rates and currency. The country's growth engine is also propelled by its intrinsic strengths like demography, the spirit of entrepreneurship, the robustness of its financial framework and the vast pool of intelligence and talent.

Clocking a GDP growth of 7.6% in 2015-16, India is set to ride a good monsoon, a strengthening rural economy, cascading effect of big ticket government spends on infrastructure development, increased consumer spends aptly aided by the implementation of the 7th pay commission and OROP recommendations. Country's reform momentum needs to be sustained if its true economic potential is to be realized in the current decade.

You will be happy to know that your company's sustained focus on strengthening business diversity, farmer connect, Research & Development capabilities and operational proficiency has, once again, helped it post an ahead of the curve business performance. The test of resilience amid difficult times is always reassuring. We further fortified our research capabilities with the commencement of our state-of-the-art Research & Development center at Udaipur during the year. Our manufacturing capabilities too have significantly increased with two new units commissioned at our Jambusar campus.

With the country making sustained strides on the path of economic development, the demand for nutritional food products such as fruits, vegetables and dairy items will continue to be on the rise. This new dimension will stretch the ambit of food security beyond basic staples. The growing

demand for affordable nutrition will put additional pressure on farm productivity.

Our agrochemicals industry is expected to play a pivotal role in driving food security for India, which is on its way to replace China as the world's most populous country. With dwindling land under cultivation and an alarmingly lower portion of that under irrigation, the need to increase farm productivity with efficient use of plant nutrients and protection is pressing. Estimates suggest that the country loses more than 30% of its farm produce to pests and weeds, which warrants containment through the adequate usage of plant protection chemicals.

Educating our farmers on modern agronomic practices and empowering them with effective and affordable crop protection and nutrition solutions is the need of the hour. Also, the focus must be on increasing availability of high quality products and restrict the production and sale of spurious chemicals. There is also a growing need to increase investment in R&D to develop products that will enhance the farms productivity.

Globally, leading players in the agrochemicals industry are aiming to consolidate positions in their respective core domains, which is likely to create mega behemoths in the industry. This augurs well for your Company, thanks to the values built on the strong foundation of trust and IP protection, proven track record of partnership approach and its timely investments in raising chemical research and manufacturing capabilities.

At PI Industries, a 1,900 strong talent pool remains driven by passion to ignite newer chemical possibilities towards remunerative agriculture, happier farmers and a better world. I congratulate this wonderful talent pool for their spirited performance and thank other stakeholders, customers, shareholders, partners, governments and regulators and the community at large, for their unstinted support and patronage to the unfolding PI potential. Let us all step into a future of infinite possibilities.

With best regards,

Salil Singhal
Chairman



Mayank Singhal

Q&A Session with the Managing Director

“Our key differentiation rests in the unique value proposition we provide to our customers leveraging our capabilities across the value chain by providing integrated and innovative solutions.”

How do you view the agricultural situation in India?

The Indian economy posted a healthy GDP growth of 7.6% to retain the honour of being the fastest growing major economy, second year in a row. The agriculture sector, though, battled the second consecutive year of drought. Thankfully, the monsoon forecast and the early rainfall trends appear favourable for 2016. This, coupled with a welcome rural focus of the government and specially its union Budget 2016-17, augurs well for our rural economy and more importantly for more than half our fellow citizens who are economically dependent on agricultural and allied activities.

How did the Company perform in the year gone by?

The Company performed well in the fiscal year 2015-16 given the backdrop of a slowdown in the global agrochemicals industry and second consecutive year of drought impacting the agricultural sector in India. Global agrochemical demand remained moderated on account of depressed agricultural activities, commodity pressure and higher channel inventories. The drought conditions in India resulted in lower agricultural activities. Our Company's revenue grew by 8.1%.

From the peer group standpoint, we delivered revenue and profit growth that outperformed our industry by a handsome margin. While our revenue grew by 8.1% to reach Rs. 2,097 crores, a handsome 16.9% growth took EBITDA to Rs. 433 crores. The overall improvement in operational and capital efficiency got aptly reflected in an even better 28.8% growth in our net profit, which reached a record Rs. 313 crores in the year 2015-16.

In terms of order book position, we closed the year with a record high of \$850M, a reflection of increasing confidence of global customers in our stature and capabilities. All these testify the strength of our differentiated business model and integrated approach spanning the entire agri-sciences value chain, from initial research to product registrations to efficient manufacturing to trust based customer relations to retail distribution and marketing to sustained farmer engagement and empowerment.

What were the key strategic initiatives of the year?

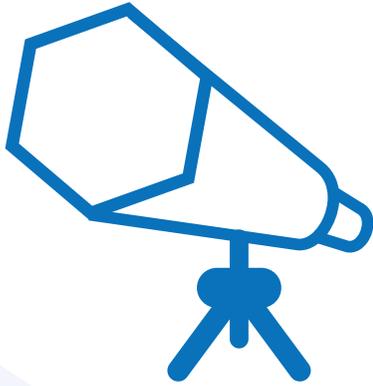
We continued to invest in raising our research and manufacturing capabilities in order to serve the increased demand of our customers. The year saw the completion and commissioning of unit 2 and unit 3 of our Jambusar facility in September 2015 and December 2015 respectively. Both the units have subsequently stabilized and shall start contributing to our revenue and volume growth in the ensuing year. We launched three branded products namely VIBRANT, a highly effective insecticide for rice crop; BIOVITA_x, a plant nutrient; and PERIDO, a broad-spectrum fungicide for rice and wheat crops. We further stepped up our farmer connect initiatives leveraging information technology and digital platforms.

We did make significant strides on various measures of sustainable development. Our consistent hard work and pursuit of excellence got recognized in form of many awards and recognitions including the Golden Peacock Environment Management Award, Business Impact Award for Application Access Management and Responsible Care Certification.

How is PI Industries positioned to take advantage of the unfolding agrochemicals opportunities?

Differentiation stands deeply ingrained in our business strategies, research capabilities, manufacturing expertise and customer deliveries. It is this differentiated customer value proposition that would drive volume and value growth in domestic markets. The robust order book with revenue visibility for coming years shall continue to drive our investments towards further strengthening of our capabilities. The track record of partnering with global innovators and providing innovative solutions across the value chain and the partnership built on the foundation of Trust, Integrity and IP protection positions us very favourably at the time of global consolidation in the agro chemical industry. Our steady expansion of the application domain beyond agriculture shall shape well and open new possibilities in adjacent spaces.

Vision, Values and Approach



Vision

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



INNOVATION

Enlivening, like the air, in the constant quest for the horizon, the never-ending search for a better, newer way to do things; Innovation, for us, is a way of life.

Values



TRUST

Like the earth, we are dependable. We work with integrity of purpose, honesty in action and fairness in all our dealings.



ADAPTABILITY

Adaptive, like water, we are constantly transforming ourselves. Being nimble footed, we are highly responsive to change.



SPEED

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



Our Integrated Approach

At PI Industries, our key differentiation rests in the unique value proposition we provide to our customers leveraging our capabilities across the value chain by providing integrated and innovative solutions. We believe in a strong partnership approach which has been built over the years on the strong foundation of Trust, Integrity and IP Protection.

The spectrum of services that we provide to our customers are interwoven and spread across our value chain from research & development, product & application development, registration, manufacturing, marketing & distribution, and customer connect initiatives.

Key Business Differentiators

Integrated business model: Our end to end capabilities across research & development, manufacturing and formulation, product development, brand building, marketing and distribution and a strong customer connect based on partnership approach distinguishes us from our peers.

Longstanding relationship: We have built a reputation of trust and reliability with global innovators over the last several decades. We have nurtured a strong relationship with our farmers by providing reliable products and solutions to their needs.

Strong distribution framework: Our 29 branches, 5000 distributors and 40000 retailers ensure a much wider and deeper penetration of India's agricultural expanse.

World class infrastructure: Our research facilities, QC laboratories and manufacturing units are equipped with all modern machinery, equipment, technology and processes and bear best-in-class certifications and accreditation such as ISO 9001, ISO 14001 and OHSAS 18001, ISO 17025, NABL accreditation and GLP certified.

Experienced Board & Management Team: Our Company is professionally managed with an experienced Board of Directors and Senior Management team with diverse backgrounds across industries and disciplines.



Board of Directors

Mr. SALIL SINGHAL, Chairman and Managing Director

Mr. Salil Singhal has been spearheading the Company on its growth path since 1979. He is credited with Company's early adoption of an global outlook and ingraining a strong value system within the Company. Besides PI Industries, he also serves on the Boards of Wolkem India Ltd., Historic Resorts Hotels Pvt. Ltd., The Lake Palace Hotels and Motels Pvt. Ltd., Secure Meters Ltd., Somany Ceramics Ltd., PILL Finance and Investment Ltd., Usha Martin Ltd. and Mahindra World City (Jaipur) Ltd.

Highly reputed and a renowned name in the Agro Chemical Industry, he is Co-Chairman of CII's National Council on Agriculture besides being a member of its National Council for the past 8 years. Mr. Singhal was the Chairman of the Pesticides Association of India (rechristened Crop Care Federation of India) for 20 years and is its Chairman Emeritus. In the past, he has been a member of the Executive Committee of FICCI and also the Chairman of its Environment Committee for 5 years, the Chairman of the Northern Region of CII and the Chairman of the National Council for MSMEs. He has been involved in shaping many agriculture-related policy issues and has addressed many Seminars and Conferences both in India and abroad.



Mr. MAYANK SINGHAL, Managing Director and CEO

Mr. Mayank Singhal holds a bachelor's degree in Business Management and Engineering from UK. Having joined PI Industries in 1996, he served Company's interest across various positions and functions before being appointed as its Managing Director and CEO in 2009.

Bringing a rich experience of more than 20 years in the fields of chemicals, intermediate and agrochemical industries, he has had a great role in transformation of the Company, taking PI Industries to newer heights, with his entrepreneurial and business management skills. He has spearheaded the professional transformation of the Company with vision to be at the forefront of science led opportunities by delivering solutions.

He also serves on the Boards of PI Life Science Research Ltd., PILL Finance and Investment Ltd., DLF Brands Ltd. and TP Buildtech Pvt. Ltd.

Mr. RAJNISH SARNA, Executive Director

Mr. Rajnish Sarna, a Chartered Accountant by qualification, brings in a vast experience of over 25 years across diverse functional areas of Business Development, Strategy, Customer Relationship Management, Operations, Finance, Risk Management, Legal Contracting and Compliances, Investor relations, Information Technology and Process Re-engineering, etc.

Being part of the Company for about 20 years, he is responsible for Business Development & Alliances with Global Partners for manufacturing and Export Business. He also serves on the Boards of PI Life Science Research Ltd., PILL Finance and Investment Ltd. and Solinnos Agro Science Pvt. Ltd.



Mr. NARAYAN K. SESHADRI, Independent Director

Mr. Narayan K. Seshadri, a Qualified Chartered Accountant, started his career with Arthur Anderson. He subsequently joined KPMG and rose to become Managing Partner of the Business Advisory Practice of the firm in India. He possesses expertise in strategic planning, good management practices and financial engineering.

He serves on the Boards of Halcyon Resources and Management Pvt. Ltd., AstraZeneca Pharma India Ltd., Sundaram Investment Ltd., IRIS Business Services Ltd., A2O Software India Pvt. Ltd., Magma Fincorp. Ltd., Kalpataru Power Transmission Ltd., Wabco India Ltd., Tranzmute Capital & Management Private Limited, SBI Capital Markets Ltd., Radiant Life Care Pvt. Ltd., Halcyon Enterprises Pvt. Ltd., International Asset Reconstruction Company Pvt. Ltd., TVS Electronics Ltd., Seynse Technologies Pvt. Ltd. and The Clearing Corporation of India Ltd.

Mr. PRAVIN K. LAHERI, Independent Director



Mr. Pravin K. Laheri (IAS, Retd., Gujarat cadre) is an alumnus of St. Xavier's College and Government Law College, Mumbai. He joined the Indian Railways in 1967 and the Indian Administrative Services in 1969. He served the Government of Gujarat in various capacities including District Development Officer (Jamnagar), Collector (Banaskantha), Director - Cottage Industries, Joint Secretary (Education Department), Industries Commissioner, Principal Secretary to five Chief Ministers of Gujarat, Principal Secretary (Rural Development, Information etc.) and Chief Secretary. He has also served as Executive Director of the National Institute of Fashion Technology (NIFT), a Government of India Institution and Chairman and Managing Director of Sardar Sarovar Narmada Nigam Limited.

Mr. Laheri also serves on the Boards of Gujarat Pipavav Port Ltd., Ahmedabad Stock Exchange Ltd., Cue Strategic Inputs Pvt. Ltd., Gulmohar Greens Golf & Country Club Ltd., DMCC Oil Terminal (Navlakhi) Ltd., Ambuja Cements Foundation and Amap Management Consultancy Pvt. Ltd.

Mrs. RAMNI NIRULA, Independent Director

Mrs. Ramni Nirula holds a Bachelor's Degree in Economics and a Master's Degree in Business Administration from the Delhi University. Beginning her career with the ICICI in 1976 in the project appraisal division, she rose to the position of the Managing Director & CEO of ICICI Securities Ltd. and also headed the Corporate Banking Group of ICICI Bank. Possessing a rich experience of more than three decades in the financial sector, she has held various leadership positions in areas of Project Financing, Strategy, Planning and Resources and Corporate Banking.

She serves on the Board of Jubilant Foodworks Ltd., Utkarsh Microfinance Pvt. Ltd., Avantha Ergo Life insurance Company Ltd., McLeod Russel India Ltd., Sona Koya Steering Systems Ltd., Goldman Sachs Trustee Co. (India) Pvt. Ltd., DRN Investments and Agriculture Pvt. Ltd., TAMA Investments & Finance Pvt. Ltd., Eveready Industries India Ltd., Avantha Holdings Ltd., DCM Shriram Ltd. and Crompton Greaves Ltd. She is also a member of the Advisory Board of IKP Knowledge Park Ltd., Hyderabad.



Dr. VENKATRAO S. SOHONI, Independent Director



Dr. Venkatrao Sohoni holds a bachelor's degree in Electronics Engineering from IIT, Kharagpur and doctorate in Information Systems for Banking from IIT, Mumbai. A seasoned veteran of the agrochemicals industry with five-decade rich career with MNCs in India and the USA, he has held various leadership positions across Agrochemical and Pharmaceuticals businesses. He held the position of Managing Director at Rallis India Ltd. and Novartis India Ltd. and the position of President at Pharmacia India Pvt. Ltd., Biosys Inc. and Sandoz Group. He has been instrumental in ensuring growth, both organic and through acquisitions and mergers, building successful teams, meeting established goals, and increasing profits for these organisations.

He also serves on the Board of Fulford India Ltd. (a Merck subsidiary) and is advisor to Bausch & Lomb, India.

Mr. Ravi Narain, Additional Director

Mr. Narain holds a masters degree in economics from St. Stephen's College, Delhi and a masters degree in business administration from the Wharton School, University of Pennsylvania, USA. He co-founded the National Stock Exchange of India Ltd. (NSE) in 1994 as part of India's efforts to open up its economy to global capital and was its Managing Director & CEO till 2013. He is the current Non-executive Vice Chairman of the NSE.

Since stepping down from his executive position at the NSE, Mr. Narain has been engaged at the board level or in an advisory capacity with select private corporates, NGOs, Regulators, RBI and the Government of India. He serves on the Boards of the National Stock Exchange of India Ltd., National Securities Clearing Corporation Ltd., NSDL e-Governance Infrastructure Ltd., National Commodity & Derivatives Exchange Ltd., HDFC Standard Life Insurance Co. Ltd., Power Exchange India Ltd., National Securities Depository Ltd., NSE Strategic Investment Corporation Ltd. and Indostar Capital Finance Ltd.



Senior Management



Mr. Rajendra Dev Kapoor

Head - Agri Business



Ms. Jayashree Satagopan

Chief Financial Officer



Mr. Devendra Kumar Ray

Head - Operations



Mr. Samir Dhaga

Chief Information Officer



Dr. Prashant Potnis

Chief Technology Officer



Corporate Information



Board of Directors

EXECUTIVE DIRECTORS

Mr. Salil Singhal, *Chairman & Managing Director*

Mr. Mayank Singhal, *Managing Director & CEO*

Mr. Rajnish Sarna, *Whole-time Director*

NON-EXECUTIVE DIRECTORS

Mr. Narayan K. Seshadri

Mr. Pravin K. Laheri

Mr. Anurag Surana (*Resigned w.e.f May 11, 2016*)

Mrs. Ramni Nirula

Dr. Venkatrao S. Sohoni

Mr. Ravi Narain, *Additional Director (w.e.f May 24, 2016)*

Chief Financial Officer

Ms. Jayashree Satagopan

Company Secretary

Mr. Naresh Kapoor

Statutory Auditors

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

Cost Auditor

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

Secretarial Auditor

Mr. R.S. Bhatia

Internal Auditors

M/s KPMG India LLP, Gurgaon

Bankers

State Bank of Bikaner & Jaipur

State Bank of India

Axis Bank Ltd.

Standard Chartered Bank

HSBC Bank (Mauritius) Ltd.

Registered Office

Udaisagar Road,

Udaipur - 313 001, Rajasthan, India

Corporate Office

5th Floor, Vipul Square,

B-Block, Sushant Lok Phase – I,

Gurgaon - 122 009,

Haryana, India

Research & Manufacturing Facilities

- Udaisagar Road, Udaipur - 313 001, Rajasthan;
- Panoli Unit-1, Plot No.237, GIDC, Panoli - 394 116, Gujarat, India
- Panoli Unit-2, Plot No.3133-3139, 3330-3351, 3231-3245, 3517-3524, GIDC, Panoli - 394 116, Gujarat, India
- Plot No. SPM 28, Sterling SEZ, Village Sarod, Jambusar – 392 180, Gujarat, India

Registrar & Transfer Agent

Karvy Computershare Private Limited

Unit: PI Industries Ltd.

Karvy Selenium Tower - B, Plot No. 31 & 32,

Financial District Nanakramguda,

Serilingampally Mandal,

Hyderabad – 500 032, India

Share Department

5th Floor, Vipul Square,

B-Block Sushant Lok Phase - I,

Gurgaon – 122 009 (Haryana), India

Corporate Identity Number (CIN)

L24211RJ1946PLC000469



Employee Engagement

Womens' Day



Independence Day



Yoga Day



Diwali Celebrations



Employee Training



Awards & Recognitions



Annual Meet



Workshop



Founders' Day

Employee Speaks

“As an employee, I feel it is ‘trust’ that is at the core of the Company that makes PI a great workplace. PI values have taught us a way of living and delivering which makes it a wonderful place to work and earn.”

“All achievements begin with the idea. The continuous impetus that PI provides has put those ideas in front empowering the momentum for success.”

“Working with PI is not merely a job, it’s a journey and experience, there is so much to explore here even about yourself that every day is new, interesting and challenging day.”



Sustainability

Environment, Health & Safety

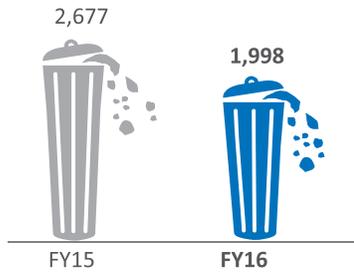
Our Company is committed to creating a better planet by continuing its focus on safety, health and environmental sustainability through various measures.

Environment , Health & Safety (EHS) has been at our core since the inception of the Company, its importance has increased multi-fold in the last decade. The management gives high priority in other functions.

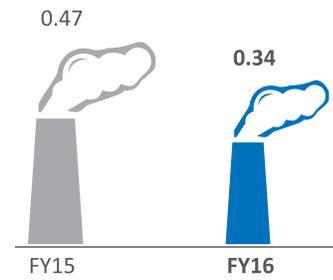
Our Company focuses on environmental sustainability through focused efforts on carbon footprint reduction, energy conservation, water consumption, recycling of treated water, etc. Our Company's accreditations under ISO 14001, ISO 18001 and ISO 17025 vindicate our commitments in this regard. During the year, the Company was conferred the Golden Peacock award for Environmental Practices, received Responsible Care recognition from Indian Chemical Council. National Safety Council of India awarded Panoli plant with Certificate of Appreciation in manufacturing sector, for occupation health and safety performance of past three years.



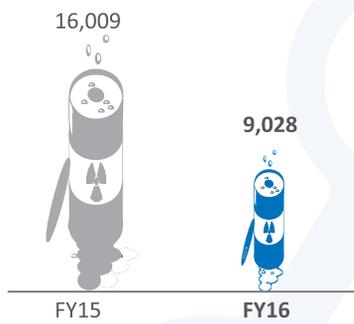
Solid Waste / Tonne



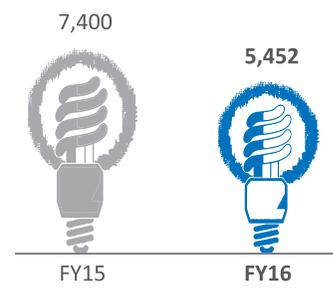
Carbon Emission Kilo-Tonne/ Tonne



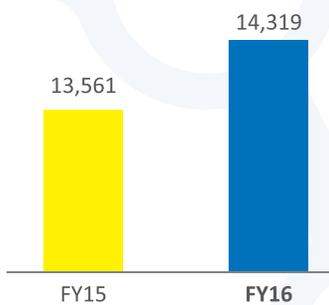
Hazardous Waste / Tonne



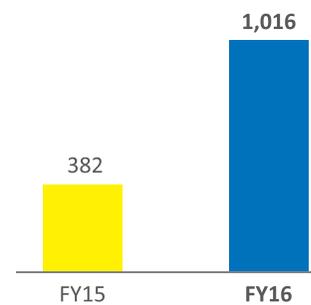
Energy Consumption GJ / Tonne



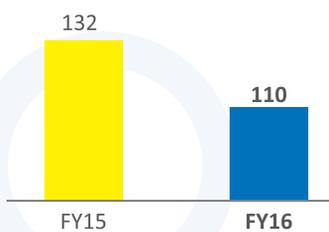
Training Man-hours



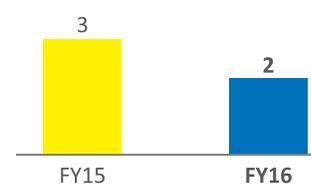
Near Miss Incidents



First Aid Incidents



Loss Time Injury





Corporate Social Responsibility Activities

With a firm belief that the economic development must be socially and environmentally sustainable and the benefits of science led innovations be made accessible to even the marginalized and disadvantaged sections of our society, our community development initiatives further the cause of inclusive development.

We therefore established the PI Foundation to provide dedicated focus to community development and our CSR initiatives. Our major focus areas are around the neighboring communities across our manufacturing locations and the farming community across the country to whom we communicate the latest scientific advancements in the field of agriculture.

In line with our CSR philosophy, PI Foundation undertook several community development initiatives during 2015-16, a glimpse of which is presented ahead.



Farm Engagement Programmes: PI Foundation entered into an MOU with Punjab Agricultural University for spreading awareness on 'Whitefly Management in Cotton'. A two-year project to be covering cotton growing regions and farmers of Punjab, the program aims to conduct large scale field demonstrations on IPM strategy for management of whitefly and impart skill by providing hands-on training. We are also promoting Farmer Field Schools (FFS) for season-long training on Cotton-IPM and establishment of Model Villages.

Agri Skill Development: PI Foundation has entered into MOU with government institutions and specialized agencies for imparting vocational training to rural youth with a view to enhance their employability. In the first module, 40 rural youth from agricultural families, who had already passed Higher Secondary, completed the 45 days residential vocational training which included both theory & practical lessons. 100% of the trained youth were successfully placed on completion of the program. We are now initiating similar skill development programs in other states.

IN THE NEIGHBORING COMMUNITIES

Swachh Bharat Abhiyan: PI Foundation initiated the construction of toilets in 11 schools surrounding our plants with a commitment to create awareness and



AROUND FARMS, FARMING AND FARMERS

Promotion of DSR Technology: PI Foundation is creating awareness amongst Policy Makers, Industry Chambers, Universities, NGOs and Farmers on the Direct Seeded Rice (DSR) Technology, which helps 25-30% savings in costs related to irrigation and energy, water conservation, labour since there is no transplantation apart from benefits on improved soil porosity and less carbon emission translating to a savings of nearly Rs. 5,000 per hectare to the farmer. PI Foundation is actively working with several State Agriculture Universities (SAU) and State Agriculture Departments and NGOs in promotion of DSR technology and practices amongst farmers. Our efforts have resulted in changing the rice cultivation practice to DSR in over 600,000 hectares, a saving of over 130,000 crores litres of water annually.

improve the health and hygiene standards in the schools. Tying up with the NGO, it has organized awareness programs on Hygiene and Sanitation among 3000 children and their parents.

SKILL DEVELOPMENT

Certified Vocational Training Program on Chemical Plant Operators

Operators: To help Science Graduates/ Post Graduates (B.Sc./M.Sc.) from economically weaker sections of society to undergo a specially designed training course to enhance their employability. PI Foundation has signed a MOU with Anchor Institute – Chemicals & Petrochemical, Dharmsinh Desai University (DDU), Nadiad, Gujarat. In 2015-16, the PI Foundation organized two batches of Vocational Training Program on “Chemical Plant Operators” at DDU, Nadiad and 62 students successfully completed the 90 days’ training course and were awarded the certificate. All the students who completed the training course were placed in the industry.



PREVENTIVE HEALTH CARE

Mobile Health Units: PI Foundation initiated “SWASTHYA Seva” through 3 Mobile Medical Units with the aim to provide access to preventive health care and equitable distribution of health services among the people, predominantly the population from 59 remote villages of Jambusar Taluka. The project is done in partnership with GVK, EMRI.



WOMEN’S EMPOWERMENT

Livelihood Creation and Women Empowerment through ASMITA Project:

PI Foundation formed “ASMITA” in partnership with Aatapi Seva Foundation. 30 women’s Self Help Groups were formed comprising of 450 women of poor socio- economic profile from the villages around Jambusar. They were linked with the Joint Liability Scheme of the Bank of Baroda and and Ujaas Credit Co-operative Society and they also received loans ranging 12 lacs to 25 lacs to enable self-employment.



Support to Women’s Dairy Co-operatives under Dairy Value Chain:

Women Self Help Groups in Vedach and Uber villages received training on Scientific Cattle Care practices. More than 100 women were sponsored to visit and learn good practices from Dugdh Dhara Dairy, Amul, Anand, and Baroda Swarojgar Vikas Sansthan.

EDUCATION

Library Books: The PI Foundation is providing Library Books, Maths-Kit, Science-Kit and Sports Material to Government Elementary Schools & Government Aided schools. It also distributed notebooks and stationeries to over 3000 children in 13 Government schools.

Mobile Education Van Project: The PI Foundation is supporting the Ankleshwar Industrial Development Society for executing a “Mobile Education Van Project” to provide joyful teaching techniques to teachers deployed in remote Government Elementary Schools.



Renovation of Facilities: PI Foundation has renovated the science lab and 50 bench desks of Sarod Sarvajanik High School. The residential facility of the B.B. Patel High School in Nondhana for the comfortable stay of children from poor backgrounds was strengthened.

WATER

Purified Water Supply (RO Water) to Villagers: In 2015-16, the PI Foundation installed a community RO water plant to mitigate the challenges of safe drinking water in the States of Karnataka and Andhra Pradesh, where excessive fluoride content in the drinking water which causes many health disorders. The Foundation also supported installation of drinking water in Salehpur Sangi and Uber village in Gujarat.

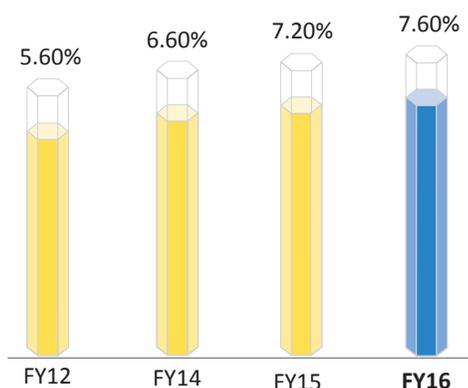


Management Discussion and Analysis

India Economic Overview

Indian economy is on the verge of paradigm shift. The key enablers are stable annual economic growth rate on the back of strong reforms initiated by Government, lower inflation, rising foreign exchange reserves and booming capital markets amongst others. India also ranked highest in terms of consumer confidence during all 4 quarter of the financial year 2015-16 (FY16) as per the global consumer confidence index created by Nielsen. India’s gross domestic product (GDP) grew 7.6% in FY16, which reinforces India’s position as the world’s fastest growing large economy and according to IMF Economic Outlook Indian economy will continue to grow more than 7% in FY17.

Exhibit 1: Indian GDP growth rate (Base year 2011-12)



Source: CSO

Thanks to the various policy and budgetary measures aimed at rebooting the country’s economy to a higher growth trajectory coupled with resolute persuasion of reforms by the Central Government, economic activities are steadily reviving. While the revival of consumer confidence is getting reflected in the handsome growth in sales of passenger cars, the effect of increased public spending on high ticket infrastructure, railway and defense projects shall aid to restart a moderate pick up in private investments in the manufacturing sector.

The forecast of good monsoon on the back of the increased rural thrust of the union budget 2016 shall help strengthen the rural activities and consumption cycle. Implementation of the 7th Pay Commission recommendations and OROP scheme shall boost retail consumption. Further reduction in retail cost of borrowing, likely to be pursued in light of contained inflation, augurs well. Due to the continued thrust of impending high impact economic reforms such as the GST, land, labour, etc., the Indian economy appears set to shift to 8-9% growth range in the coming years.

The Indian Agriculture overview

Agriculture in India is one of the most important sectors since it employs roughly half of India’s workforce and contributes 17% to country’s GDP. The key challenges faced by the sectors include

overwhelming dependence of monsoon, small land holding size inhibiting technology adoption, access to formal credit and minimum support prices amongst others. With increasing population and consequent increase in the demand of food grain coupled with migration from traditional food sources to high nutrient food sources there is immense pressure on our existing land resources to deliver more from the same.

With 195 million hectares of land under crop area, India commands the second largest area under cultivation in the world. Steady improvement in farm yields gets aptly reflected in a CAGR of 2.45% in food grain production from 2005 to 2016. The yield in India for many crops, however, remains significantly below their global averages owing to inefficient farming practices and adverse factors such as small farm sizes and low mechanization. With growing population, shrinking agriculture land and continued labor migration to urban economic centers, the need for driving improvement in farm yield is the way forward for the sector.

In an attempt to address structural challenges of Indian farming sector and the rural populace, the central government is pressing ahead with many progressive schemes and initiatives such as investment in irrigation, soil health card, crop insurance, mass opening of bank accounts, direct transfer of various subsidies in beneficiaries’ account, etc. These initiatives coupled with responsible water management practices through advanced irrigation; linking of rivers etc. shall help Indian agriculture sustain its growth momentum over longer times.

Apart from the above, growing farmer awareness, hybridization, increase in demand for food, shift in food patterns, contract farming are likely to increase farm productivity. The introduction of e-commerce in farm produce distribution will greatly increase farmer incomes.

Second consecutive year of poor monsoon has taken its toll on the Indian agriculture sector in FY16. With the country encountering a 14% deficit in monsoon over Long Period Average (LPA), spate of unseasonal rain in the winter months of December and January inflicted further damages to the agricultural sector. This did have an impact on the demand for agriculture inputs.

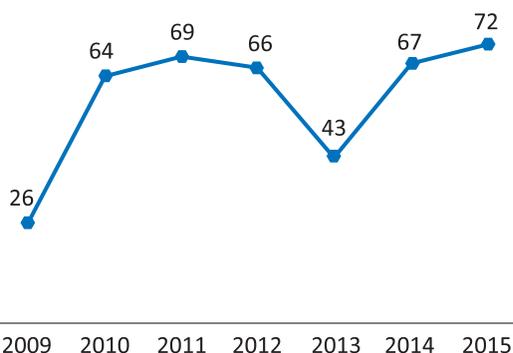
Industry Overview

Global Agrochemicals Industry

Agrochemicals namely fertilizers, pesticides, hormones and plant growth regulators (PGR) etc., play a critical role to enhance plant and soil health, improve farm yields and farming income. Fertilizers and pesticides command a large share of the total global consumption of agrochemicals. As per latest industry estimates global market for agrochemicals stood at \$207.5 bn in Calendar Year 2014 and is estimated to grow at a CAGR of 3.2% to reach \$250.5 bn by 2020. Shrinking farmland juxtaposed with rising global population and per capita consumption of farm produce is making it imperative to extract more yield per hectare, thereby driving continued growth in demand of agrochemicals.

The global agrochemicals industry is also witnessing increased regulatory scrutiny due to concerns relating to bees, safety, residues etc. Introduction of stringent environmental norms and calling off of registration of 100+ chemical projects in the coastal chemical industrial parks in China has led to exit of several pesticide companies. Increased M&A activities and significant consolidation of large industry players is likely to impact the business dynamics.

Exhibit 2: Global agrochemicals industry M&A (no. of transactions)



Source: Deloitte Global chemical industry mergers and acquisitions outlook 2016

The outlook for global agrochemicals industry appears to be muted with a slow recovery expected in 2016.

Crop Protection Sector

The global crop protection industry witnessed a sharp decline in growth last year. Various factors like adverse weather conditions, rainfall deficit due to El Nino phenomenon, currency fluctuations, pressure on commodity prices, reduced prices due to lower energy costs, higher channel inventory adversely impacted the crop protection market.

As per an agriculture consultancy firm Phillips McDougall, at distributor level the global sales for crop protection items dropped by 8.5% to \$51.8 billion in 2015. However, on constant Dollar terms, the sales remained near flat.

Exhibit 3: Crop protection sales by region (\$ Million)

Region	2014	2015	% Change
Latin America	16,147	14,490	-10.3
Asia	14,644	14,100	-3.7
Europe	13,885	11,694	-15.8
Nafta	9,810	9,378	-4.4
Rest Of The World	2,169	2,173	0.2
Total	56,665	51,835	-8.5

Source: Phillips McDougall

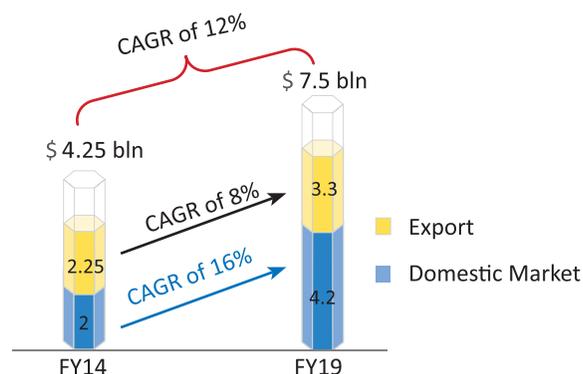
Indian Agrochemicals Industry

Agrochemicals industry has transformed the landscape of agriculture and benefited not only the farmers but the whole country. Agrochemicals play a critical role in ensuring food and nutrition security of the nation. As per estimates, every year ~30% of the food production is lost owing to insects, pests, weeds, lack of storage and others coupled with large and increasing population with limited availability of land

makes the use of agrochemicals of utmost importance.

The Indian agrochemicals is estimated to grow by 12% every year to reach \$7.5 billion by FY19 with half of it as exports. Exports are expected to grow at a faster rate of 16% to reach \$4.2 billion while domestic market is estimated to grow at 8% to reach \$3.3 billion by FY19.

Exhibit 4: Indian Agrochemicals Industry



Source: FICCI Report, TSMG Report on Indian Agrochemicals Industry

Indian agrochemicals sector business prospect is directly dependent on agriculture and more than 60% of India's agriculture is still monsoon dependent. Monsoons in India failed for two consecutive years and more importantly very low rainfall in the catchment areas led to lower water storage in the reservoirs. Several parts of the country like Maharashtra, Gujarat, Karnataka, Andhra Pradesh, Telangana was hit by severe drought conditions. Crops spread over more than 19 million hectares were severely impacted. Consequently, this resulted in a decline in the offtake of agrochemicals industry witnessing a slow down during the fiscal year FY16.

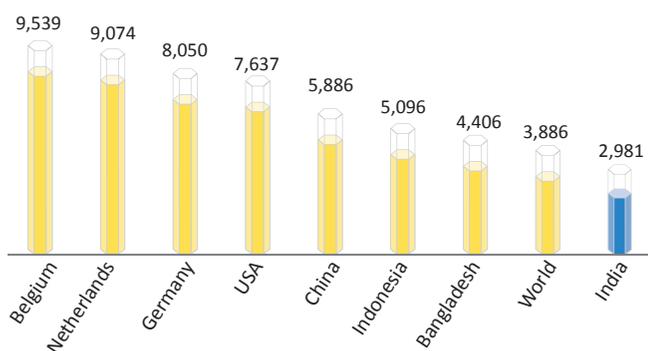
The normal to above normal prediction of rainfall in the country in the coming year is expected to bring cheers to the farmer and growth in agriculture and agrochemicals industry. As per IMD, monsoon will be 106% of the long period average (LPA) with 94% probability of normal to excess in FY17. Good and well distributed monsoon not only increase farm production but it will increase farmer income too which means more money which they can invest in application of agrochemicals. Indian agrochemicals industry business prospect thus looks bright for coming FY17 on the back of above average monsoon as predicted by Indian Meteorological Department (IMD).

INDUSTRY GROWTH DRIVERS

- Increased demand for food grains:** As per Indian Council of Agricultural Research (ICAR) demand for food grains would increase from 192 million tons of year 2000 to 345 million tons in year 2030. Hence in the next 15 years, production of food grains needs to be increased at the rate of ~6 million tons annually. With constraint to increase land area, one of the potential solution lies in improving crop yields by way of prudent use of agrochemicals.
- Sustained government support:** Economic empowerment of farmers by way of input subsidies and adequate minimum support price will help drive growth of agrochemicals demand.

- Wastage of agri output:** As per industry estimates close to 30% of crop output is lost due to the attack of pests, weeds and diseases. It becomes essential to use agrochemicals to minimize these losses.
- Low farm productivity:** Per kilogram yield of cereal in US and China stands at 2.6x and 2.0x respectively of that of India. Increased use of agrochemicals and better farming practices can significantly increase the yield and output.

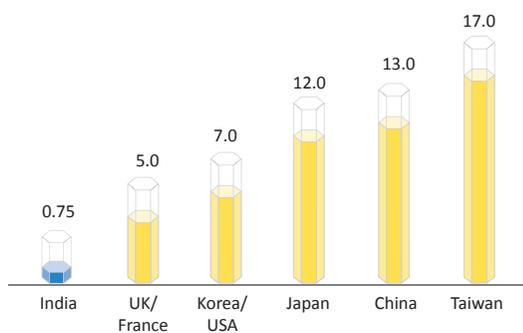
Exhibit 5: Worldwide comparison of Cereal yield (Kg / Ha), 2014



Source: The World Bank

- Low consumption levels:** At 0.75 g/ha, pesticides consumption in India remains amongst the lowest in the world and offers significant headroom for sustained future growth.

Exhibit 6: Worldwide comparison of pesticides consumption (Kg / Ha)



Source: FICCI Report, TSMG Report on Indian Agrochemicals Industry

Company Overview

PI Industries has a unique, differentiated business model leveraging its capabilities across the value chain by providing integrated and innovative solutions to its customers by partnering with the best.

With its strong value system built on the foundation of trust, integrity and protection of Intellectual Property Rights, PI has taken an integrated approach to differentiate itself with unique value proposition to its customers across research & development, manufacturing services, application development, marketing, distribution and customer connect initiatives.

Over the past several decades, PI Industries has worked relentlessly to provide value added solutions to millions of farmers in the country and across the globe carving a niche position in the minds of the

customers. The strategic, differentiated and partnership approach has enabled the Company to grow at a fast pace, delivering superior returns to all its stakeholders.

Research & Development (R&D)

At PI Industries, Research & Development is one of our key strengths and is an integral part of our business. We continue to build our capabilities and competencies in the field of chemistry. We are engaged with prominent names in the global agrochemicals industry and have nurtured strategic relationship with several of the global innovators.

Our research & product development capability forms the core of our partnership with global innovators when it comes to licensing arrangements for patented / proprietary products for commercializing in the country. Our in depth expertise in process research, process development, and analytical references enables us to provide integrated solutions to our global customers. We continue our focus on new innovative chemistries & processes, cutting edge technologies and working on molecule libraries of our customers.

Over the past four decades, our Company has been continuously investing in Research and Development activities. Our R&D facility at Udaipur has a strong team of scientists and chemists who specialise in complex chemistry. Infrastructure includes advanced research and development labs, kilo plants and pilot plants with NABL certification.

With an aim to further raise our R&D capacities manifold, we continue to invest in R&D infrastructure and talent. During the year, our Company inaugurated a world-class R&D center at Udaipur. The 60,000 square feet R&D center is equipped with best in class infrastructure and would house around 150 research scientists. We commissioned one floor of the building this year and the remaining will get completed in the ensuing year.



Manufacturing

Our Company has established a very strong manufacturing footprint and has three facilities in the state of Gujarat spread over 100 acres of land. 5 Multi-purpose plants and 3 Formulation units at Panoli caters to the requirements of both our local and global customers. Formulation facilities process agrochemicals in WDG, WG, SC, E, EC, DP, GR, etc.

The 3 multi-purpose plants set up at Sterling SEZ, Jambusar has added to our capacity to meet with the increased demand from our global customers. We have invested in top quality, state of the art technology in the construction of these plants to ensure the highest level of safety, product quality, productivity and consistency in output.

The multi-purpose plants provide flexibility that enables us to produce new products in a short time and scale up to meet with our customer needs. Our manufacturing facilities are ISO 9001, ISO 14001, OHSAS 18001 and ISO 17025 certified.

Our manufacturing facilities conform to very high safety standards. Our Company continues the strong focus on Health, Safety and Environmental practices. National Safety Council of India awarded Panoli plant with Certificate of Appreciation in manufacturing sector, for occupation health and safety performance of past three years. During the year, the Company was conferred the Golden Peacock award for Environmental Practices, received Responsible Care recognition from Indian Chemical Council.

Product Development

Our product development team continues to evaluate several interesting products in the pipeline. After successful completion of field trials and registration process, we have launched a highly effective, new granular rice insecticide named VIBRANT, with different mode of action for the first time in India. VIBRANT is a preferred solution by the rice growers in more than 40 countries for effective protection against stem borer and leaf folder. The initial response from our customers Vibrant is very encouraging and is expected to further strengthen our position in rice crop solutions.



We launched “Biovita_x”, a plant nutrient in granular form and this has been received very well by our customers. We have also introduced “PERIDO” a broad spectrum fungicide recommended to be used in rice, wheat, groundnut, tea and soybean.

We continue to work closely with our global partners focusing on high-potential molecules for Indian markets under the in-licensing

arrangement. Our product development team is working on a rich pipeline of products that are being evaluated and are in different stages of registration and will continue with our tradition of introducing 1 – 2 new products every year.

To meet with the requirement of our global customers, combined efforts of our R&D, product development and manufacturing teams resulted in commercializing 3 new high potential molecules during the year. The business development team continues to explore and evaluate multiple opportunities in the early patented molecule space working closely with the global innovators. We follow a strategy of launching two to three high potential molecules every year leading to sustained revenue growth and healthy margins.

Marketing & Distribution

We continue to enjoy a leadership position in building strong brands and delivering our promise to our customers. Several key brands like OSHEEN, NOMINEE GOLD, BIOVITA, CUPRINA, ROKET, FORATOX, KITAZIN, KEEFUN and others have built a strong connect with the farmers and have a great recall value in the minds of our customers. This has helped us to report growth inspite of the severe drought faced by the country during the year.

One of the key strengths of our Company is the strong and wide distribution system built in the country. With 8 zonal offices, 29 depots, 1500 experienced field force, 5,000 dealer / distributors, more than 40,000 retailers spread across the country; we have access to over a million farmers on a direct and indirect basis. Our centralized SAP based ERP system gives us efficient last mile connectivity.

Customer Connect

Our deep rooted and extensive presence spread in the rural hinterlands is actively supported by strong and effective customer connect programme. At the channel level, we conduct strategic business partner meetings wherein our channel partners are informed and trained on the shifting paradigms in agriculture. We also enable them to be future ready by providing necessary technical and soft skills trainings. Channel partners and our strong and experienced field force visit the villages and farmers regularly, conduct 1 on 1 and group meetings, impart knowledge and training on improved methods of agriculture to increase yield and productivity. To further enhance our reach and farmer connect, we have taken several key initiatives in the digital space including use of mobile technology & tablets.

Our business model is based on a strong partnership approach with the global innovators built on the principles of trust and IP protection. We continue to further strengthen the relationships through strategic alliances with major players in agrochemicals. Our experience in handling variety of chemistries, strong in house engineering team, process research capabilities, quick turnaround time, optimized manufacturing processes, on time delivery performance make us a partner of choice to our global innovators.

We provide unique and value added solutions to our customers leveraging the immense knowledge built over the years, working across the value chain from R&D in molecules, processes and formulations, commercialization, field trials, registrations, manufacturing, distribution and sales to our global customers and also the domestic consumers. Better than industry performance,



strong and growing order book is a testimony of deepening relationship & trust that we enjoy with our end customers.

Financial Review

Revenue: In FY16, revenue grew by 8.1% and reached to ₹ 2,097 crores from the previous year figure of ₹ 1,940 crores. Our Company performed better than industry during the year, despite a sharp de-growth of 8.5% witnessed in the global agrochemicals industry and a nearly flat performance of the domestic industry.

EBITDA: In FY16 EBITDA increased by 16.9% and reached to ₹ 433 crores from ₹ 370 crores reported in previous year. EBITDA margins also improved by 157 bps at 20.6% compared to previous year.

PAT: Profit After Tax in FY16 stood at ₹ 313 crores, delivering gains of 28.8% year-on-year on the back of expansion at Jambusar facilities, tax benefits due to our SEZ operations and the extension of our research and development in which we made substantial investments this year.

EPS: Basic earnings per share grew to ₹ 22.90 as compared to ₹ 17.84 which the Company reported in previous year.

Net Worth: The net worth of the Company grew by 30.9% and reached at ₹ 1,156 crores from the previous year figure of ₹ 883 crores.

Debt Equity Ratio: The Company’s net debt stood at ₹ 125 crores as on March 31, 2016 with debt equity ratio of 0.11 (times).

Outlook

We are optimistic in our business outlook on account of favorable expectations of good monsoon in the domestic market and due to the momentum in our exports.

The prediction of an above normal monsoon by IMD for India in 2016 would lead to better demand prospects in the domestic market. With our vast distribution network and a strong field force, robust product portfolio and strong brand recall, we are well placed to leverage this opportunity. We are assiduously enhancing our product portfolio and distribution network to further enhance our reach. We are also well on track to introduce a new herbicide named, ‘LEGACEE’ during Khariff 2016. We are well-placed to deliver robust earnings in our exports on the back of a strong order book, scaling up of production with the two new plants installed at Jambusar, expected recovery in the global agrochemicals industry and commercialization of new molecules as per schedule.

With our enhanced focus on leveraging our capabilities across our value chain, we are hopeful of another good year. Building on our knowledge base in Chemistry, we have also planned to foray into the pharma sector for manufacturing and export of early intermediates. We see synergy at the R&D, manufacturing and customer end in this area.

Corporate Social Responsibility

We stand committed to our responsibility towards the society and it is our motto to ensure that our economic growth is socially and environmentally sustainable. We instituted a Corporate Social Responsibility (CSR) policy in an effort towards inclusive development and creating value for our society. An essential component of PI’s corporate responsibility is to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives. We actively and effectively pursue the above vision, through our Trust named “PI Foundation” which drives the Company’s CSR initiatives. During FY16, the Company undertook several which have been described elsewhere in our Annual Report.

Risk Management

We have a robust risk management framework in place, which monitors all the key material risks and efficacy of their mitigation mechanism from time to time. We also keep an eye on emergent risks, calibrate them from materiality standpoint and evolve mitigation mechanisms as and when required. Key areas of risk include Climatic risk, Currency risk, Intellectual Property risk, Talent risk, Third party risk and EHS risk.

The annual audit plan is drawn based on the major risks areas identified. Our business & functional heads are constantly working to reduce and eliminate these risks and these are reviewed and advised by our Board.

Human Resource and Industrial Relations

We treat our human capital as our biggest assets. We acknowledge the importance of having a highly engaged workforce that can bring innovation and improve productivity. Consequently, we also strengthen the working environment to make it inclusive, progressive and flexible; promoting an excellence-driven culture. We continue to focus on talent channelization, performance management and on the job training initiatives to develop an inspiring, strong and credible leadership talent pool from within.

We foster a performance-driven culture of meritocracy. We acknowledge the contributions of key performers and prepare them for challenging roles. We organize various training programmes covering technical, behavioral, safety issues, code of conduct, product training and other needs during the year.

We continued to recruit scientific, technical and managerial personnel (graduates and postgraduates) from leading engineering, agricultural and business schools. A structured development program aligned to our business objectives helped groom freshers into prospective leaders. As on March 31, 2016, the total employee strength stood at 1,884. Industrial relations across all the plants continued to remain cordial.

Internal Control Systems

Our Company has in place a holistic internal control system which is commensurate with the size, scale and complexity of its operations. All operations at the Company are run on the SAP system. The in-house internal audit team plans the audit schedule of all plants, subsidiaries and depots. Apart from in-house internal audit function, an independent external team of M/s KPMG was engaged as the Internal Auditors to independently assess internal controls and statutory compliances in various areas of the Company's functions and provide suggestions for improvement. The schedule of audit was prepared on the basis of 'risk assessment' to ensure that all the assets of the Company were protected against losses. It also ensured that all transactions were authorized and recorded in the books of the Company. The Audit Committee of the Board approves the internal audit plan at the beginning of every year to ensure the coverage of most functions with a view to mitigate risks. The Audit Committee regularly reviews the significant findings of the internal audit regarding various locations and functions to help take effective steps to ensure compliance. The periodic report prepared by internal audit team, formed the basis of certification provided by the Managing Director and Chief Financial Officer, for financial reporting as required under Clause 49 of the Listing Agreement.

Information Technology

At PI Industries, we believe that business growth can be sustained only if it is complemented by latest state of the art technologies. Information Technology is one of our top priority areas. During the year, our company upgraded our ERP system, to a new high speed, 'In-Memory Database', **SAP HANA**. This has improved the system speed, performance and response time manifold thereby directly enhancing productivity and efficiency. The new system is future ready, scalable and architected to support growth of our business in the coming years.

Bridging the digital divide for our customers in the Agri world has been a key strategic IT initiative. Our Company has enhanced and upgraded its software portfolio and application services thereby digitally connecting our partners, distributors, direct dealers, retailers with our sales force teams through mobiles and tablets. This has dramatically improved the value chain to our customers with real time tracking of accounts, billing and material movement. In addition to this, the upgrades have enhanced our ability to monitor the performance of our sales force on a real time basis.

In order to enable our scientists with cutting edge technologies, we invested in Electronic Lab Notes (ELN) for our R & D department. Deployment of this technology brings in collaborative scientific tools that enhance the productivity of our scientists through automation, integration with lab instruments, knowledge based search through libraries of chemical structures, workflows, etc.



Cautionary Statement

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

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



To the Members of

PI Industries Limited

Your Directors have pleasure in presenting their report and audited accounts for the year ended on March 31, 2016:

1. FINANCIAL HIGHLIGHTS

(₹ In Cr.)

Particulars	FY 2015-16	FY 2014-15
Gross Sales & Other Operating Income	2,386.47	2,188.78
Excise Duty	101.07	92.88
Discount	188.71	156.25
Net Sales	2,096.69	1,939.65
Other Income	34.34	41.52
Profit before Interest, Depreciation and Tax	467.05	411.49
Interest	9.53	9.73
Depreciation	53.76	49.16
Profit before Tax & Exceptional items	403.76	352.60
Current Tax inclusive of earlier year Tax	70.90	114.63
Deferred Tax Asset/Liability	19.50	(5.28)
Profit after Tax	313.36	243.25
Balance of profit brought forward from previous year	587.99	413.44
Appropriations		
Interim Dividend on Equity Shares	42.51	16.39
Dividend of Previous Years	-	-
Income Tax on Interim Dividend	8.63	3.83*
Transfer to General Reserve	31.33	24.33
Depreciation of NIL assets	-	2.76
Proposed Final Dividend on Equity Shares	-	17.76
Income Tax on Final Dividend proposed on Equity shares	-	3.63
Balance Profit / (-) Loss carried forward	818.88	587.99

* includes dividend tax paid for earlier year

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements are related and the date of the report.

2. KEY HIGHLIGHTS

Your Company's Net Sales for the year grew to ₹ 2,096.69 cr from ₹ 1,939.65 cr last year registering a growth of 8.10% YoY.

The Operating Profit for the year grew to ₹ 432.71 cr from ₹ 369.97 cr last year i.e. an increase of 16.96% YoY. The Net Profit for the year on stand-alone basis grew to ₹ 313.36 cr from ₹ 243.25 cr in the previous year i.e. an increase of 28.82% YoY.

EBIDTA margin improved 157 basis points to 20.64% in 2015-16 over 2014-15 and PAT margin strengthened 241 basis points to 14.95% in 2015-16 over 2014-15.

Your Company proposes to transfer an amount of ₹ 31.33 cr to the General Reserves.

Your Company's Net Profit on a consolidated basis increased to ₹ 315.33 cr during the year as compared to ₹ 245.89 cr in the previous year, a growth of 28.24% YoY.

The Earnings per share (EPS) for the year stood at ₹ 22.90 per share an increase of 28.36 % compared to ₹ 17.84 per share for the previous year.

During the year, your Company launched **"VIBRANT"**, a highly effective, new generation granular insecticide for rice that can attack two pests (stem borer and lepidoptera/leaf folder) in a single application under the exclusive in license agreement.

As a part of its strategy to provide crop solutions, your Company has also introduced **"PERIDO"** a broad spectrum fungicide (recommended to be used in rice, wheat, groundnut, tea and soyabean) which will complement the application of various agri-chem products of PI and also increase their benefits to farmers.

Your Company has launched new avatar of Biovita named **"BIOVITA_x"** in domestic market.

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

Your Company has made significant capital investments to the tune of ₹ 321.44 cr in this year including setting up two new state-of-the-art manufacturing facilities at Jambusar and world class R&D centre at Udaipur.

3. PERFORMANCE REVIEW

Last two years have been quite challenging for Indian Agriculture. The growth rates in agriculture have been fluctuating at 1.5 per cent in 2012-13, 4.2 per cent in 2013-14, and (-) 0.2 per cent in 2014-15. According to the CSO (Central Statistics Office) estimate, the growth in the agri sector is estimated at 1.1 per cent for the year 2015-16.

Deficit in the monsoon for two consecutive years has been unfavourable to the agri sector. The uneven spatial and temporal distribution of monsoon impacted the crop acreages and productivity in rain fed regions mainly Gujarat, Maharashtra, Karnataka, Telangana, parts of Uttar Pradesh. The acreages and productivity of key crops like rice, cotton, pulses & oilseeds suffered which adversely impacted the consumption of agrochemicals.

In a tough year, when the industry struggled to maintain its top line and bottom-line numbers, your Company outperformed the industry and registered a growth of 6% in the domestic market.

The flagship rice herbicide brand **"NOMINEE GOLD"** continued to maintain its growth chart while **"BIOVITA_x"** and **"VIBRANT"** have been received well by the farmers in all crops. In addition to maintaining a leadership position, your Company successfully started strengthening its footprints into other key crops mainly horticulture **"KEEFUN"** which was launched a year ago has seen a tremendous response from the market. The experience of first year of commercialization, uniqueness of the product and its broad spectrum of target pests on a number of economically important crops will help expand **KEEFUN's** application in coming years.

Building strong pipeline has been a key focus area to ensure sustained growth in the long term. Your Company has been working very closely with the global innovator Companies to evaluate their products for Indian markets. Your Company is working on a rich pipeline which will enable one to two new product launches every year. In the review year, your Company has moved into advanced stages of arrangements with innovator Company's to evaluate ~10 new products; Some of them have been identified as potential candidates for further evaluation and development.

Your Company's exports grew by 9.5% during the year despite a slowdown in the global market situation. Commercialization of three new molecules (two active ingredients and one strategic key intermediate for a blockbuster herbicide) along with commissioning of two new multi-purpose plants at Jambusar SEZ is expected to provide growth momentum to the exports in the coming years.

Your Company has invested in top quality, state-of-the-art technologies in the construction of these two plants to ensure the highest level of safety, productivity and consistency in output. Consistent delivery performance was achieved, providing a boost to the strong customer satisfaction levels.

Initiatives in the areas of process innovation and cost improvement resulted in yield improvement, waste reduction and greener synthesis routes. Further, high plant uptime, time-cycle reduction due to de-bottlenecking activities, engineering enhancements and upgradations brought about greater efficiencies.

Research & Development (R&D)

During this year, R&D initiated laboratory development work on 15 new projects covering Agro, Pharma and Electronic chemical applications. Some of these molecules are still in early phase of their life cycle and are patented.

Capability enhancements were also one of the key focus area for R&D namely infrastructure upgradation, external collaboration and training in the areas such as automation of laboratory reactor set-up, process safety, high pressure chemistry, flow chemistry, fluorination and hydrazine synthesis.

During the year under review, the R&D team successfully carried out synthesis of several new molecules. In the custom synthesis

area, eleven new molecules progressed to the next stage and three molecules were commercialized during the year.

The R&D team also worked on process improvements projects for several existing products to identify cost improvement opportunities and then implement these improvements at the plant level. Environment, Health and Safety (EHS) considerations were given the usual special emphasis in the process development work. Further, the R&D & manufacturing are constantly working to reduce environmental load and enhance safety.

You will be glad to know that your Company has completed first phase of the expansion of R&D set up by constructing one floor of two-story building planned of approx. 60,000 square feet containing “state-of-the-art” process synthesis and analysis laboratory within the existing campus at Udaipur. This new infrastructure would support the increasing R&D projects under various disciplines of chemistry, library synthesis and joint research assignments with global innovator partners.

Finance

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back up lines of credit. Net cash from operations for the year stood at ₹ 352.70 cr. Your Company follows a prudent financial policy and aims at maintaining an optimum financial gearing. The Company's Debt to Equity Ratio was 0.11 as on March 31, 2016.

Your Company has been credit rated by CRISIL Limited. The Company's credit rating for long term was revised from Stable to Positive for long term loans i.e. 'CRISIL AA-/Positive and for short term loans, rating was reaffirmed at CRISIL A1+'. This reflects a very high degree of safety regarding timely servicing of financial obligations and also a vote of confidence reposed in your Company's financials.

4. DIVIDEND

During the year, the Board of your Company has declared an interim dividend of ₹ 1.2 per equity share of ₹ 1 each in its Board Meeting on October 27, 2015 and second interim dividend of ₹ 1.9 per equity share of ₹ 1 each in its meeting held on March 14, 2016, aggregating to ₹ 3.10 each on equity shares of ₹ 1 each, which was paid on November 24, 2015 and March 30, 2016 respectively. In view of the two interim dividends declared, the Board has not recommended any final dividend.

5. SUBSIDIARY COMPANIES

Your Company has three Wholly-owned Subsidiary Companies as on March 31, 2016. The members may refer to the financial statements forming part of the Annual Report as required under the provisions of Section 129(3) of the Companies Act, 2013. The key highlights of these subsidiary companies are as under:

(i) PI Life Science Research Ltd.

During the year, the Company posted a profit of ₹ 170.24 lacs, earned on account of various R&D activities for developing new products.

(ii) PI Japan Company Ltd.

The Company posted a net profit of JPY 18.60 lacs during the year. Due to the size of operations and local laws, the annual accounts of this Company are not required to be audited. The same have been certified by the Management of the Company.

(iii) PILL Finance and Investments Ltd.

The Company posted a profit of ₹ 16.08 lacs during the year.

A statement containing salient features of the financial statements of the Subsidiary Companies in form AOC-1 is given in Annexure 'A' to this Report.

Further, in accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing the Standalone and the Consolidated Financial Statements alongwith the Audited Annual Accounts of each Subsidiary Company have been placed on the website of the Company i.e. www.piindustries.com.

6. RISK MANAGEMENT POLICY AND INTERNAL CONTROLS

Your Company has in place a mechanism to identify, assess, monitor and mitigate various risks associated with the business. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis. The same are reviewed by the Audit Committee and the Board of Directors of your Company from time to time.

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

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

7. MANAGEMENT DISCUSSION AND ANALYSIS

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

8. RELATED PARTY TRANSACTIONS

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

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



The Related Party Transactions Policy as approved by Board on recommendation of the Audit Committee is uploaded on the Company's website at the following weblink: http://www.piindustries.com/sites/default/files/RPT%20Policy_PI.pdf.

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

9. AUDITORS

Statutory Auditors and Auditor's Report

The Statutory Auditors of the Company, M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, (Firm Regn No: 000756N) hold office till the conclusion of the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The Company has received their written consent and certificate that they meet the criteria provided under Section 141 of the Companies Act, 2013 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder. The Audit Committee and the Board of Directors recommends the re-appointment of M/s S.S. Kothari Mehta & Co., Chartered Accountants, as the Auditors of the Company in relation to the financial year 2016-17. The re-appointment proposed is within the time frame for transition under the third provision to sub-section (2) of Section 139 of the Companies Act, 2013.

Auditors Report does not contain any qualification; hence same does not call for any explanation.

Cost Auditor

Pursuant to the directives issued by the Central Government, an audit of the cost records relating to Insecticides (Technical grade and formulations) manufactured by the Company is required to be conducted by an auditor with the requisite qualifications as prescribed under Section 148 of the Companies Act, 2013. Your Board has appointed M/s K.G. Goyal & Co., Cost Accountants, Jaipur, as Cost Auditors based on the recommendation of the Audit Committee for the conduct of the audit of cost records of Insecticides (Technical grade and formulations) for the year ending March 31, 2017.

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

Secretarial Auditor

The Board had appointed Mr. R.S. Bhatia (CP No.2514). Practicing Company Secretary, to carry out Secretarial Audit in accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended March 31, 2016. The Secretarial Audit Report for the financial year ended March 31, 2016 has been obtained and does not contain any qualification, which requires any comments from the Board. The Secretarial Audit Report for financial year ended March 31, 2016 is annexed to this report as Annexure 'B'.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

11. DEPOSITS

Your Company has not accepted any deposits during the financial year 2015-16. Further, there are no deposits unclaimed or pending in the books of the Company.

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

Dividend remaining unclaimed and unpaid for more than seven years has been transferred to the Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 15, 2015 (date of last Annual General Meeting) on the Company's website and on the website of the Ministry of Corporate Affairs. The weblink for the same is <http://www.piindustries.com/sites/default/files/Copy%20of%20Unpaid%20Div%2015%209%2015%20all.pdf>.

13. BOARD AND COMMITTEES

a) Board of Directors

Your Company is managed and controlled by an experienced Board comprising an optimum blend of Executives and Non-Executive Professional Directors. Since the Chairperson of the Board is an Executive Chairperson, more than half of the Board comprises of Independent Directors. As on March 31, 2016, the Board of Directors consists of eight Directors including Chairman & Managing Director, Managing Director & CEO, Whole time Director and five Non-executive Directors, out of which four are Independent Directors including one Woman Director. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations,



2015 and the relevant provisions of the Companies Act, 2013. All the Directors possess the requisite qualifications and experience in general corporate Management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

All Independent Directors have given a declaration confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and the Listing Regulations.

Mr. Anurag Surana has tendered his resignation from the Board of the Company w.e.f May 11, 2016. The Board places on record the appreciation of the services rendered by him during his association with the Company.

Based on the recommendation of Nomination and Remuneration Committee, Mr. Ravi Narain has been inducted as an Additional Director on the Board of the Company w.e.f May 24, 2016 and accordingly he holds his office up to the conclusion of forthcoming Annual General Meeting. The Company is in receipt of notice from the shareholder proposing his appointment as Independent Director on the Board. The Board recommends his appointment as Independent Director to the Board, for approval of the members in the forthcoming Annual General Meeting.

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 the members at the forthcoming Annual General Meeting.

b) Evaluation of the Board Performance

In compliance with the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors during the year under review. The evaluation framework for assessing the performance of Directors comprised of criteria like quality of contribution to the Board deliberations, strategic perspective or inputs regarding future growth of Company and its performance, attendance of Board Meetings and Committee Meetings and commitment to shareholder and other stakeholder interests. The evaluation involves Self-Evaluation by the Board Members and subsequent assessment by the Board of Directors. A member of the Board does not participate in the discussion of his/her evaluation. Details of performance evaluation are provided in Report.

c) Number of Board Meetings conducted during the year under review

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

d) Composition of Audit Committee

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

e) Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2015-16 ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

14. KEY MANAGERIAL PERSONNEL

During the year, Mr. Rajnish Sarna, Whole-time Director who was also holding the position of CFO, relinquished his office in the capacity of CFO and continued as Whole-time Director on the Board of the Company. Ms. Jayashree Satagopan was appointed as Chief Financial Officer of the Company w.e.f July 28, 2015. There has been no change in any other Key Managerial Personnel of the Company during the year.

15. EXTRACT OF ANNUAL RETURN

The extracts of Annual Return in Form MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure 'C' attached to this Report.

16. EMPLOYEES

a) Remuneration policy of the Company

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

b) Human Resources and Trade Relations

Acquisition and retention of right talent is critical to maintain desired operational standards. The success of any organization is driven by its people and your Company believes that its employees are one of its biggest assets. Various Training & Development programmes are organized to harness the skills of Company employees. Lot of efforts are put in Talent Management, Strong Performance Management, learning and training initiatives in order to ensure that your Company consistently develops strong inspiring and credible leadership at various levels of the organization.

During 2015-16, your Company continued to have cordial relationship with all its employees and maintained healthy, cordial and harmonious industrial relations at all levels.

Total permanent workforce of your Company stood at 1749 as on March 31, 2016.

c) Prevention of Sexual Harassment at Workplace

Your Company has a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto covering all the aspects as required under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013. The Company has constituted Internal Complaints Committee (ICC) known as Prevention of Sexual Harassment (POSH) Committee to enquire in to complaints of Sexual Harassment and recommend appropriate action. There were no complaints received under the aforesaid policy during the year.

d) Particulars of Employees and related disclosures

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and annexed as Annexure 'D'. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(2)

of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the statement of particulars of employees under Rule 5(2). Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

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

e) Employee Stock Option Plan / Scheme

During the year, your Company granted 2,77,126 performance options to eligible employees under PII-ESOP Scheme, 2010 as per the criteria laid down by Compensation Committee of the Board. The aforesaid options shall vest after a lock in period of one year from the date of grant. The vesting period of aforesaid options is four years. The exercise price of options granted have been arrived by giving discount to the closing market price of the equity share on National Stock Exchange India Limited one day prior to the date of grant of option. Voting rights on the shares issued to employees under the ESOP Scheme are either exercised by them or through their appointed proxy. No employee has been issued share options, during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant. Details of options as required under SEBI regulations is given in Annexure 'E'.

17. CORPORATE GOVERNANCE

Your Company takes pride in its Corporate Governance structure and strives to maintain the highest possible standards. A detailed report on the Corporate Governance code and practices of the Company along with a certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015 are given in separate section of annual report.

18. VIGIL MECHANISM – WHISTLE BLOWER POLICY

Your Company has established a vigil mechanism for Directors and employees to report their genuine concerns, as approved by the Board on the recommendation of the Audit Committee. The Whistle Blower Policy of the Company is formulated and uploaded on the Company's website at the following weblink: http://www.piindustries.com/sites/default/files/PI_Whistle%20Blower%20Policy%20or%20Vigil%20Mechanism.pdf

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



19. CORPORATE SOCIAL RESPONSIBILITY (“CSR”) AND RELATED MATTERS

Your Company’s commitment to CSR is well known. In accordance with the requirements of Section 135 of the Companies Act, 2013, your Company has a CSR Committee comprising five members with Mr. Salil Singhal, as Chairman and Mr. Mayank Singhal, Mr. Rajnish Sarna, Mr. Pravin K. Laheri and Mrs. Ramni Nirula as Members. Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at <http://www.piindustries.com/sites/default/files/PI%20CSR%20Policy.pdf>

CSR Initiatives

Your Company carried out the CSR activities through PI Foundation, a Trust set up by PI Industries Ltd. During the year, PI Foundation undertook several CSR initiatives, some of which are mentioned below:

- a) Promotion of Direct Seeded Rice (DSR technology), awareness program for farmers to increase productivity.
- b) Agri Skilled Development for Rural Youth to increase employability.
- c) Agro Advisory Programs to improve yield and conserve environment.
- d) Farmer Engagement Programs.
- e) Certified Vocational Training Program For Chemical Plant Operators.
- f) Swachh Bharat Abhiyan Programme - provision of toilets in 11 schools near Panoli.
- g) Sanitation and Hygiene Awareness Programme in 11 schools near Panoli.
- h) Preventive Healthcare through Mobile Health Units covering 59 villages in Jambusar.
- i) Supporting education through distribution of library books, note books, science and maths kit.
- j) Engagement with Women to Promote Security, Equality, Dignity & Peace under Community Development Project.
- k) Purified Water Supply (RO Water) to villagers in north Karnataka, Andhra Pradesh and Jambusar.

During the financial year 2015-16, the Company has contributed an amount of ₹ 5.14 cr. to PI Foundation, aggregating to 2% of its average net profits for last 3 years i.e ₹ 257.15 cr. PI Foundation has been able to spend an amount of ₹ 3.87 cr. during the financial year 2015-16. Though PI Foundation had earmarked the projects for CSR, it was not able to spend entire amount as shortlisting the implementing agencies through which various projects would be routed had taken time. Moreover, few projects considered are ongoing and spread over 2 to 3 years and would thus require a continuous outflow in respect of the same.

The details of CSR activities undertaken by the Company are highlighted in the report format provided under the Companies (Corporate Social Responsibility Policy) Rules, 2014 in Annexure ‘F’ which is attached to this report.

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

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

21. CHANGES IN SHARE CAPITAL

During the year, your Company had issued 5,51,040 Equity Shares of ₹ 1 each which were allotted to PII ESOP Trust (Trust), set up to administer PII Employee Stock Option Plan-2010. The Trust allocates these shares to the employees of the Company and of its subsidiaries on exercise of stock options from time to time under the aforesaid Scheme. As a result of this allotment, the paid-up equity share capital of your Company increased to ₹ 13.71 cr (comprising of 13,71,27,222 Equity Shares of ₹ 1 each as on March 31, 2016) from ₹ 13.65 cr (comprising of 13,65,76,182 Equity Shares of ₹ 1 each as on March 31, 2015).

22. JOINT VENTURE

The Board of Directors in its meeting held on May 24, 2016 approved the proposal to enter into a Joint Venture Agreement with Mitsui Chemical, Agro, Inc. Japan (MCAG). The Joint Venture would provide registration services for MCAG’s proprietary agrochemicals and leverage PI’s deep understanding of Indian agriculture, farmers need, regulatory system etc. and MCAG’s capability of delivering innovative agrochemicals.

23. GENERAL

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

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

24. ACKNOWLEDGMENTS

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

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

Your Directors proudly acknowledge the contribution and hard work of the employees of the Company and its subsidiaries at all levels, who, through their competence, hard work, solidarity and commitment have enabled the Company to achieve consistent growth.

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

Sd/-

Salil Singhal

Place: Gurgaon

Date: May 24, 2016

Chairman & Managing Directors

DIN: 00006629

Form AOC-I

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Co/JV.

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

Part "A": Subsidiaries

Sl. No.	Particulars	Name of the subsidiary		
		PI Life Science Research Ltd.	PI Japan Ltd.	PILL Finance and Investments Ltd.
		(₹ in lacs)		
1	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	NA	NA	NA
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	JPY; 1 JPY = 0.58985 INR	INR
3	Share capital	94.50	29.49	36.00
4	Reserves & surplus	1,219.94	82.16	288.65
5	Total assets	1,345.37	132.96	333.11
6	Total Liabilities	30.93	21.31	8.46
7	Investments	-	-	4.13
8	Turnover	273.95	281.27	24.65
9	Profit before taxation	162.33	13.42	23.96
10	Provision for taxation	(7.91)	3.33	7.88
11	Profit after taxation	170.24	10.09	16.08
12	Proposed Dividend	-	-	-
13	% of shareholding	100%	100%	100%

Notes:

- | | | |
|---|---|-----|
| 1 | Names of subsidiaries which are yet to commence operations | NIL |
| 2 | Names of subsidiaries which have been liquidated or sold during the year. | NIL |
| 3 | Part B of the Annexure is not applicable as there are no Associate Companies/ Joint Ventures of the Company as on March 31, 2016. | |

On behalf of the Board of Director

For PI Industries Ltd.

Sd/-

Salil Singhal

Chairman & Managing Directors

DIN: 00006629

Place: Gurgaon

Date: May 24, 2016

ANNEXURE - B

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,

PI Industries Limited,

Regd. Office: Udaisagar Road,

Udaipur – 313001, Rajasthan.

CIN No: L24211RJ1946PLC000469

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 1956 and Companies Act, 2013 ("the Acts") and the rules made thereunder, as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations, 2011;
 - b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- c. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - Not applicable as the Company did not issue any security during the financial year under review;
 - d. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;
 - f. Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;
 - g. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and
 - h. Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 - Not applicable as the Company has not bought back any of its securities during the financial year under review.
- vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:
- a. Insecticides Act, 1968
 - b. Indian Boiler Act, 1932
 - c. Explosives Act, 1884
 - d. Poison Act, 1919
 - e. Handling of Hazardous Waste Rules, 1988
 - f. Petroleum Act, 1934

Though the previous year's report contains sixteen (16) laws under this category but on perusal of the applicability of remaining ten (10) laws it is found by the management that these laws were general in nature, therefore not mentioned in the report.

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



- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the financial year ended March 31, 2016 complied with the aforesaid laws.

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

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the financial year under review, were carried out in compliance with the provisions of the Acts and the Listing Agreement;
- 2. Adequate notice was given to all the Directors regarding holding of the Board Meetings. Agenda was sent in advance before the meeting. There exists a system for Directors to seek and obtain further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

- 3. Decisions at the Board Meetings were taken unanimously & recorded as part of the minutes of the meetings. (No dissent was there nor any dissent recorded).

In my opinion there are adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines & applicable general laws like labour laws, environmental laws & competition laws, etc.

Based on the compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) of the Managing Director and Chief Financial Officer and taken on record by the Board of Directors at its meeting(s), I am of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with the specifically applicable laws, rules, regulations and guidelines as mentioned in this report and applicable general laws like labour laws competition laws, environmental laws, etc.

I further report that the Company has allotted 5,51,040 equity shares to PII ESOP Trust on October 15, 2015 under the PII- ESOP Scheme 2010.

Sd/-

R. S. Bhatia

Practicing Company Secretary

CP No: 2514

Place: New Delhi

Dated: May 24, 2016

ANNEXURE - B (1)

To,

The Members

PI Industries Limited

Regd. Office: Udaisagar Road,

Udaipur – 313001, Rajasthan.

CIN No: L24211RJ1946PLC000469

My report of even date is to be read along with this letter.

- i. Maintenance of Secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on audit undertaken.
- ii. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed, provide a reasonable basis for my opinion.
- iii. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. Compliance of applicable financial laws including Direct and Indirect tax laws by the Company has not been reviewed in this Audit & the same has been subject to review by the Statutory Auditors & other designated professionals.
- iv. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
- v. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedure on test basis.
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

R. S. Bhatia

Practicing Company Secretary

CP No: 2514

Place: New Delhi

Dated: May 24, 2016

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 Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN:	L24211RJ1946PLC000469
ii)	Registration Date	31st December, 1946
iii)	Name of the Company	PI Industries Limited
iv)	Category/Sub-category of the Company	Public Company limited by shares/ Non-Government Company
v)	Address of the Registered Office and Contact Details	Udaisagar Road, Udaipur-313001 Tel. (0294) 2492451-55 Fax: (0294) 2491946 E-mail:- corporate@piind.com Website: www.piindustries.com
vi)	Whether shares listed on recognized Stock Exchange(s) (Yes/No) If yes, details of stock exchanges where shares are listed	Yes 1. BSE Limited Stock Code - 523642 2. National Stock Exchange of India Ltd. Stock Code - PIIND
vii)	Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given. Registrar & Transfer Agents (RTA):- Address Town / City State Pin Code: Telephone (With STD Area Code Number) Fax Number Email Address	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad Telangana 500032 040-6716 1500 040-67161680 shobha.anand@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

S.No	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the Company
1	Agri-Inputs	3808	98%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company.	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	PILL Finance and Investments Ltd. 209, Himalaya Arcade, Near Bharat Petrol Pump, Vastrapur, Ahmedabad-380 015	U65990GJ1992PLC018163	Subsidiary	100	2(87)
2	PI Life Science Research Ltd. 433-A, Ansal Chambers –II, 6, Bhikaji Cama Place, New Delhi-110 066	U73100DL2004PLC131109	Subsidiary	100	2(87)
3	PI Japan Co. Ltd. 2-11-4, The To-han Building 4th Floor, Uchikanda, 2-Chome, Chiyoda Ku, Tokyo, 101-0047 Japan	-	Subsidiary	100	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as a percentage of Total Equity)

A) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 01, 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	7,97,20,110	-	7,97,20,110	58.37	7,09,20,110	-	7,09,20,110	51.72	(6.42)	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	-	-	-	-	-	-	-	-	-	
e) Banks / FI	-	-	-	-	-	-	-	-	-	
f) Any other	-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A)	7,97,20,110	-	7,97,20,110	58.37	7,09,20,110	-	7,09,20,110	51.72	(6.42)	
B. Public Shareholding										
1. Institutions										
a) Mutual funds	1,16,81,655	-	1,16,81,655	8.55	1,65,07,059	-	1,65,07,059	12.04	3.49	
b) Banks / FI	4,306	-	4,306	-	9,212	-	9,212	0.01	-	
c) Central Govt.	-	-	-	-	-	-	-	-	-	
d) State Govt(s)	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	-	
g) FIs/FPIs	2,53,23,683	-	2,53,23,683	18.54	2,82,30,977	-	2,82,30,977	20.59	2.05	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	-	-	-	
Sub-total (B)(1):-	3,70,09,644	-	3,70,09,644	27.10	4,47,47,248	-	4,47,47,248	32.64	5.54	

2. Non-Institutions

a) Bodies Corp.

i) Indian	28,11,276	-	28,11,276	2.06	24,68,247	-	24,68,247	1.80	(0.26)
ii) Overseas	27,41,974	-	27,41,974	2.01	20,95,426	-	20,95,426	1.53	(0.48)

b) Individuals

i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	62,78,917	7,44,925	70,23,842	5.14	86,92,728	6,18,115	93,10,843	6.79	1.65
iii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	24,73,899	3,10,500	27,84,399	2.04	25,15,275	31,05,00	28,25,775	2.06	0.02

c) Others-(specify)

Directors Relatives	4,18,510	-	4,18,510	0.31	4,18,510	-	4,18,510	0.31	-
Directors	16,00,144	-	16,00,144	1.17	14,85,998	-	14,85,998	1.08	(0.09)
Non Resident Indians	6,68,180	-	6,68,180	0.49	11,72,308	-	11,72,308	0.85	0.36
Clearing Members	54,038	-	54,038	0.04	97,640	-	97,640	0.07	0.03
Trusts	17,44,065	-	17,44,065	1.28	15,82,317	-	15,82,317	1.16	(0.12)
NBFC Regd. with RBI	-	-	-	-	2,800	-	2,800	-	-
Foreign Bodies-	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	1,87,91,003	10,55,425	1,98,46,428	14.53	2,05,31,249	9,28,615	2,14,59,864	15.65	1.02
Total Public Shareholding	5,58,00,647	10,55,425	5,68,56,072	41.63	6,52,78,497	9,28,615	6,62,07,112	48.28	6.65

(B)=(B)(1)+ (B)(2)

C. Shares held by Custodian for GDRs & ADRs

Grand Total (A+B+C)	13,55,20,757	10,55,425	13,65,76,182	100%	13,61,98,607	9,28,615	13,71,27,222	100%	
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B) Shareholding of Promoter-

S. No	Shareholder's Name	Shareholding at the beginning of the year (as on April 01, 2015)			Shareholding at the end of the year (as on 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	Mr. Salil Singhal jointly with Mrs. Madhu Singhal	2,58,57,174	18.93	-	1,70,57,174	12.44	-	(6.42%)
2	Mrs. Madhu Singhal jointly with Mr. Mayank Singhal	3,341,700	2.45	-	33,41,700	2.44	-	-
3	Mrs. Madhu Singhal jointly with Mr. Salil Singhal	2,37,64,621	17.40	-	2,37,64,621	17.33	-	-
4	Mr. Mayank Singhal jointly with Mrs. Madhu Singhal	44,1647	0.32	-	4,41,647	0.32	-	-
5	Mr. Salil Singhal	1,31,01,879	9.59	-	1,31,01,879	9.55	-	-
6	Shri Salil Singhal, Karta Salil Singhal (HUF)	1,28,73,629	9.43	-	1,28,73,629	9.39	-	-
7	Ms. Pooja Singhal jointly with Mr. Salil Singhal	2,21,387	0.16	-	2,21,387	0.16	-	-
8	Ms. Shefali Khushalani jointly with Mr. Salil Singhal	1,10693	0.08	-	1,10,693	0.08	-	-
9	Ms. Pooja Singhal	3,690	-	-	3,690	-	-	-
10	Mr. Mayank Singhal	3,690	-	-	3,690	-	-	-

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

S.No.		Shareholding at the beginning of the year (as on April 01, 2015)		Shareholding at the end of the year (as on March 31, 2016)	
		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	7,97,20,110	58.37	-	-
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/Decrease	11.12.2015 Equity Shares divested for utilizing the funds towards family and philanthropic activities of the promoters.		(88,00,000)	(6.42)
3	At the end of the year	-	-	7,09,20,110	51.72*

*During the year 2015-16, paid-up share capital of the Company has increased from 13,65,76,182 to 13,71,27,222 Equity Shares of ₹ 1 each.

D) Shareholding Pattern of top ten Shareholders

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

S.No.	Name of Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year.	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Cartica Capital Ltd.	-	-	84,84,037	6.19
2	ICICI Prudential Value Discovery Fund	41,00,000	3.00	41,00,000	2.99
3	Axis Mutual Fund Trustee Ltd. A/c Axis Mutual Fund A/c Axis Long Term Equity Fund	24,47,739	1.79	34,77,237	2.53
4	Oppenheimer International Small Company Fund	22,69,503	1.66	25,88,639	1.89
5	Rowanhill Investments Ltd.	27,41,974	2.01	20,95,426	1.53
6	India Emerging Opportunities Fund Ltd.	-	-	14,08,654	1.03
7	Government Pension Fund Global	18,84,168	1.38	13,72,428	1.00
8	Mondrian Emerging Markets Small Cap Equity Fund	7,03,590	0.52	13,25,774	0.97
9	Shri GovindSwarup, Trustee, The Alto Trust	12,45,548	0.91	11,20,548	0.82
10	Amansa Holding Pvt. Ltd.	13,47,348	0.99	7,09,095	0.51
11	Ironwood Investments Holding	45,46,464	3.33	-	-
12	India Emerging Opportunities Fund Ltd.	13,56,828	0.99	-	-
13	Citigroup Market Mauritius Pvt. Ltd.	60,60,448	4.44	-	-

E) 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 (as on April 01, 2015)		Shareholding at the end of the year (as on March 31, 2016)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Directors					
1.	Mr. Salil Singhal Jointly with Mrs. Madhu Singhal	2,58,57,174	18.93	1,70,57,174	12.44
2.	Mr. Salil Singhal	1,31,01,879	9.59	1,31,01,879	9.55
3.	Mr. Mayank Singhal Jointly with Mrs. Madhu Singhal	4,41,647	0.32	4,41,647	0.32
4.	Mr. Mayank Singhal	3,690	-	3,690	-
5.	Mr. Narayan K. Seshadri	13,08,780	0.96	11,64,013	0.85
6.	Mr. Rajnish Sarna	1,89,924	0.14	2,20,545	0.16
7.	Mr. Anurag Surana jointly with Mrs. Radhika Surana	1,01,440	0.07	1,01,440	0.07
Other KMPs					
8.	Mrs. Jayashree Satagopan, CFO	-	-	-	-
9.	Mr. Naresh Kapoor, Company Secretary	3,604	-	9,311	0.01

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In. ₹ /lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	11,479.37	-	-	11,479.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.66	-	-	0.66
Total (i+ii+iii)	11,480.03	-	-	11,480.03
Change in Indebtedness during the financial year				
Addition	13,278.15	-	-	13,278.15
Reduction	(9,513.83)	-	-	(9,513.83)
Net Change	3,764.32	-	-	3,764.32
Indebtedness at the end of the financial year				
i) Principal Amount	15,216.81	-	-	15,216.81
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	27.54	-	-	27.54
Total (i+ii+iii)	15,244.35	-	-	15,244.35

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ /lacs)

S. No	Particulars of Remuneration	Mr. Salil Singhal	Mr. Mayank Singhal	Mr. Rajnish Sarna
		CMD	MD & CEO	WTD
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	330.12	295.33	232.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 incl. stock options	50.84	47.88	0.40
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Options	-	-	168.06
3	Sweat Equity	-	-	-
4	Commission	300.00	300.00	150.00
	- as % of profit			
	- others, specify			
5	Others-	-	-	-
	Total	680.96	643.21	550.50
	Total of all 3			1,874.67
	Ceiling as per the Act (@ 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013- in ₹ /Lacs)			4,321.93

B. Remuneration to Non-Executive Directors

(₹ /lacs)

S.No	Name of the Non-Executive Director	Fee for attending Board/ Committee meetings*	Commission	Total
1.	Mr. Narayan K. Seshadri	3.75	15.00	18.75
2.	Dr. Venkatrao S. Sohoni	2.00	15.00	17.00
3.	Ms. Ramni Nirula	4.50	15.00	19.50
4.	Mr. Pravin K. Laheri	2.00	15.00	17.00
5.	Mr. Anurag Surana	1.00	15.00	16.00
	Total managerial remuneration to Non-Executive Directors	13.25	75.00	88.25
	Ceiling as per the Act @ 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 (₹ /Lacs)			432.19

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

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

(₹ /lacs)

S. No	Particulars of Remuneration	*Ms. Jayashree Satagopan CFO	Mr. Naresh Kapoor Company Secretary
1	Gross salary (Amt/₹)		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	126.55	25.88
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 incl. stock options	0.14	0.33
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Options	Nil	29.53
3	Sweat Equity	Nil	Nil
4	Commission	Nil	Nil
	- As % of Profit		
	- Others, specify.		
	TOTAL	126.69	55.74

* employed for part of year

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 the Board of Director
For PI Industries Ltd.

Sd/-

Salil Singhal

Chairman & Managing Directors

DIN: 00006629

Place: Gurgaon

Date: May 24, 2016

ANNEXURE - D

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

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2015-16 as well as the percentage increase in remuneration of each Director, Chief Financial Officer / Company Secretary is as under:

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

Name of Director	Ratio to Median Remuneration	Percentage increase in remuneration over previous year
Non-Executive Director		
Mr. Narayan K. Seshadri	3.75:1	26.69
Mr. Pravin K. Laheri	3.40:1	27.34
Mrs. Ramni Nirula	3.90:1	43.38
Mr. Anurag Surana	3.20:1	26.98
Dr. Venkatrao S. Sohoni	3.40:1	27.34
Executive Director		
Mr. Salil Singhal, Chairman & Mg. Director	140:1	19.5
Mr Mayank Singhal, Mg. Director & CEO	132:1	22.68
Mr Rajnish Sarna, Whole-time Director	80:1	28.62

Note:

- Remuneration to Non-Executive Director comprises of sitting fees and Commission. Commission relates to the financial year ended March 31, 2016.
- Value of stock options has not been considered while determining the increase in remuneration. The percentage increase in remuneration of the Company Secretary is 12 %.

2. The percentage increase in median remuneration of employees in Financial Year 2015-16: 15.47%.

3. The number of permanent employees on the rolls of Company: 1749.

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

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

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

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2015-16 (₹ /Cr)	20.57
Revenue (₹ /Cr)	2,096.69
Remuneration of KMPs (as % of revenue)	0.98
Profit after Tax (PAT) (₹ /Cr)	313.36
Remuneration of KMP (as % of PAT)	6.56

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

During the year, the Company’s net sales grew by 8.10%, operating profit grew by 16.96% and net profit grew by 28.82%.

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

	As on March 31, 2016	As on March 31, 2015	% Change
Market Capitalisation (₹ /Cr)	7,794.99	8,313.39	(6.20)
Price Earnings Ratio	24.82	34.12	(27.25)

The data for comparison of Company shares with respect to public offer has not been provided since the Company has never come out with public offering. The market quotation of the Equity Shares of the Company as at March 31, 2016 was ₹ 568.45 with face value of ₹ 1 each.

7. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

	% change in Remuneration
Average increase in salary of employees (other than managerial personnel)	20.50 %
Average increase in remuneration of Managerial personnel	23.58 %

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

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

	Mr. Salil Singhal CMD	Mr. Mayank Singhal MD & CEO	Mr. Rajnish Sarna WTD	Ms. Jayashree Satagopan CFO	Mr. Naresh Kapoor CS
Remuneration in FY 2015-16 (In ₹)	680.96	643.21	550.50*	126.68#	55.74*
Remuneration of each KMP as % of Total Revenue of ₹ 2,096.69 Cr	0.32	0.30	0.26	0.06	0.02
Remuneration of each KMP as a % of Profit After Tax of ₹ 313.36 Cr	2.17	2.05	1.75	0.40	0.17

*Includes value of stock options.

employed for part of year.

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

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

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

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

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

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

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

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

Place: Gurgaon
Date: May 24, 2016

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

ANNEXURE - E

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

The position of the existing scheme is summarized as under-

S. No.	Particulars	Remarks		
I. Details of ESOS				
1.	Date of Shareholder’s Approval	January 21, 2011		
2.	Total number of options approved	62,62,090		
3.	Vesting Requirements	Options shall vest after a Lock-in-period of one year from the date of grant. Option shall vest in four years as per the Company’s ESOP plan.		
4.	The Pricing formula	10% discount to market price on NSE a day prior to date of grant.		
5.	Maximum term of Options granted (years)	10 years		
6.	Source of shares	Primary-Fresh equity allotment by Company to the Trust		
7.	Variation in terms of ESOP scheme	Nil		
II. Option Movement during the year:				
1.	No. of options outstanding at the beginning of the year.	20,23,684		
2.	Options granted during the year	2,77,126		
3.	Options forfeited/lapsed during the year	1,39,940		
4.	Options vested during the year	5,82,364		
5.	Options exercised during the year	6,01,363		
6.	Total no. of shares arising as a result of exercise of options	6,01,363		
7.	Money realized by exercise of options (₹/Cr)	5.93		
8.	Loan Repaid by the trust during the year exercise price received (₹/Cr)	4.10		
9.	No. of options outstanding at the end of year	15,59,507		
10.	No. of options exercisable at the end of year	2,28,134		
III. Weighted average Fair Value of Options granted during the year whose				
(a)	Exercise price equals market price	-		
(b)	Exercise price is greater than market price	-		
(c)	Exercise price is less than market price	₹ 355.10		
Weighted average Exercise price of options granted during the year whose				
(a)	Exercise price equals market price	-		
(b)	Exercise price is greater than market price	-		
(c)	Exercise price is less than market price	₹ 613.00		
IV.	The weighted average market price of options exercised during the year	₹ 630.06		
V. Employee-wise details of options granted during the financial year 2015-16.				
(i) Senior managerial personnel - None				
	Name of employee	Designation	No. of Options granted	Exercise Price
	-	-	-	-
(ii) Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year				
	Name of employee	Designation	No. of Options granted	Exercise Price (₹)
	Mr. Vijay Kumar Naidu	Deputy General Manager- Business Development	36,658	613.00
	Mr. Shitanshu Bharti	General Manager- Productions	29,315	613.00
	Mr. Vikas Ratra	General Manager- Agri HR	25,658	613.00
	Mr. Praveen Singh Chambial	Deputy General Manager- Product Management	14,881	613.00
	Mr. Sumanta Layak	Senior Manager- HR & Administration	14,597	613.00
(iii) Method and Assumptions used to estimate the fair value of options granted during the year:				



The fair value has been calculated using the Black Scholes Option Pricing model. The assumptions used in model are as follows:-

Variables	Weighted Average
1. Risk Free Interest Rate(%)	7.49% to 7.57%
2. Expected Life(in years)	4 to 7 years
3. Expected Volatility (%)	41.39% to 42.31%
4. Dividend Yield (%)	0.64%
5. Price of the underlying share in market at the time of the option grant. (₹)	682.85

Assumptions:

- Stock Price: Closing price on National Stock Exchange on the date of grant has been considered
- Volatility: The historical volatility over the expected life has been considered to calculate the fair value.
- Risk-free rate of return: The risk-free interest rate being considered for the calculation is the interest rate
- Exercise Price: Exercise Price of each specific grant has been considered.
- Time to Maturity: Time to Maturity Expected Life of options is the period for which the Company expects
- Expected divided yield: Expected dividend yield has been calculated as an average of dividend yields for five years.

VI. (i) Method of Calculating Employee Compensation Cost

The Company has calculated the employee compensation cost using the intrinsic value method of accounting to account for option issued under the ESOP Scheme.

(ii) Difference Between the Employee Compensation Cost so computed in (i) above and the Employee Compensation Cost that shall have been recognised if it had used the fair value of the Options.

The stock based compensation cost calculated as per the intrinsic value method for the financial year 2015-16 is ₹ 123.74 lakhs. If the stock based compensation cost was calculated as per the fair market value method, the total cost to be recognized in the financial statements for the financial year 2015-16 would be ₹ 659.20 lakhs.

(iii) The impact of this difference on profits and on EPS of the Company is presented below:-

Proforma adjusted Net Income and Earnings per Share

Particulars	₹/Lakhs
Net Income as reported	31,336.41
Add: Intrinsic Value Compensation Cost	123.74
Less: Fair Value Compensation Cost	(659.20)
Adjusted Pro Forma Net Income	30,800.95
Earnings per Share : Basic (₹)	
As Reported	22.90
Adjusted Pro forma	22.51
Earnings Per share: Diluted (₹)	
As Reported:	22.72
Adjusted Pro forma	22.33

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

Place: Gurgaon
 Date: May 24, 2016

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Your company lays special emphasis on enhancing the quality of life and economic well-being of communities around PI plant sites and small & marginal farmers over a period of time. The Thrust is on vocational training programs, agricultural skill development, preventive health care, sanitation and hygiene, promotion of DSR and farm economics, community and rural development projects etc.

The CSR Policy has been framed for successful and sustainable implementation of CSR projects in concurrence with The Companies Act, 2013. A sustainable CSR plan and agenda is set for a time frame of 3-5 years.

The CSR Policy as approved by Board of Directors is available on the Corporate website. Web Link- <http://www.piindustries.com/corporate-social-responsibility.html>.

2. The Composition of the CSR Committee as on March 31, 2016.

PI CSR Committee Members

• Mr. Salil Singhal	Chairman & Managing Director	Chairman of the Committee
• Mr. Mayank Singhal	Managing Director & CEO	Member
• Mr. Rajnish Sarna	Whole-time Director	Member
• Mr. Pravin K. Laheri	Independent Director	Member
• Ms. Ramni Nirula	Independent Director	Member

3. Average net profit of the company for last three financial years (Amount in Cr.) ₹ 257.15Cr.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) (Amount in Cr.) ₹ 5.14 Cr.

5. Details of CSR spent during the financial year.

(a) Total amount spent for the F.Y. ₹ 3.87 Cr.

(b) Amount unspent , if any; ₹ 1.27 Cr.

(c) Manner in which the amount spent during the financial year is detailed below:

Kindly refer to the details given in the table on the following page.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

Your Company has contributed an amount of ₹ 5.14 cr. to PI Foundation for carrying out CSR activities. The Foundation spent a amount of ₹ 3.87 cr towards the same during the year.

Though PI Foundation had earmarked the projects for CSR, it was not able to spend entire amount as short listing the implementing agencies through whom various projects would be routed had taken time. Moreover, few projects considered are ongoing and spread over 2 to 3 years.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

On behalf of The Board of Directors

For PI Industries Ltd.

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

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

Place: Gurgaon
Date: May 24, 2016



The position of the existing scheme is summarized as under-

S. No.	CSR Project or activity identified	Sector in which the project is covered	(1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise in lacs	Amount spent on the projects or programs in lacs (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period in lacs	Amount spent: Direct or through implementing agency
1	Promotion of DSR & Farm Economics	Environmental Sustainability & Conservation of Natural Resources	<ul style="list-style-type: none"> Sustainable Rice Production with Conservation of Natural Resources (PAU Punjab) Awareness Creation amongst Farmers on Sustainable Rice Production from Transplanted to Direct Seeded Rice (RAU Pusa, Bihar) Training Farmers on Water Conservation in Rice Production through Change in Method of Cultivation (UAS Raichur, Karnataka) Water Conservation through Accelerating the Adoption of Direct Seeding of Rice (DSR) Technology in Madhya Pradesh Development and Dissemination of Efficient on-Farm Water Conservation and Management Technologies to Farmers (ARI) in Punjab, Haryana, Uttar Pradesh, Chhattisgarh and Bihar 	62.19	53.07	53.07	Spent through PI Foundation
2	Improving Agri Productivity in Cotton	Environmental Sustainability & Conservation of Natural Resources	<ul style="list-style-type: none"> Management of CLCV and White Fly in cotton crop by Community based Approach in Punjab 	50.00	13.58	13.58	Spent through PI Foundation
3	Agri Skill Development	Promoting employment enhancing vocation skills	<ul style="list-style-type: none"> Industry Orientation Agri Skill Development for Rural Youth in Telangana 	23.00	23.00	23.00	Spent through PI Foundation
4	Vocational Training Program on Chemical Plant Operators	Promoting employment enhancing vocation skills	<ul style="list-style-type: none"> PI-DDU Vocational Training Program on Chemical Plant Operators - 3rd, 4th & 5 batches 	61.84	34.10	34.10	Spent through PI Foundation
5	Swachhata Abhiyan	Promoting Preventive Health Care and Sanitation	<ul style="list-style-type: none"> Construction of school toilets in 11 schools of Bharuch, Gujarat School Sanitation Awareness & Behavioural Change programme in 11 schools of Bharuch, Gujarat 	113.50	104.17	104.17	Spent through PI Foundation
6	Rural Development	Making available safe drinking water	<ul style="list-style-type: none"> Purified Water Supply (RO Water) to Villagers in North Karnataka & Andhra Pradesh 	20.00	12.00	12.00	Spent through PI Foundation
7	Community Development Projects at Jambusar & Panoli Plant Locations	Livelihood enhancement	<ul style="list-style-type: none"> Support to Sarod Sarvajani High School (Renovation of Science Lab & 50 Bench desks) Support of Library books, Science kit, Note Books and Sports material in surrounding 5 schools Supporting Mobile Education Van-Ankleshwar Preventing Healthcare through 3 Mobile Health Units covering 59 villages around Jambusar Women Empowerment programs. 	77.05	81.70	81.70	Spent through PI Foundation



S. No.	CSR Project or activity identified	Sector in which the project is covered	(1) Local area or other (2) specify the state and district where projects or programs was undertaken	Projects or Programs	Amount outlay (budget) project or programs wise in lacs	Amount spent on the projects or programs in lacs (1) Direct Expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period in lacs	Amount spent: Direct or through implementing agency
8	Promotion of Indian Art & Culture	Promotion of National Heritage, Art & Culture and Development of Traditional Arts & Handicraft	<ul style="list-style-type: none"> Promotion of Indian Art & Culture Promotion of "Pichhwai" Art 	<ul style="list-style-type: none"> Promotion of Indian Art & Culture Promotion of "Pichhwai" Art 	30.00	29.50	29.50	Spent through PI Foundation
9	Educational Scholarships for Doctoral Research	Promoting education, including special education	<ul style="list-style-type: none"> Educational Scholarship granted to 5 students 		17.25	17.24	17.24	Spent through PI Foundation
10	Training and Capacity Building of CSR Team (5% of Actual CSR Exp)				19.52	18.42	18.42	
	Total				474.35	386.78	386.78	

ANNEXURE - G

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

A. CONSERVATION OF ENERGY

1. Energy conservation measures taken

Energy conservation and Management continued to be a key area for the manufacturing units of the Company. Continuous monitoring of energy generation, distribution and consumption trends were carried out for effective utilization of energy.

For the year 2015-16, we have implemented following major energy reduction measures as a part of our ongoing commitment to energy conservation, these include:-

- Audit of air, N₂ & Instrument air and steam systems for identification of leakages using ultrasound technologies
- Audit of insulation in “Refrigeration system” for identification of Heat Losses.
- Installation of 200 KVA Capacitor bank and LED Lights (48 W capacity) for efficient power consumption
- Installation of Energy meters for identification of energy losses between generation points and user points and constitution of a dedicated energy cell to focus on minimization of the gap between energy generation and consumption.

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

2. Steps taken for utilization of Alternate sources of Energy

As part of its long term sustainability plan, the Company has initiated various steps towards utilizing alternate sources/ renewable source of energy. Some of the key initiatives implemented by the Company are:

- Replacing 125W HPMV Light with 48 W LED Lights to reduce energy consumption
- Installation of 100 KWP roof top solar power plant
- Use of Flash Steam Recovery System in boiler and VAM machine and Installation of blow down cooler to recover heat from boiler blow down water
- Testing the feasibility of fuel emulsion technology for firing liquid fuel in the boiler
- Installation of a new cooling tower for the separation of utility and process requirement. This will allow lower head pump for utility area and will help to realize energy savings on pump running cost.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

Your Company has created state-of-the-art R&D Centre and Pilot Plant facility at Udaipur and has been investing to augment its R&D capabilities and productivity through technological innovations. Working on new age chemistry, it has carried out synthesis and development of molecules in the fields of Agrochemicals, Fine Chemicals, Specialty Chemicals and Photographic chemicals. Continuous improvement of the commercial production processes have been made possible through technology absorption methods which include:-

- Regular training programs including internal technical training across groups, troubleshooting and cost reduction sessions for our scientists, chemists & technologists to equip them to cope with new scientific and technical challenges.
- Interaction with National Laboratories, IITs, CSIR Institutions and Universities, R&D laboratories of various MNCs for upgradation of knowledge and coordinating with them for development of new products and training of scientists.

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

- Development of indigenous technology has led to cost reduction, use of environment friendly synthesis routes and conservation of foreign exchange.
- Developmental processes have been initiated at lab scale. This will convert few batch processes into continuous uninterrupted processes which will ultimately result into consistency of the product under manufacture.

- Training sessions among different groups of R&D have resulted in effective and innovative solutions.
- Improvement in manufacturing processes for existing molecules and development of new products for exports have led to wider knowledge base and capability enhancement of the R & D staff.
- Replacement of hazardous and toxic reagents with less hazardous environment friendly substitutes have helped in pollution abatement and odor control. Thus the Company has been successful in adapting the national norms and working towards protecting the environment along with other industries.

3. Imported Technology

(a) **The details of technology imported:** The Company has not imported any technology during the last three financial years.

(b) **The year of import:** Not applicable

(c) **Whether the technology has been fully absorbed:** Not applicable

(d) **If not fully absorbed, areas where absorption has not taken place, and the reason thereof:** Not applicable

4. Expenditure on R&D

(₹ In lacs)

Particulars	Current year	Previous year
	2015-16	2014-15
a. Capital Expenditure	6,034.04	219.30
b. Revenue Expenditure	2,117.49	1,249.49
c. Total	8,151.53	1,468.79
d. Total R&D expenditure as percentage of Total Turnover	3.42%	0.67%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of total foreign exchange used and earned have been provided below:-

(₹ In Cr.)

Particulars	Current year	Previous year
	2015-16	2014-15
Foreign Exchange Earned	1,241.53	1,147.99
Outgo of Foreign Exchange	603.98	647.10

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

Place: Gurgaon
Date: May 24, 2016

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



CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

At PI, activities are carried out in accordance with good corporate practices and the Company is constantly striving towards a regime of best practices. The Board plays a critical role in overseeing how the Management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and strive to achieve excellence in governance norms.

Your Company has complied with the guidelines on Corporate Governance stipulated in Regulations 17-27 & Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the disclosure requirements of which are given below:

2. BOARD OF DIRECTORS

Composition

The Company is managed and controlled by an experienced Board comprising an optimum blend of Executives and Non-executive professional Directors. Since the Chairperson of the Board is an Executive Chairperson, more than half of the Board comprises of Independent Directors. As on March 31, 2016, the Board of Directors consists of Eight Directors including Chairman & Managing Director, Managing Director & CEO, Whole time Director and Five Non-executive Directors, out of which Four are Independent Directors including one woman Director. The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and relevant provisions of the Companies Act, 2013. All Directors possess the requisite qualifications and experience in general corporate Management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

The names and categories of the Directors on the Board along with their attendance at the Board meetings held during the year ended March 31, 2016 and at the last Annual General Meeting, and the number of other Directorship and Chairmanship / Membership of Committees held by them in both listed and unlisted companies is given below:

Name of Directors	Category of of Directorship	No. of Board Meetings attended (Out of 5 meetings held)	Attendance at the last AGM on 15.9.2015	Directorships in Companies Incorporated in India Including PI Industries Ltd*	Directorships in Listed Companies	Directorship in Unlisted Companies	No. of other Board Committees of which Member / (Chairman)@
Mr. Salil Singhal [^]	Chairman and Managing Director	4	No	7	3	4	3
Mr. Mayank Singhal [^]	Managing Director & CEO	5	No	4	1	3	1
Mr. Rajnish Sarna	Whole time Director	5	Yes	3	1	2	1
Mr. Anurag Surana ⁺	Non-Executive and Non Independent	4	No	2	1	1	1
Mr. Narayan K. Seshadri [#]	Non-Executive and Independent	5	Yes	9	6	3	6(4)
Mr. Pravin K. Laheri	Non-Executive and Independent	4	No	5	2	3	2(1)
Mrs. Ramni Nirula	Non-Executive and Independent	4	Yes	10	7	3	9(4)
Dr. Venkatrao S. Sohoni	Non-Executive and Independent	3	No	2	2	0	2(0)

Note:

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

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

[^] Mr. Salil Singhal and Mr. Mayank Singhal are related to each other, being father and son.

⁺ Mr. Anurag Surana being a Non-Executive Director holds 101,440 equity shares in PI Industries Ltd.

Mr. Anurag Surana resigned from the Board of the Company w.e.f. May 11, 2016

[#] Mr. Narayan K. Seshadri being a Non-Executive Director holds 1,164,013 equity shares in PI Industries Ltd.

Mr. Ravi Narayan has been inducted as an Additional Director on the Board of the Company w.e.f. May 24, 2016.

Details of Director seeking re-appointment or appointment at the Annual General Meeting have been given in the Notice to the Annual General Meeting.

In compliance with Regulation 25(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, none of the Independent Directors of the Company served as an Independent Directors in more than seven Listed Companies and none of the Independent Director is holding position of Whole time Director in any Listed Company.

Furthermore, All the Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 read with relevant rules. Formal letters of appointment as per Schedule IV of the act have been issued to the Independent Directors and the terms and conditions of their appointment letter have been disclosed on the website of the Company. The weblink of the same is <http://www.piindustries.com/sites/default/files/Terms%20and%20Condition%20of%20Appointment%20of%20Independent%20Director.pdf>

The Independent Directors were appointed by the members at the Annual General Meeting of 2014 for a period of three years and they hold their office till the conclusion of Annual General Meeting to be held in 2017 and shall be eligible for re-appointment for a further

period of five years subject to member's approval by way of Special Resolution.

Procedure/Guidelines for appointment of Directors

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

Board Meetings

The Board meets at regular intervals to review the performance of the Company. During the year under review, besides meeting of Committee of Directors, five Board Meetings were held on May 23,

2015, July 28, 2015, October 27, 2015, February 12, 2016 & March 14, 2016. The maximum gap between any two Board meetings was less than 120 days.

Board Procedure

The annual calendar of Board Meetings is agreed upon at the beginning of the year. The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information in order to enable the Board to take appropriate decisions. In addition to the information required under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board is also kept informed of major events/items and approvals taken wherever necessary. It also includes periodical review of compliances relating to all applicable laws and the steps taken by the Company to rectify the instances of non-compliance, if any. The Board critically evaluates the Company's strategic directions, Management policies and their effectiveness. The Board regularly reviews inter-alia, industry environment, annual business plans and performance against the plans, business opportunities including investments/divestment, related party transactions, compliance processes including material legal issues, strategy, risk management practices, regulatory compliances and approval of financial statements/results. Senior executives are also invited to provide additional inputs at the Board meetings for the items discussed by the Board of Directors, as and when required. Frequent and detailed interaction provides a strategic road map for the Company's future growth. Board also reviews the declaration made by the Managing Director regarding compliance with all applicable laws on a quarterly basis.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors was held on February 12, 2016 without the attendance of Non-Independent Directors and members of the Management as required under Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Independent Directors

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

All Independent Directors attended the meeting.

Familiarization Programme for Independent Directors

On joining, a detailed appointment letter is issued to Independent Directors incorporating the roles, responsibilities and duties as

expected from them and also containing the code of conduct applicable to Independent Directors as per Schedule IV of the Companies Act, 2013.

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

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

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board, in accordance with evaluation program laid down by the Nomination and Remuneration Committee, has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

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

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

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

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



3. COMMITTEES OF THE BOARD OF DIRECTORS

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

- Audit Committee
- Stakeholders Relationship Committee
- Nomination & Remuneration Committee
- Administrative Committee
- Management Committee
- Compensation Committee
- Corporate Social Responsibility Committee

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

i) AUDIT COMMITTEE

Composition and attendance of the members of the Audit Committee

As on March 31, 2016, the Audit Committee comprised of Mr. Narayan K. Seshadri, Chairman (an Independent Non-Executive Director), Mr. Rajnish Sarna and Mrs. Ramni Nirula, as members.

Two-third of the members of the Audit Committee are Independent Directors and all the members of the Audit Committee have accounting or financial Management expertise.

The Audit Committee meets at least four times in a year and not more than 120 days gap between two meetings. Accordingly, the Audit Committee during the FY 2015-16, met four times on May 23, 2015, July 28, 2015, October 27, 2015 & February 12, 2016.

The composition and attendance record of the members of the Audit Committee for the FY 2015-16 is as follows:

Name	Category	Meetings held	Meetings attended
Mr. Narayan K. Seshadri	Chairman	4	4
Mr. Rajnish Sarna	Member	4	4
Mrs. Ramni Nirula	Member	4	4

Mr. Mayank Singhal, Managing Director & CEO, Mrs. Jayashree Satagopan, CFO, Mr. Sanyog Jain, V.P. (Finance & Accounts), Mr. K. Narasa Reddy, Head – Internal Audit of the Company and the Statutory as well as Internal Auditors are permanent invitees.

The Company Secretary, Mr. Naresh Kapoor acts as the Secretary to the Committee.

The Chairman of the Audit Committee, Mr. Narayan K. Seshadri was present at the Annual General Meeting of the Company held on September 15, 2015.

Terms of reference

The powers, roles and terms of reference of the Audit Committee covers areas as contemplated under Regulation

18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors. The terms of reference are:

- (a) To review with the management, the quarterly financial statements before recommending the same to Board for its approval.
- (b) To oversee the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;
- (c) To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory / Internal Auditors/Cost Auditors/Secretarial Auditor, terms of appointment and the fixation of audit fee;
- (d) To review with the management the Annual Financial Statements and Auditors Report thereon before submission to the Board for approval, with particular reference to:
 - matters to be included in the Directors' Responsibility Statement to be included in the Board’s report in terms of Clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - changes, if any, in accounting policies and practices and reasons for the same.
 - major accounting entries involving estimates based on the exercise of judgment by Management.
 - significant adjustments made in the financial statements arising out of audit findings.
 - compliance with listing and other legal requirements relating to financial statements.
 - disclosure of any related party transactions.
 - qualifications in the draft audit report, if any.
- (e) To review and monitor the auditor’s independence and performance, and effectiveness of audit process; approval of payment to statutory auditors for any other services rendered by the Statutory auditor.
- (f) To review with the management, performance of statutory and internal auditors, and adequacy of internal control system.
- (g) To review and approve the Related Party Transactions; Scrutiny of inter-corporate loans and investments; valuation of undertakings or assets of the Company, wherever it is necessary.
- (h) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (i) To review the reports of internal audit for internal control weaknesses and discussion with internal auditors on any significant findings of any internal investigations by the internal



auditors and the executive Management's response on matters and follow-up thereon;

- (j) Evaluation of internal financial controls and risk management systems;
- (k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- (l) Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;
- (m) To review the management discussion and analysis of financial condition and results of operation.
- (n) To review the management letters / letters of internal control weaknesses issued by the statutory auditors.
- (o) To approve the appointment of CFO after assessing the qualifications, experience and background etc.
- (p) To review, with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (q) To review the functioning of the Whistle Blower Mechanism;
- (r) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (s) To perform such other functions as may be prescribed by the Companies Act, 2013, listing regulations with Stock Exchanges or any other law or as may be delegated by the Board from time to time, to be performed by the Audit Committee.

ii) STAKEHOLDERS RELATIONSHIP COMMITTEE

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

Terms of reference

The Committee is entrusted with the powers related to oversight of the performance of Registrar & Share Transfer Agents.

Pursuant to Part D of Schedule II of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Committee focuses on the following:

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

- Overseeing the Performance of Registrar & Share Transfer Agents.

Composition and attendance of the Committee members during 2015-16

As on March 31, 2016, the Committee comprised of three members. Mrs. Ramni Nirula, Independent Non- Executive Director, is the Chairman of the Stakeholder's Relationship Committee. Mr. Salil Singhal and Mr. Mayank Singhal are the members of the Committee. The composition and attendance details of the Committee are detailed in the table below.

The Committee met Four times during a year on May 23, 2015, July 28, 2015, October 27, 2015 and Jan 16, 2016.

Name	Category	Meetings held	Meetings attended
Mrs. Ramni Nirula	Chairperson	4	4
Mr. Salil Singhal	Member	4	3
Mr. Mayank Singhal	Member	4	4

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

During the year, the Company has received 224 communications including 45 complaints for issues e.g. non receipt of Dividend Warrants / Share Certificates, Annual Reports, queries/requests for change of address, correction in the name, issue of duplicate certificates/deletion of joint name due to death, transmission of shares etc. which were duly attended and one complaint is pending as on 31.3.2016 for which an Action Taken Report has been filed with SEBI on SCORES portal.

iii) NOMINATION & REMUNERATION COMMITTEE

Terms of Reference

The powers, roles and terms of reference of the Nomination & Remuneration Committee covers areas as contemplated under Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 & Section 178 of the Companies Act, 2013, as applicable, besides other terms as referred by the Board of Directors. The role of the Committee inter-alia, includes the following:

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



Composition, Meeting and attendance

As on March 31, 2016, the Nomination and Remuneration Committee comprised of three Independent Directors. The Company Secretary acts as Secretary to the Committee.

During the year 2015-16, Nomination and Remuneration Committee meeting was held on May 23, 2015 and July 28, 2015. The necessary quorum was present in the meeting. The attendance of members was as follows.

Name	Category	Meetings held	Meetings attended
Mr Narayan K. Seshadri	Chairman	2	2
Dr Venkatrao S. Sohoni	Member	2	2
Mrs Ramni Nirula	Member	2	2

REMUNERATION POLICY

The remuneration policy of the Company is based on following principles:

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

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

Remuneration to Independent Directors and Non-Independent Non-executive Directors

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

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

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

the shareholders of the Company subject to review by the Board members annually.

In addition to the salary and perquisites, the Executive Directors are also entitled to commission that is calculated with reference to the net profits of the Company in accordance with the provisions of Section 197 of the Companies Act, 2013. The same is based on the performance of individual Director as evaluated by the Nomination and Remuneration Committee and approved by the Board.

Basic salary is provided to all employees commensurate with their skills and experience. In addition, the Company provides employees with certain perquisites, allowances and benefits including stock options etc. The Company also provides mediclaim and personal accident insurance to the employees apart from retirement benefits like gratuity and provident fund. The Company also provides employees a performance linked bonus that is driven by the outcome of the performance appraisal process and the performance of the Company.

iv) ADMINISTRATIVE COMMITTEE

Terms of reference

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

Composition and attendance of the members of the Administrative Committee

As on March 31, 2016, the Administrative Committee comprised of three members namely Mr. Salil Singhal, Chairman, Mr. Mayank Singhal and Mr. Rajnish Sarna as members of the Committee.

The Committee met five times during the year on June 12, 2015, September 2, 2015, October 8, 2015, December 24, 2015 and February 27, 2016.

Attendance of Committee members during 2015-16:

Name	Category	Meetings held	Meetings attended
Mr. Salil Singhal	Chairman	5	5
Mr. Mayank Singhal	Member	5	5
Mr. Rajnish Sarna	Member	5	5

The Company Secretary acts as the Secretary to the Committee.

v) MANAGEMENT COMMITTEE

The Management Committee looks after the operations of each of its business areas. The Charter of each Management Committee has been clearly defined. The Committee broadly oversees the implementation of the overall business strategy, and identification of areas of further value creation and new initiatives for enhancing the business competitiveness.

Terms of reference

- To provide input into and recommend Company's vision, mission, goals, business plans, performance objectives and Management review system for approval by the Board;
- To regularly review the business performance vs. strategic and operational plans and ensure that timely corrective actions are taken;
- To recommend corporate financial objectives, plans, and actions, including significant capital allocations and expenditures, capital restructuring, fund raising, investor relations etc. to the Board for approval.
- To recommend policies, procedures and guidelines for key corporate actions including strategic alliances, M&A, major investment evaluation, GRC, etc. to the Board for approval.

Composition and attendance of members of Management Committee

As on March 31, 2016, Management Committee comprises of five members namely, Mr. Salil Singhal, as Chairman, Mr. Narayan K. Seshadri, Mr. Mayank Singhal, Dr. Venkatrao S. Sohoni and Mr. Rajnish Sarna, as members.

The Committee has met twice during the year on May 22, 2015 and February 11, 2016. The composition and attendance record of the present members of the Committee are as follows:

Name	Category	Meetings held	Meetings attended
Mr. Salil Singhal	Chairman	2	2
Mr. Mayank Singhal	Member	2	2
Mr. Narayan K. Seshadri	Member	2	2
Dr. Venkatrao S. Sohoni	Member	2	2
Mr. Rajnish Sarna	Member	2	2

vi) COMPENSATION COMMITTEE

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

Composition and attendance of members of Compensation Committee

As on March 31, 2016, the Committee comprised of three members with Mr. Narayan K. Seshadri as Chairman, Mr. Pravin K. Laheri and Mrs. Ramni Nirula as members. The Company Secretary acts as Secretary to the Committee.

The Committee met once during the year on October 27, 2015. The composition and attendance record of the present members of the Committee are as follows:

Name	Category	Meetings held	Meetings attended
Mr. Narayan K. Seshadri	Chairman	1	1
Mr. Pravin K. Laheri	Member	1	1
Mrs. Ramni Nirula	Member	1	1

vii) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

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

- To Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
- To Recommend the amount of expenditure to be incurred on CSR activities.
- To Monitor the implementation of Corporate Social Responsibility Policy of the Company from time to time and;
- To Monitor the implementation of the CSR projects or programs or activities undertaken by the Company.

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

As on March 31, 2016, the Committee consists of five members namely Mr. Salil Singhal, as Chairman and Mr. Mayank Singhal, Mr. Rajnish Sarna, Mr. Pravin K. Laheri and Mrs. Ramni Nirula, as Members.

The Committee met twice during the year on May 23, 2015 and February 12, 2016. The composition and attendance record of the present members of the Committee are as follows:

Name	Category	Meetings held	Meetings attended
Mr. Salil Singhal	Chairman	2	2
Mr. Mayank Singhal	Member	2	2
Mr. Rajnish Sarna	Member	2	2
Mr. Pravin K. Laheri	Member	2	2
Mrs. Ramni Nirula	Member	2	2

4. DIRECTOR'S REMUNERATION

i. Remuneration paid to Executive Director(s)

The remuneration of the Executive Director(s) is recommended by the Nomination and Remuneration Committee based on factors such as Industry benchmarks, the Company's performance vis-à-vis the industry performance etc., which is decided by the Board of Directors. Remuneration comprises of fixed component viz. salary, perquisites and allowances and a variable component viz. commission. The Nomination and Remuneration Committee also recommends the annual increments within the salary scale approved by the members and also the Commission payable to the Whole-time Director(s) on determination of profits for the financial year, within the ceilings on net profits prescribed under Section 197 of the Companies Act, 2013. Details of remuneration paid to the Executive Directors during the financial year 2015-16 are given below:

Name	Salary (₹)	Perquisites (₹)	PF & Sup'n (₹)	Commission (₹)@
Shri Salil Singhal Chairman & Managing Director	2,00,00,000/-	2,00,00,000/-	26,00,000/-	3,00,00,000
Shri Mayank Singhal CEO & Managing Director	1,80,00,000/-	1,80,00,000/-	22,45,000/-	3,00,00,000
Shri Rajnish Sarna Whole time Director	1,25,00,000/-	1,25,00,000/-	14,85,000/-	1,50,00,000

Notes:-

- Remuneration mentioned above excludes gratuity and leave encashment.
- In case of Mr. Rajnish Sarna, perquisite value arising out of exercise of 30,621 stock option during the financial year 2014-15 has been excluded. In addition to above, Mr. Rajnish Sarna also holds 2,20,545 equity shares as on March 31, 2016.
- Mr. Salil Singhal and Mr. Mayank Singhal are related to each other.
- Mr. Salil Singhal holds 3,01,59,053 equity shares and Mr. Mayank Singhal holds 4,45,337 equity shares as on March 31, 2016.
@ Commission payable for FY 2015-16

ii. Remuneration to Non-Executive Director(s)

Sitting fees is paid to Non-executive Directors for attending Board / Committee Meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance expenses incurred for attending such meetings. The Commission payable to Non-Executive Directors is decided by the Board within the limits of 1% of the net profits as approved by the members of the Company.

The details of sitting fees paid and commission paid/ payable to the Non-Executive Directors for year ended March 31, 2016 and No. of equity shares held by them as on March 31, 2016 are as under:

Directors	Sitting Fees (₹)	Commission (₹)@	No. of Equity shares held
Mr. Narayan K. Seshadri	3,75,000	15,00,000	11,64,013
Mr. Pravin K. Laheri	2,00,000	15,00,000	-
Mrs. Ramni Nirula	4,50,000	15,00,000	-
Mr. Anurag Surana	1,00,000	15,00,000	1,01,440
Dr. Venkatrao S. Sohoni	2,00,000	15,00,000	-

@ Commission payable for FY 2015-16.

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

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

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

5. CODE OF CONDUCT

Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of your Company has been framed and adopted by the Board of Directors. A copy of said Code of Conduct has also been posted on the Company's website i.e. www.piindustries.com. The weblink of the same is http://www.piindustries.com/sites/default/files/Code_of_Conduct-%20SENIOR_1.pdf. Further, Code of Conduct for Independent Directors has been framed in accordance with Schedule IV to the Companies Act, 2013. All Independent Directors have affirmed the compliance to aforesaid code. A declaration signed by the Managing Director & CEO to this effect is enclosed at the end of this report.



6. PROHIBITION OF INSIDER TRADING

The Company has formulated & implemented a Code of Practices and Procedure for fair disclosure of Unpublished Price Sensitive Information and Code of Conduct for Prevention of Insider Trading in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date. The same has been published in the website <http://www.piindustries.com/sites/default/files/PI%20Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20Unpublished%20Price%20Sensitive1.pdf>. The code of conduct for prevention of insider trading, inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the Company. The necessary procedures have been laid down for employees, connected persons and persons deemed to be connected for trading in the securities of the Company.

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

7. DISCLOSURES

a) There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company. Further, details of the related party transactions are given in the Balance Sheet in the Note No. 38. The policy on dealing with Related Party Transactions is available on Company's website at following link: http://www.piindustries.com/sites/default/files/RPT%20Policy_PI.pdf

b) The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited and the Company has complied with all applicable requirements of the Capital market. There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to the capital market during the last three years.

c) **Disclosure of Accounting Treatment**

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

d) The Company has a policy for determining "Material" subsidiary, which has also been posted on the website. The web link for the same is http://www.piindustries.com/sites/default/files/Policy%20_%20Material%20Subsidiaries.pdf

e) **Risk Management**

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

f) **Commodity Price Risk and Commodity Hedging Activities**

During the year under review, the Company had managed the foreign exchange risk and hedged to the extent necessary. The Company enters into forward contracts for hedging foreign exchange exposure against exports and imports. Details of foreign exchange exposure are disclosed in Note No. 40 of Annual Accounts for the year ending March 31, 2016.

g) **Management Discussion and Analysis**

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

h) **Compliances**

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

This Corporate Governance Report of the Company for the year ended March 31, 2016 are in compliance with the requirements Part C of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The status of Adoption of the non mandatory requirements as specified in Sub- Regulation 1 of Regulation 27 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are as follows:-

(i) **The Board:** the Chairman of the Company is Executive Chairman;

(ii) **Shareholder Rights:** Half yearly and other quarterly financial statements are published in newspapers, uploaded on the Company's website <http://www.piindustries.com/investor-relations.html/financial-results.html>

(iii) **Modified opinion(s) in audit report:** The Audit Report does not contain any qualifications.

(iv) **Separate posts of Chairperson and CEO:** Mr. Salil Singhal is the Chairman and the Managing Director of the Company, whereas Mr. Mayank Singhal is the CEO of the Company.

(v) **Reporting of Internal Auditor:** The Internal Auditors of the Company reports to the Audit Committee.

8. GENERAL BODY MEETINGS

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

Date	Venue	Time	Type of meeting
September 15, 2015	Udaisagar Road, Udaipur-313 001	11.45 A.M	Annual
September 10, 2014	Udaisagar Road, Udaipur-313 001	11.30 A.M.	Annual
August 29, 2013	Udaisagar Road, Udaipur-313 001	11.30 A.M.	Annual

ii. Special resolutions passed during last 3 AGMs

Date of AGM	Subject matter of Special Resolutions Passed
September 15, 2015	Nil
September 10, 2014	Commission to Non-Executive Directors for a sum not exceeding 1% per annum of the net profit of the Company for a period of 5 years w.e.f. April 1, 2014.
August 29, 2013	Increase in the Investment Limit of Registered Financial Institutional Investors upto 40% of the paid up capital of the Company.

9. POSTAL BALLOT

The Company did not carry out any postal ballot exercise during the financial year 2015-16.

10. MEANS OF COMMUNICATION

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

11. OUTSTANDING GDRs/ADRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY.

The Company has not issued any GDR/Warrants or any convertible instruments except 1,58,07,080 stock options granted to the employees under PII-ESOP Plan 2010. Each option shall entitle one equity share of the Company. For details refer, Annexure 'E' to Directors Report.

12. WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has in place a Whistle Blower Policy for establishing a vigil mechanism for Directors and employees to report instances of unethical and/or improper conduct and implementing suitable steps to investigate and correct the same. It is also

affirmed that no member has been denied access to the Audit Committee. The Whistle Blower Policy has also been posted at the website of the Company i.e. www.piindustries.com and the web link for the same is <http://www.piindustries.com/sites/default/files/Whistle%20Blower%20Policy.pdf>

13. GENERAL SHAREHOLDER INFORMATION

i. CONTACT INFORMATION

Registered Office

PI Industries Ltd

Udaisagar Road,
Udaipur- 313 001
Rajasthan (India)
CIN :L24211RJ1946PLC000469

Corporate Office

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

Research & Manufacturing Facilities

Udaisagar Road, Udaipur- 313 001 Rajasthan	Plot No.237, GIDC, Panoli, Ankleshwar-394 116 Bharuch, Gujarat	Plot No. SPM 28 Sterling SEZ, Village Sarod Jambusar-392 180 Bharuch, Gujarat	Plot No. 3133 to 3139, 3330 to 3351, 3231 to 3245 & 3517 to 3524, GIDC Panoli, Taluka, Ankeleshwar Distt. Bharuch, Gujarat
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ii. Name, Address and Contact Numbers of Compliance Officer and Company Secretary.

Mr. Naresh Kapoor,
Company Secretary,
5th Floor, Vipul Square, B- Block Sushant Lok, Phase – I,
Gurgaon – 122009, Haryana.
Phone No: 0124-6790291;
Email ID: naresh.kapoor@piind.com

iii. Annual General Meeting

Date	September 09, 2016
Time	10.00 am
Venue	P.P. Singhal Memorial Hall, Udaipur Chamber of Commerce and Industry, Udaipur – 313 001 Rajasthan (India)

iv. Financial Calendar

The Company follows the financial year from 1st April to 31st March.

The tentative calendar for declaration of financial results in financial year 2016-17 is as follows:

Financial Results for the quarter ending June, 2016 (un-audited).	July 26, 2016
Financial Results for the quarter ending September, 2016 (un-audited)	October 25, 2016
Financial Results for the quarter ending December, 2016 (un-audited)	February 12, 2017
Audited Financial Results for the year ending 31st March, 2017.	Before the end of May, 2017
Annual General Meeting for the year.	On or Before August 31, 2017

v. Book Closure Date

The dates of book closure are from September 02, 2016 to September 09, 2016 (both days inclusive)

vi. Dividend

During the year, the Board of Directors of the Company has declared interim dividend of 120% in its Board Meeting held on October 27, 2015 and second interim dividend of 190% in its meeting held on March 14, 2016, aggregating to ₹ 3.10 each on equity shares of ₹ 1 each which was paid on November 24, 2015 and March 30, 2016 respectively. No final dividend was recommended by Board in view of 2 Interim Dividend already paid to shareholders.

vii. Stock Exchange Listing

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

- **Stock Code** : 523642 (BSE)
PIIND (NSE)
- **Demat ISIN for** : INE 603J01030

The annual listing fees of such stock exchanges have been duly paid by the Company.

viii. Stock Market Price data

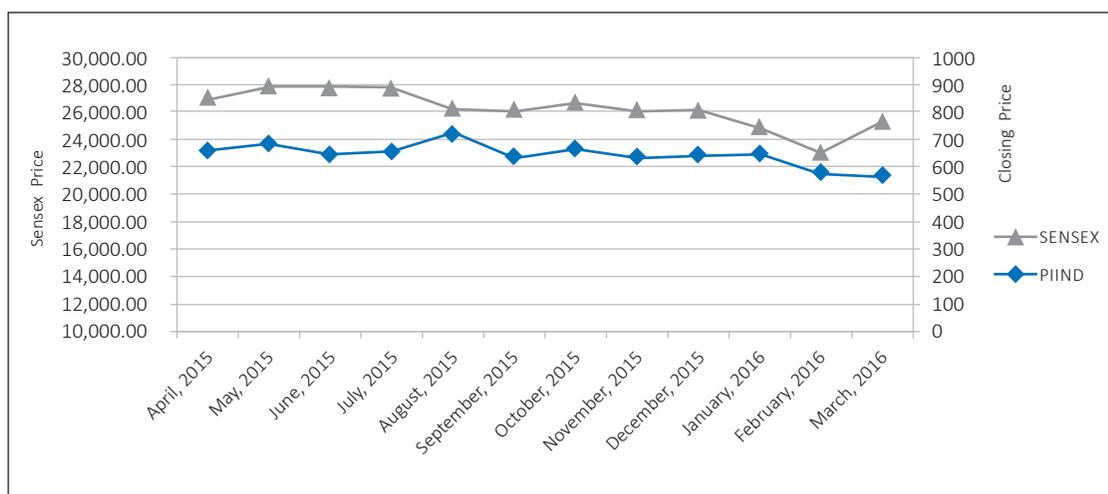
The monthly high and low of the market price of the equity shares of the Company for the year ended March 31, 2016 at BSE Limited and National Stock Exchange of India Ltd. were as under:

(Amount in ₹ /share)

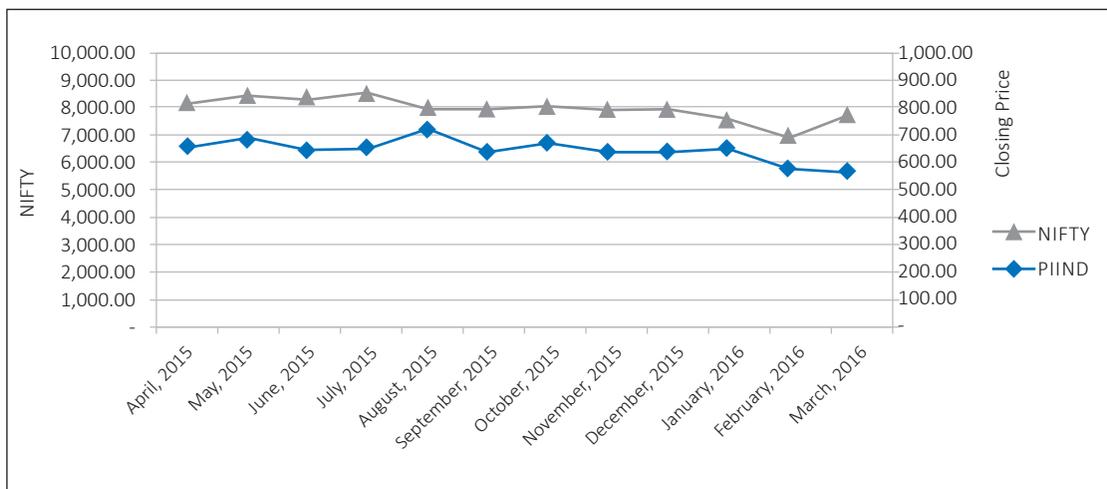
Month	BSE		NSE		NIFTY	SENSEX
	High	Low	High	Low	Closing high	Closing high
April, 2015	785.65	599.55	787.20	597.95	8,181.50	27,011.31
May, 2015	756.20	644.10	758.90	580.00	8,433.65	27,828.44
June, 2015	689.75	599.70	689.95	599.05	8,368.50	27,780.83
July, 2015	699.30	630.00	700.00	630.00	8,532.85	28,114.56
August, 2015	739.00	595.35	739.90	595.10	7,971.30	26,283.09
September, 2015	725.00	598.30	724.05	598.00	7,948.90	26,154.83
October, 2015	694.50	615.00	696.00	629.15	8,065.80	26,656.83
November, 2015	684.35	616.75	685.00	618.10	7,935.25	26,145.67
December, 2015	714.00	580.00	697.95	585.90	7,946.35	26,117.54
January, 2016	716.00	596.20	715.95	598.00	7,563.55	24,870.69
February, 2016	682.00	495.35	684.00	497.55	6,987.05	23,002.00
March, 2016	610.00	550.00	611.50	550.10	7,738.40	25,341.86

(Source: NSE/BSE website)

PERFORMANCE OF COMPANY SHARES VS BSE SENSEX



PERFORMANCE OF COMPANY SHARES VS NIFTY



ix. Registrar and Transfer Agents

Karvy Computershare Private Limited
Unit: PI Industries Ltd.
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad – 500 032

Contact Person: Ms. Shobha Anand
Email: shobha.anand@karvy.com
Tel: 040 6716 1500/23312454
Fax: 040- 67161680

Share Transfer Mechanism

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

Pursuant to Regulation 40(9) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company, certificates for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 1996 and Reconciliation of the Share Capital Audit obtained from a Practicing Company Secretary have been submitted to stock exchanges within stipulated time and the same have been updated on Company's website.

x. Distribution of Shareholdings (As on March 31, 2016)

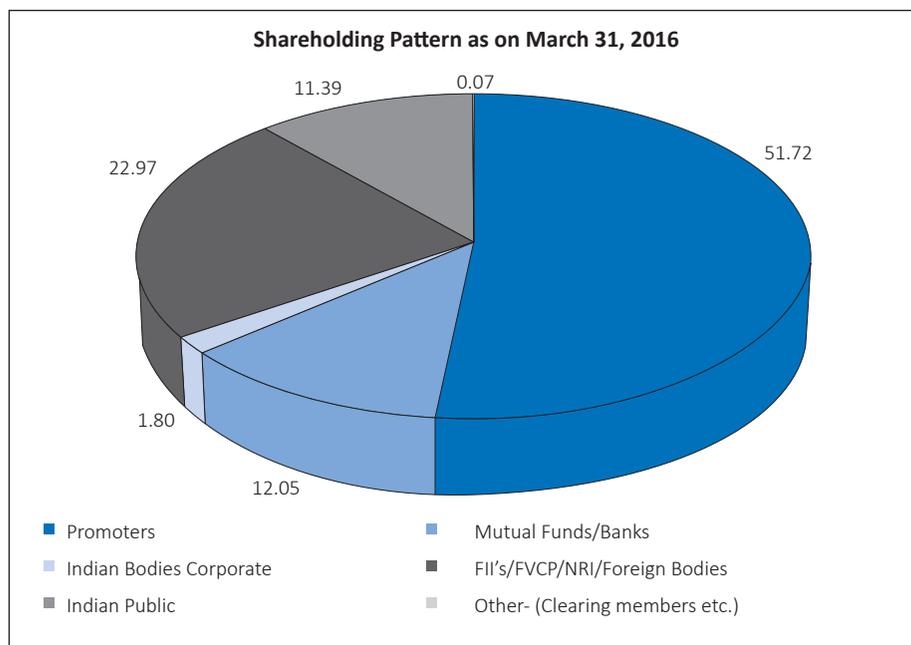
Shareholding of Nominal value of ₹	Shareholders		Share Capital (Amount)	
	No.	% to total	In ₹	% to total
upto 1- 5000	18,846	96.93	66,09,141	4.82
5001- 10000	249	1.28	17,29,473	1.26
10001- 20000	141	0.73	19,81,968	1.45
20001- 30000	38	0.20	9,44,429	0.69
30001- 40000	24	0.12	8,42,735	0.61
40001- 50000	13	0.07	5,97,034	0.44
50001- 100000	34	0.17	25,51,061	1.86
100001 & above	96	0.50	12,18,71,381	88.87
	19,441	100.00	13,71,27,222	100.00

xi. Demat Status (As on March 31, 2016)

Mode	No. of shareholders	No. of shares	%
Demat	19,191	13,61,98,607	99.32
Physical	250	9,28,615	0.68
Total	19,441	13,71,27,222	100.00

xii. Categories of Shareholders (As on March 31, 2016)

S. No.	Category	No. of shareholder	No. of shares held	Voting strength (%)
1	Promoters	10	7,09,20,110	51.72
2	Mutual Funds/Banks	69	1,65,16,271	12.05
3	Indian Bodies Corporate	689	24,71,047	1.80
4	FII's/FVCP/NRI/Foreign Bodies	979	3,14,98,711	22.97
5	Indian Public	17,624	1,56,23,443	11.39
6	Others – (Clearing members etc)	70	97,640	0.07
Total		19,441	13,71,27,222	100.00



xiii. Web-Based Redressal System for Investor Grievance

The Company and its Registrar & Share Transfer Agent i.e. Karvy Computershare Private Ltd., expeditiously addresses all the complaints, suggestions, grievances and other correspondence received and replies are sent usually within 7-10 days except in case of legal impediments and non-availability of documents. The Company endeavours to implement suggestions as and when received from the investors. Members can access to <http://karisma.karvy.com> for any query and/or grievance and may also access SEBI Complaints Redressal System (SCORES) for online viewing the status and actions taken by the Company/Registrar and Share Transfer Agent (RTA).

xiv. Unclaimed Dividend

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 15, 2015 (date of last Annual General Meeting) on the Company's website and on the website of the Ministry of Corporate Affairs. The weblink for the same is <http://www.piindustries.com/sites/default/files/Copy%20of%20Unpaid%20Div%2015%209%2015%20all.pdf>

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

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

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

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

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

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

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

xvi. Managing Director & CEO and CFO Certification

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

In compliance with Regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a declaration by the Managing Director & CEO and Chief Financial Officer, is annexed hereinafter which inter-alia certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

xvii. Auditor's Certificate

As required under Clause E of Part C of Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Statutory Auditors of the Company have verified the compliances of the Corporate Governance by the Company. Their certificate is annexed hereinafter.

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

Sd/-

Salil Singhal

Chairman & Managing Director

DIN: 00006629

Place: Gurgaon

Date: May 24, 2016

Certificates Under Corporate Governance

Certificate relating to Code of Conduct for Directors/Senior Management

The Board of Directors
PI Industries Limited
Udaipur

This is to certify that pursuant to the Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Code of Conduct has been laid down for all the Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year ended March 31, 2016.

Place: Gurgaon
Date: May 24, 2016

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

CEO and CFO Certificate to the Board Pursuant to Regulation 17(8) of the Listing Regulations

The Board of Directors
PI Industries Limited
Udaipur

We hereby certify to the best of our knowledge and belief that:

- A. We have reviewed the financial statements including the cash flow statement (standalone and consolidated) for the financial year ended March 31, 2016 and that these statements:
 - i. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Business Conduct.
- C. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- D. We have disclosed, wherever applicable, to the auditors and the Audit Committee:
 - i. That there were no deficiencies in the design or operations of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data including any corrective actions;
 - ii. that there are no material weaknesses in the internal controls over financial reporting;
 - iii. that there are no significant changes in internal control over financial reporting during the year;
 - iv. all significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements; and
 - v. that there are no instances of significant fraud of which we have become aware of and involvement therein of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Gurgaon
Date: May 24, 2016

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Jayashree Satagopan
Chief Financial Officer



Auditors' Certificate on Corporate Governance

To the Members,

PI Industries Limited

1. We have examined the compliance of conditions of Corporate Governance by PI Industries Limited ("the Company"), for the year ended on 31st March, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016, and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

Sd/-

Yogesh K. Gupta
Partner

Membership No.: 093214

Place: Gurgaon

Date: May 24, 2016

Independent Auditor's Report

To, The Members
PI Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **PI INDUSTRIES LIMITED** ("the Company") which comprise the Balance Sheet as at March 31, 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 Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements

give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 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 Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the Directors as on March 31, 2016 and taken on record by the Board of Directors, none of the Directors are 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) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its standalone financial position in its financial statements – Refer Note 39 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any long term derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants
Firm Reg. No. : 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership No.:093214

Place: Gurgaon

Date: May 24, 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 Industries Ltd. on the standalone 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) The Company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. We have been explained by the Management that the inventory have been physically verified at reasonable intervals during the year. As far as we can ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii. According to the information and explanations given to us 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 complied with the provisions of Section 185, 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees and security provided.
- 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. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013, in respect of the manufacture of insecticides and chemicals and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
- vii. (a) According to the 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 except as given below:

Nature of Statute	Nature of Dues	Period (F.Y.)	Amount (Excluding interest)* (₹ in Lacs)	Forum where pending
Andhra Pradesh General Sales Tax Act	Sales Tax	2001-02	8.62	Andhra Pradesh Tribunal
Andhra Pradesh General Sales Tax Act	Sales Tax	2003-04	10.02	Andhra Pradesh Tribunal
West Bengal Sales Tax Act	Sales Tax	2003-04	15.93	Joint Commissioner (Appeal) Kolkata
Assam Value Added Tax Act	VAT	2007-08	1.12	Joint Commissioner Guwahati
Andhra Pradesh Value Added Tax Act	VAT	2009-10	0.65	Telangana VAT Tribunal
Andhra Pradesh Value Added Tax Act	VAT	2010-11	2.39	Telangana VAT Tribunal
Andhra Pradesh Value Added Tax Act	VAT	2011-12	4.31	Telangana VAT Tribunal



Nature of Statute	Nature of Dues	Period (FY.)	Amount (Excluding interest)* (₹ in Lacs)	Forum where pending
Income Tax Act	Income Tax	Assessment Year 2009-10	243.06	Appellate Tribunal
Income Tax Act	Income Tax	Assessment Year 2010-11	293.36	Appellate Tribunal
Income Tax Act	Income Tax	Assessment Year 2011-12	153.03	Appellate Tribunal
Income Tax Act	Income Tax	Assessment Year 2012-13	246.11	Commissioner of Income Tax (Appeal)
Income Tax Act	Income Tax	Assessment Year 2013-14	173.55	Commissioner of Income Tax (Appeal)
Central Excise Act	Excise Duty	1987—88	44.92	** Rajasthan High Court
Central Excise Act	Cenvat Credit	April, 2008 to February, 2011	19.93	Commissioner of custom (Appeal)
Central Excise Act	Cenvat Credit	July, 2007 to February, 2008	21.44	Commissioner of custom (Appeal)
Central Excise Act	Cenvat Credit	July, 2013 to February, 2014	24.95	Joint Commissioner
Central Excise Act	Cenvat Credit	March, 2011 to June, 2013	159.17	Customs, Excise & service tax Appellate Tribunal.
Custom Act	Custom Duty	2008	643.53	Customs, Excise & service tax Appellate Tribunal.
Custom Act	Anti Dumping Duty	2009-10 & 2010-11	230.44	Hon'ble Supreme court of India

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

** Fixed deposit receipt lodged with Rajasthan Excise Department.

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks. The Company has not obtained any loans from debenture holders, financial institution and government.
- 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. The term loans have been applied for the purpose for which they were raised.
- 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, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- 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. Accordingly, clause 3(xvi) of the Order is not applicable.

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

Place: Gurgaon
Date: May 24, 2016

Sd/-
Yogesh K. Gupta
Partner
Membership No.: 093214

“Annexure B” to the Independent Auditor’s Report

of even date on the Standalone Financial Statements of PI Industries 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’ Section

We have audited the Internal Financial Controls over Financial Reporting of **PI INDUSTRIES LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone 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 (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, 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 **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No. : 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership No.:093214

Place: Gurgaon

Date: May 24, 2016

Balance Sheet

as at March 31, 2016

(₹ in lacs)

Particulars	Note No.	As at March 31, 2016		As at March 31, 2015	
I EQUITY & LIABILITIES					
1 Shareholders' Funds					
a Share Capital	B 1	1,371.27		1,365.76	
b Reserves and Surplus	B 2	<u>1,14,209.16</u>	<u>1,15,580.43</u>	<u>86,887.02</u>	<u>88,252.78</u>
2 Non Current Liabilities					
a Long-term borrowings	B 3	12,304.50		1,666.67	
b Deferred tax liabilities (Net)	B 4	5,604.37		3,654.76	
c Other long-term liabilities	B 5	1,744.88		1,582.77	
d Long-term provisions	B 6	<u>1,161.35</u>	<u>20,815.10</u>	<u>794.42</u>	<u>7,698.62</u>
3 Current Liabilities					
a Short-term borrowings	B 7	199.01		6,479.37	
b Trade payables					
Dues to Micro and Small Enterprises	B 8	739.88		424.21	
Dues to Others	B 8	35,895.81		34,974.59	
c Other current liabilities	B 9	22,088.90		20,727.10	
d Short-term provisions	B 6	990.74	<u>59,914.34</u>	3,566.80	<u>66,172.07</u>
TOTAL			<u>1,96,309.87</u>		<u>1,62,123.47</u>
II ASSETS					
1 Non Current Asset					
a Fixed asset					
Tangible asset	B 10	86,772.30		52,657.95	
Intangible asset	B 12	485.05		311.08	
Capital work-in-progress	B 11	5,873.82		12,219.74	
Intangible asset under development	B 11	<u>1,256.31</u>	<u>94,387.48</u>	<u>1,104.30</u>	<u>66,293.07</u>
b Non-current investments	B 13		<u>196.76</u>		<u>196.76</u>
c Long term loans & advances	B 14		<u>4,680.37</u>		<u>4,263.68</u>
d Other non-current assets	B 15		<u>478.31</u>		<u>207.74</u>
2 Current Asset					
a Inventories	B 16	39,480.35		37,821.15	
b Trade receivables	B 17	39,778.01		38,257.65	
c Cash and Bank Balances	B 18	4,395.18		2,392.77	
d Short-term loans and advances	B 14	11,818.57		12,013.64	
e Other current assets	B 15	1,094.84	<u>96,566.95</u>	677.01	<u>91,162.22</u>
TOTAL			<u>1,96,309.87</u>		<u>1,62,123.47</u>
Significant Accounting Policies	A				
Notes to Accounts	B-1 to B-49				

Accompanying notes referred to above formed the integral part of the financial statement

As per our separate report of even date attached

For and on behalf of the Board of Directors

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

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

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

Sd/-
Yogesh K Gupta
Partner
M. No.: 093214

Sd/-
Jayashree Satagopan
Chief Financial Officer

Sd/-
Naresh Kapoor
Company Secretary

Place: Gurgaon
Date: May 24, 2016



Statement of Profit & Loss

for the year ended March 31, 2016

(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
I. Revenue from Operations	B 19		
Sale of products		2,36,400.53	2,18,486.52
Less: Discount		(18,871.20)	(15,624.70)
Less: Excise Duty		(10,107.07)	(9,288.50)
Sale of services		171.56	63.18
Other operating Revenues		2,074.97	328.30
II. Other Income	B 20	3,434.22	4,152.48
III. Total Revenue (I+II)		2,13,103.01	1,98,117.28
IV. Expenses:			
Cost of Materials consumed	B 21	1,11,088.99	1,08,152.18
Purchase of Stock in Trade		6,731.61	5,611.20
Changes in Inventories of finished goods, work in progress and stock in trade	B 22	(1,993.84)	(2,275.64)
Employee Benefits expense	B 23	18,579.95	14,132.09
Finance Costs	B 26	952.74	972.57
Depreciation and amortisation expense	B 25	5,376.00	4,916.32
Other Expenses	B 24	31,991.34	31,348.73
Total Expenses		1,72,726.79	1,62,857.45
V. Profit Before Tax (III-IV)		40,376.22	35,259.83
Less: Provision for Current Tax		(8,791.99)	(11,371.07)
Less: Provision for Deferred Tax		(1,949.61)	528.23
Add: MAT Credit Entitlement of current year		1,956.28	-
Add: Income Tax of earlier years		(254.49)	(92.09)
VI. Profit After Tax		31,336.41	24,324.90
VII. Earnings per Equity Shares	B 28		
1) Basic (in ₹)		22.90	17.84
2) Diluted (in ₹)		22.72	17.65
Face value per share (in ₹)		1.00	1.00
Significant Accounting Policies	A		
Notes to Accounts	B-1 to B-49		
Accompanying notes referred to above formed the integral part of the financial statement			

As per our separate report of even date attached

For and on behalf of the Board of Directors

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

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

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

Sd/-
Yogesh K Gupta
Partner
M. No.: 093214

Sd/-
Jayashree Satagopan
Chief Financial Officer

Sd/-
Naresh Kapoor
Company Secretary

Place: Gurgaon
Date: May 24, 2016

Cash Flow Statement annexed to the Balance Sheet

for the year ended March 31, 2016

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Tax & Extraordinary Items	40,376.22	35,259.83
<i>Adjustments for:</i>		
Net operating profit before tax		
Depreciation	5,376.00	4,916.32
Interest Expenses	952.74	972.57
Provision for Doubtful Debts and Advances	857.87	415.66
Interest Income	(2,039.68)	(2,165.52)
Dividend Income	-	(0.04)
Employee Stock Option Expense	123.74	74.12
(Profit)/Loss on Sale/Retirement of Fixed Assets (Net)	169.14	712.29
Bad Debts written off	-	12.28
Unrealised Foreign Exchange Loss/(Gain) (Net)	89.05	(370.67)
Operating Profit before Working Capital changes	45,905.08	39,826.84
(Increase) / Decrease in Short term Trade Receivables	(2,426.44)	(12,439.53)
(Increase) / Decrease in Short term Loans and Advances	193.75	(1,144.42)
(Increase) / Decrease in Long term Loans and Advances	(225.48)	53.38
(Increase) / Decrease in Other assets	(312.35)	(307.21)
(Increase) / Decrease in Other Long term assets	(19.98)	(16.23)
(Increase) / Decrease in Inventories	(1,659.20)	(5,945.27)
Increase / (Decrease) in Short term Trade Payables/ Provisions	1,478.13	5,949.82
Increase / (Decrease) in Long term Trade Payables/ Provisions	366.93	195.12
Increase / (Decrease) in Other Short term Liabilities	2,547.98	3,572.74
Increase / (Decrease) in Other Long term Liabilities	162.11	205.16
Cash generated from Operations before tax	46,010.53	29,950.40
Net Direct Taxes paid	(10,740.17)	(11,885.64)
Net cash from Operating Activities	35,270.36	18,064.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress, Intangible Assets and Capital Advances	(32,144.05)	(16,848.54)
Sale of Fixed Assets	334.70	51.37
Interest Received	2,039.68	2,165.52
Dividend Received	-	0.04
Net cash used in Investing Activities	(29,769.67)	(14,631.61)
Net cash from Operating and Investing Activities	5,500.69	3,433.15

Cash Flow Statement annexed to the Balance Sheet

for the year ended March 31, 2016

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital	5.51	4.67
Employee Stock option Allotted	(69.63)	(42.66)
Share Premium Account	690.80	421.98
Short Term Borrowings (Net)	(6,498.50)	2,641.94
Long Term Borrowings (Net of Repayments)	9,451.92	(3,930.85)
Interest paid (Net)	(1,086.54)	(1,108.49)
Dividend Distribution	(6,026.43)	(3,000.00)
Net Cash from Financing Activities	(3,532.87)	(5,013.41)
Net Cash from Operating, Investing & Financing Activities	1,967.82	(1,580.26)
Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	(0.65)	5.92
Net increase in Cash & Cash equivalent	1,967.17	(1,574.34)
Opening balance of Cash & Cash equivalent	1,265.57	2,839.33
Increase in Cash & Cash equivalent on Amalgamation (Refer Note 32)	-	0.58
Closing balance of Cash & Cash equivalent	3,232.74	1,265.57

Note:

Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-

i) Cash Balance on Hand	8.67	10.54
ii) Balance with Banks :		
-In Current Accounts	1,223.77	1,255.03
-In Fixed Deposits	2,000.30	-
Total	3,232.74	1,265.57

As per our separate report of even date attached

For and on behalf of the Board of Directors

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

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

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

Sd/-
Yogesh K Gupta
Partner
M. No.: 093214

Sd/-
Jayashree Satagopan
Chief Financial Officer

Sd/-
Naresh Kapoor
Company Secretary

Place: Gurgaon
Date: May 24, 2016

Significant Accounting Policies and Notes to Accounts

A SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION

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

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

2) USE OF ESTIMATES

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

3) REVENUE RECOGNITION

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

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

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

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

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

4) EXPENDITURE

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

5) TANGIBLE FIXED ASSETS AND DEPRECIATION

a) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

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

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

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

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

Significant Accounting Policies and Notes to Accounts

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

6) INTANGIBLE ASSETS

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

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

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

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

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

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

7) IMPAIRMENT OF ASSETS

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

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

8) INVENTORIES

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

9) EMPLOYEE BENEFITS

- a) Defined Contribution Plan :

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance is a defined contribution scheme and contributions are charged to the Statement of Profit & Loss of the year when the contribution to the respective fund is due.

- b) Defined Benefit Plan :

Retirement benefits in the form of gratuity and long term compensated absences are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation as at the date of the Balance Sheet using the projected unit credit method.

- c) Actuarial gains/losses, if any, are immediately recognised as Profit/Loss.

- d) Short Term Employee benefits:

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

10) FOREIGN CURRENCY TRANSACTIONS

- a) **Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- b) **Conversion**

Foreign currency monetary items are reported using the closing rate.



Significant Accounting Policies and Notes to Accounts

c) Exchange Difference

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

11) RESEARCH AND DEVELOPMENT

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

12) PRIOR PERIOD ADJUSTMENTS

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

13) INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are stated at cost. Provision for diminution in the value of investments is made, if it is other than temporary.

14) BORROWING COST

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

15) TAXATION

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

16) LEASES

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

17) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

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

18) SEGMENT REPORTING

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

Primary Segment:

Business Segment: The Company is in the business of manufacturing and distribution of Agro Chemicals and accordingly has one reportable business segment viz. 'Agro Chemicals', which constitutes the primary segment.

Significant Accounting Policies and Notes to Accounts

Secondary Segment:

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

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

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

19) CASH FLOW STATEMENTS

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

20) EARNING PER SHARE

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

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

21) DERIVATIVE INSTRUMENTS

The Company has adopted Accounting Standard 30 (AS 30) “Financial Instruments: Recognition and Measurement”. Based on the Recognition and Measurement principles set out in AS 30, changes in the fair values of derivative financial instruments, the net foreign exchange exposure over a period of one year against the committed order in hand hedged through forward contracts, are designated as effective cash flow hedges and marked to market loss/gain arising on said foreign currency instruments are transferred to “Cash Flow Hedge Reserve” directly in the Balance Sheet under Reserves & Surplus and later the same is reclassified in the Statement of Profit & Loss upon the occurrence of the hedging transaction.

22) EMPLOYEE STOCK OPTION BASED COMPENSATION

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

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS

1 SHARE CAPITAL

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Authorised Shares		
22,30,00,000 (Previous Year 22,30,00,000) Equity Shares of ₹ 1 each (Previous Year of ₹ 1 each)	2,230.00	2,230.00
50,00,000 (Previous Year 50,00,000) Preference Shares of ₹ 100 each (Previous Year of ₹ 100 each)	5,000.00	5,000.00
	7,230.00	7,230.00
Issued Shares		
13,73,03,797 (Previous Year 13,67,52,757) Equity Shares of ₹ 1 each (Previous Year ₹ 1 each)	1,373.04	1,367.53
	1,373.04	1,367.53
Subscribed & Fully Paid up Shares		
13,71,27,222 (Previous Year 13,65,76,182) Equity Shares of ₹ 1 each (Previous Year ₹ 1 each)	1,371.27	1,365.76
Total subscribed and fully paid up share capital	1,371.27	1,365.76

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

b Terms/ rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 1 per share (Previous Year ₹ 1 per share). Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended March 31, 2016, the Company has declared 310% Interim dividend on Equity Shares of face value of ₹ 1 each to the Equity Shareholders, which is recognised as distribution to the Equity Shareholders. (Previous Year Final dividend of 130% and Interim dividend of 120% on face value of ₹ 1 per share).

c Issue of Shares under ESOP Scheme

During the year ended March 31, 2016, the Company has issued 5,51,040 Equity Shares of ₹ 1 each (Previous Year 4,67,102 Equity Shares of ₹ 1 each), as per exercise price to PII ESOP Trust (Trust), set up to administer Employee Stock Option Plan. Out of total Equity Shares issued to the Trust 6,01,363 Equity Shares of face value of ₹ 1 each (Previous Year 4,23,458 Equity Shares of face value of ₹ 1 each) have been allocated by the Trust to respective employees upon exercise of Stock Option from time to time. As on March 31, 2016, 2,28,135 Equity Shares of face value of ₹ 1 per share (Previous Year 2,78,458 of face value of ₹ 1 each) are pending to be allocated to employees upon exercise of Stock option. (Refer Note 33)

d Pursuant to the approval by the Honourable High Court of Jodhpur to the scheme of amalgamation vide its formal order dtd. March 27, 2015, the Company has taken following actions during the previous year 2014-15:-

- i) Authorised Share Capital stands increased to ₹ 7,230 lacs divided into 22,30,00,000 Equity Shares of ₹ 1 each; 50,00,000 Preference Shares of ₹ 100 each.
- ii) Investment held by Parteek Finance & Investment Co. Ltd. (Transferor Company) in PI Industries Ltd. representing 7,38,51,390 Equity Shares have been cancelled and fresh Equity Shares of 7,38,51,390 Equity Shares have been issued to the shareholders of the Transferor Company.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

e Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

Issued Share Capital

Equity Shares

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares) (₹ in lacs)	
	2015-16	2014-15	2015-16	2014-15
Share outstanding at beginning of period	13,67,52,757	13,62,85,655	1,367.53	1,362.86
Shares issued under ESOP scheme (Refer Note 1(c))	5,51,040	4,67,102	5.51	4.67
Cancellation of shares (Refer Note 1(d))	-	(7,38,51,390)	-	(738.51)
Issuance of shares (Refer Note 1(d))	-	7,38,51,390	-	738.51
Share outstanding at end of period	13,73,03,797	13,67,52,757	1,373.04	1,367.53

Subscribed & Paid up

Equity Shares

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares) (₹ in lacs)	
	2015-16	2014-15	2015-16	2014-15
Share outstanding at beginning of period	13,65,76,182	13,61,09,080	1,365.76	1,361.09
Shares issued under ESOP scheme (Refer Note 1(c))	551,040	467,102	5.51	4.67
Cancellation of shares (Refer Note 1(d))	-	(7,38,51,390)	-	(738.51)
Issuance of shares (Refer Note 1(d))	-	7,38,51,390	-	738.51
Share outstanding at end of period	13,71,27,222	13,65,76,182	1,371.27	1,365.76

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

Particulars	As at March 31, 2016	As at March 31, 2015
Equity Shares allotted as fully paid up Bonus shares by capitalisation of reserves as on	1,86,45,835	3,63,64,605

Year of Issue	No. of Shares
2010-11	1,86,45,835
2009-10	1,77,18,770

g Shares reserved for issue under option

Shares reserved for issue under ESOP - Refer Note 33

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

Equity Shares

Name of Shareholders	2015-16		2014-15	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Salil Singhal jointly with Mrs. Madhu Singhal	1,70,57,174	12.44	2,58,57,174	18.93
Mrs. Madhu Singhal jointly with Mr. Salil Singhal	2,37,64,621	17.33	2,37,64,621	17.40
Mr. Salil Singhal	1,31,01,879	9.55	1,31,01,879	9.59
Salil Singhal (HUF)	1,28,73,629	9.39	1,28,73,629	9.43
Cartica Capital Ltd.	84,83,037	6.19	Nil	Nil

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

2 RESERVES & SURPLUS

(₹ in lacs)

Particulars	As at March 31, 2016		As at March 31, 2015	
a. Capital Reserve				
Balance at the beginning of the year	148.88		147.51	
Addition during the Financial year ⁽ⁱ⁾	-		1.37	
Deduction during the Financial year	-	148.88	-	148.88
b. Securities Premium Reserve				
Balance at the beginning of the Financial year	16,765.07		16,343.09	
Add: Premium on issue of Equity Shares through ESOP	690.80	17,455.87	421.98	16,765.07
c. Revaluation Reserve				
Balance at the beginning of the Financial year	-		179.67	
Less: Reversal of Revaluation Reserve ⁽ⁱⁱ⁾	-	-	(179.67)	-
d. Share Option Outstanding Account				
Balance at the Beginning of the Financial year	126.46		95.00	
Addition during the Financial year	189.00		166.22	
Less: Written back during the Financial year	(30.08)		(51.05)	
Less: Shares Allotted	(69.63)		(42.66)	
Less: Deferred employee stock compensation	(35.19)	180.56	(41.05)	126.46
e. Cash Flow Hedge Reserve				
Balance at the beginning of the Financial year	188.30		411.32	
Addition during the Financial year	355.09		-	
Less: Written back during the Financial year	-	543.39	(223.02)	188.30
f. General Reserve				
Balance at the beginning of the Financial year	10,859.08		8,426.59	
Add: Transferred during the Financial year	3,133.64	13,992.72	2,432.49	10,859.08
g. Surplus in Statement of Profit & Loss				
Balance at the beginning of the Financial year	58,799.23		41,344.12	
Addition during the Financial year	31,336.41		24,324.90	
Less: Transfer to General Reserves	(3,133.64)		(2,432.49)	
Less: Depreciation for assets having NIL remaining life as on April 01, 2014 ⁽ⁱⁱⁱ⁾	-		(276.45)	
Less: Interim Dividend on Equity Shares ₹ 3.10 per share (Previous Year ₹ 1.20 per share)	(4,250.94)		(1,638.91)	
Less: Proposed Dividend on Equity Shares ₹ Nil per share (Previous Year ₹ 1.30 per share)	-		(1,775.49)	
Less: Dividend Distribution Tax on Equity Shares	(863.32)	81,887.74	(746.45)	58,799.23
TOTAL		1,14,209.16		86,887.02

During the year, interim dividend amounting to ₹ 25.15 lacs (Previous Year ₹ 35.48 lacs) declared for the financial year 2015-16 was paid in foreign currency to one of the shareholder holding 20,95,426 shares (Previous Year two of the shareholders holding 29,56,974 shares) & final dividend amounting to ₹ 26.74 lacs (Previous Year ₹ 29.42 lacs) declared for the financial year 2014-15 was paid in foreign currency to two of the shareholders holding 20,56,974 shares (Previous Year one of the shareholder holding 29,41,974 shares).

(i) Refer Note 32

(ii) In order to present all the fixed assets at cost, during the previous year 2014-15 the Company had reversed the revaluation reserve created on tangible fixed assets on June 30, 1988. Accordingly, revaluation reserve amounting to ₹ 179.67 lacs outstanding in the books has been adjusted against the revalued amount of related asset. There is no impact on the Statement of Profit & Loss account.

(iii) 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 01, 2014 except in case of certain items of Plant and Equipment, based on internal assessment and independent technical evaluation, depreciation is provided on the Straight Line Method over the useful lives of assets of 15 years in place of 20 to 25 years as prescribed in Schedule II. Accordingly, an

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

amount of ₹ 276.45 lacs (net of deferred tax) representing assets beyond their useful life as of April 01, 2014 has been charged to General Reserve and in respect of the remaining assets, an additional depreciation amounting to ₹ 1,541.25 lacs has been charged to the Profit and Loss Statement for the FY 2014-15.

3 LONG TERM BORROWINGS

Particulars	(₹ in lacs)			
	Non- Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Term Loans - From Banks				
Foreign Currency Loans from Banks (secured)	12,304.50	1,666.67	2,713.30	3,333.33
TOTAL	12,304.50	1,666.67	2,713.30	3,333.33
The above amount includes				
Secured borrowings	15,017.80	5,000.00		
Unsecured borrowings	-	-		
Net Amount	15,017.80	5,000.00		

a. Foreign Currency Loans includes:

ECB from Standard Chartered Bank amounting to USD 26.67 lacs carrying interest rate of 90 days LIBOR plus 1.85% is outstanding as on March 31, 2016 and is repayable in balance 2 Quarterly instalments of USD 13.33 lacs each. The loan is secured by first charge over all the movable fixed assets relating to Multi Purpose Plant (MPP)- 5 of the Company situated at SPM 28, Jambusar (Gujarat) and first pari passu charge on the movable fixed assets of the Company, situated at 237, GIDC, Panoli (Gujarat) and second pari passu charge on all the current assets of the Company.

ECB from HSBC Bank amounting to USD 200.00 lacs carrying interest rate of 90 days LIBOR plus 1.42% is outstanding as on March 31, 2016 and is repayable in 14 Quarterly instalments of USD 14.29 lacs each, beginning from February 2017. The loan is secured by exclusive charge on movable Plant and Machinery relating to Multi Purpose Plant (MPP)- 6 & Multi Purpose Plant (MPP)- 7 of the Company situated at SPM 28, Jambusar (Gujarat).

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

4 DEFERRED TAX LIABILITIES

Particulars	(₹ in lacs)	
	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	1,183.75	652.94
Sub- Total (a)	1,183.75	652.94
Deferred Tax Liabilities		
Difference in depreciation and amortisation in block of fixed assets as per Income Tax Act and books of accounts & Others	6,788.12	4,307.70
Sub- Total (b)	6,788.12	4,307.70
Net Deferred Tax Liability (b)-(a)	5,604.37	3,654.76

5 OTHER LONG TERM LIABILITIES

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Other Payables		
Security Deposits from Dealers	1,657.21	1,518.85
Security Deposits from Contractors	42.75	19.00
Miscellaneous payables	44.92	44.92
TOTAL	1,744.88	1,582.77

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

6 PROVISIONS

(₹ in lacs)

Particulars	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits*				
Compensated Absences	592.11	413.82	104.60	74.80
Gratuity	569.24	380.60	-	-
	1,161.35	794.42	104.60	74.80
Other Provisions				
Provision for Income Tax {Net of Advance Tax of ₹ 37,997.69 lacs (Previous Year ₹ 28,616.94 lacs)}			886.14	1,352.98
Provision for Proposed Dividend on Equity Shares			-	1,775.49
Provision for Dividend Distribution Tax			-	363.53
	-	-	886.14	3,492.00
TOTAL	1,161.35	794.42	990.74	3,566.80

* Refer Note 31

7 SHORT TERM BORROWINGS

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Loans Repayable on Demand		
Working Capital Loans from Banks (secured)	199.01	6,479.37
TOTAL	199.01	6,479.37
The above amount includes		
Secured Borrowings	199.01	6,479.37

Working capital loans are secured by way of first pari passu charge on all the current assets by hypothecation of stocks of raw materials, finished and semi finished goods, stores and spares not related to plant and machinery, bills receivable, book debts and all other movable current assets of the Company both present and future, and additionally secured by way of second charge on all the fixed assets of the Company excluding leasehold land situated at SPM 28, Jambusar (Gujarat) in favour of the consortium bankers.

Working Capital Loan includes Foreign currency Loan (Buyers Credit Loan) amounting to ₹ Nil (Previous Year ₹ 434.37 lacs).

8 TRADE PAYABLES

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Trade Payables		
-Due to Micro and Small enterprises (Refer Note 42)	739.88	424.21
-Other Trade Payables*	35,895.81	34,974.59
TOTAL	36,635.69	35,398.80

* Other Trade payable includes amount due to Subsidiary companies amounting to ₹ 27.60 lacs (Previous Year ₹ 22.97 lacs).

9 OTHER CURRENT LIABILITIES

(₹ in lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debt (Refer Note 3)	2,713.30	3,333.33
Interest accrued but not due on borrowings	27.54	0.66
Unclaimed dividends*	94.44	26.75
Creditors for Capital Purchases	2,216.98	2,877.70
Security Deposits Contractors	5.50	31.25
Advance from Customers	1,829.61	2,214.41
Other payables		
- Employee Balances	3,691.28	2,582.32
- Statutory Dues Payable	928.46	891.84
- Miscellaneous Payable	10,581.79	8,768.84
TOTAL	22,088.90	20,727.10

* The amount does not include amount due/ outstanding to be credited to Investor Education & Protection Fund, same shall be credited as and when due.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

10 TANGIBLE ASSETS

(₹ in lacs)

Particulars	Leasehold land	Freehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Library	Total
Gross Carrying Value									
As at April 01, 2014	2,176.63	235.53	9,371.57	54,473.56	272.35	503.71	52.58	99.74	67,185.67
Additions	-	-	1,265.36	4,716.04	81.64	69.51	0.54	-	6,133.09
Disposals	-	-	(74.64)	(4,100.70)	(50.08)	(169.10)	(27.21)	-	(4,421.73)
Other Adjustments									
Reversal of Revaluation Reserve	-	(179.67)	-	-	-	-	-	-	(179.67)
Exchange Difference	-	-	68.93	221.44	-	-	-	-	290.37
Other Expenses including Salary	-	-	113.60	306.92	-	-	-	-	420.52
Others	-	-	555.77	(440.81)	9.63	(36.25)	7.19	(99.74)	(4.21)
As at March 31, 2015	2,176.63	55.86	11,300.59	55,176.45	313.54	367.87	33.10	-	69,424.04
Additions	-	-	11,649.47	25,918.20	412.46	365.45	-	-	38,345.58
Disposals	(78.25)	-	(49.91)	(954.95)	(1.79)	(21.97)	(0.39)	-	(1,107.26)
Other Adjustments									
Exchange Difference	-	-	140.19	425.69	-	-	-	-	565.88
Borrowing Costs	-	-	41.85	118.83	-	-	-	-	160.68
Other Expenses including Salary	-	-	267.17	560.95	-	-	-	-	828.12
As at March 31, 2016	2,098.38	55.86	23,349.36	81,245.17	724.21	711.35	32.71	-	1,08,217.04
Depreciation									
As at April 01, 2014	75.34	-	1,114.66	13,532.54	129.58	229.58	41.36	81.24	15,204.30
Charge for the year	22.62	-	518.39	4,563.17	26.82	101.87	5.35	-	5,238.22
Disposals	-	-	(52.87)	(3,387.47)	(48.21)	(157.50)	(26.35)	-	(3,672.40)
Others	-	-	385.93	(313.99)	1.18	1.88	2.21	(81.24)	(4.03)
As at March 31, 2015	97.96	-	1,966.11	14,394.25	109.37	175.83	22.57	-	16,766.09
Charge for the year	21.85	-	500.56	4,635.31	39.38	81.46	3.51	-	5,282.07
Disposals	(11.68)	-	(16.14)	(552.71)	(1.64)	(20.93)	(0.32)	-	(603.42)
As at March 31, 2016	108.13	-	2,450.53	18,476.85	147.11	236.36	25.76	-	21,444.74
Net Carrying Value									
As at March 31, 2015	2,078.67	55.86	9,334.48	40,782.20	204.17	192.04	10.53	-	52,657.95
As at March 31, 2016	1,990.25	55.86	20,898.83	62,768.32	577.10	474.99	6.95	-	86,772.30

- During the previous year 2014-15, the Company has reversed the revaluation reserve created on Freehold Land on June 30, 1988.
- Depreciation for the year includes depreciation amounting to ₹ 194.52 lacs (Previous Year ₹ 214.83 lacs) on assets used for Research & Development. During the year Company incurred ₹ 6,034.04 lacs (Previous Year ₹ 219.30 lacs) towards capital expenditure for Research & Development (Refer Note 27).
- Amount capitalised on account of exchange difference, borrowing costs and other administrative costs have been transferred from Capital Work in progress.
- Out of the total depreciation charge for the previous year 2014-15, ₹ 418.81 Lacs representing assets beyond their useful life as of April 01, 2014 has been charged to General Reserve in accordance with the Schedule II to the Companies Act 2013. (Refer Note 2(g) (iii)).

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

11 CAPITAL WORK IN PROGRESS & INTANGIBLES ASSETS UNDER DEVELOPMENT

(₹ in lacs)

Particulars	Amount of Capital Work in progress	Intangible Assets under Development
As at April 01, 2014	3,555.32	693.08
Additions	14,297.18	411.22
Amount transferred from CWIP	(6,468.22)	-
Other Adjustments*		
Exchange Difference	290.37	-
Other Expenses including Salary	545.09	-
As at March 31, 2015	12,219.74	1,104.30
Additions	32,138.11	205.72
Amount transferred from CWIP	(39,853.21)	(53.71)
Other Adjustments*		
Exchange Difference	565.88	-
Borrowing Costs	160.68	-
Other Expenses including Salary	642.62	-
As at March 31, 2016	5,873.82	1,256.31

* Refer Note No. 36

12 INTANGIBLE ASSETS

(₹ in lacs)

Particulars	Software	Product Development	Total
Gross Carrying Value			
As at April 01, 2014	662.82	51.13	713.95
Additions	39.10	-	39.10
Others	4.21	-	4.21
Disposals	(124.64)	-	(124.64)
As at March 31, 2015	581.49	51.13	632.62
Additions	214.19	53.71	267.90
Disposals	-	-	-
As at March 31, 2016	795.68	104.84	900.52
Depreciation			
As at April 01, 2014	330.04	0.87	330.91
Charge for the year	88.41	8.50	96.91
Others	4.03	-	4.03
Disposals	(110.31)	-	(110.31)
As at March 31, 2015	312.17	9.37	321.54
Charge for the year	80.27	13.66	93.93
Disposals	-	-	-
As at March 31, 2016	392.44	23.03	415.47
Net Carrying Value			
As at March 31, 2015	269.32	41.76	311.08
As at March 31, 2016	403.24	81.81	485.05

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

13 NON CURRENT INVESTMENTS

			(₹ in lacs)	
Particulars	As at March 31, 2016	As at March 31, 2015		
Long Term Investments (At cost) : Non Trade				
1 Unquoted Shares (Equity)				
a) Panoli Enviro Technology Ltd.	3.00	3.00		
30,000 (Previous Year 30,000) Equity Shares of ₹10 each fully paid				
b) Bharuch Enviro Infrastructure Ltd.	0.21	0.21		
2,100 (Previous Year 2,100) Equity Shares of ₹10 each fully paid				
c) Narmada Clean Tech Ltd.	44.43	44.43		
444,339 (Previous Year 444,339) Equity Shares of ₹10 each fully paid				
d) Abhilasha Tower Co-operative Service Housing Society Ltd.	0.02	0.02		
10 (Previous Year 10) Equity Shares of ₹ 250 each fully paid	<u>47.66</u>	<u>47.66</u>		
2 Investment in wholly-owned subsidiary				
a) PILL Finance & Investment Limited	36.00	36.00		
360,000 (Previous Year 360,000) Equity Shares of ₹ 10 each fully paid				
b) PI Life Science Research Limited	94.50	94.50		
945,000 (Previous Year 945,000) Equity Shares of ₹10 each fully paid				
c) PI Japan Company Limited	18.60	18.60		
100 (Previous Year - 100) Equity Shares of ₹18,600 each fully paid - (JPY 50,000 each)	<u>149.10</u>	<u>149.10</u>		
TOTAL	<u>196.76</u>	<u>196.76</u>		
Aggregate book value of Quoted Investments	NIL	NIL		
Aggregate book value of Un-Quoted Investments	196.76	196.76		

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

14 LOANS AND ADVANCES

(₹ in lacs)

Particulars	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Capital Advances (Unsecured)				
Considered good	2,103.36	3,867.72	-	-
Doubtful	1.20	0.49	-	-
Less: Allowance for Doubtful Capital Advances	(1.20)	(0.49)	-	-
A	2,103.36	3,867.72	-	-
Security Deposits (Unsecured)				
Considered good*	423.51	353.96	12.98	9.78
Doubtful	-	-	-	-
B	423.51	353.96	12.98	9.78
Loans and advances to related parties (unsecured)				
Considered good (Refer Note 38)**	-	-	501.90	412.65
C	-	-	501.90	412.65
Other Loans and advances (Unsecured)				
Loan To Body Corporate***	-	-	2,636.76	2,287.59
Advances to Vendors				
Considered good	-	-	1,233.24	2,325.67
Doubtful	-	-	3.68	2.36
Less: Allowance for Doubtful Advances	-	-	(3.68)	(2.36)
MAT Credit Entitlement	1,956.28	-	-	-
Balance with Central Excise Authorities, Customs etc.	-	-	2,812.78	3,181.36
Prepaid Expenses	-	-	343.67	331.66
Employee Advances				
Considered good	-	-	26.87	48.20
Doubtful	-	-	0.83	0.27
Less: Allowance for Doubtful Employee Advances	-	-	(0.83)	(0.27)
Other Statutory Advances	5.93	14.90	1,889.76	2,104.93
Other Miscellaneous Advances	191.29	27.10	2,360.61	1,311.80
D	2,153.50	42.00	11,303.69	11,591.21
TOTAL (A+B+C+D)	4,680.37	4,263.68	11,818.57	12,013.64

* Includes ₹ 0.50 lacs (Previous Year ₹ 0.50 lacs) rent deposit to PILL Finance & Investment Ltd.

** Includes provision of money amounting to ₹ 473.05 lacs (Previous Year ₹ 380.64 lacs), to PII ESOP Trust (Trust) for subscription of Shares by PII ESOP Trust for the benefit of employees and carries an interest rate of 9% p.a..

*** The above unsecured loan is given to M/s Sterling SEZ & Infrastructure Ltd. for the purpose of infrastructure development and carries an interest rate of 15% p.a.. The Company has also provided a Bank Guarantee (dtd. September 2, 2015 valid till September 1, 2016) amounting ₹ 106.71 lacs in favour of Dakshin Gujrat VIJ Company Ltd., Surat on behalf of Sterling SEZ & Infrastructure Ltd.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

15 OTHER ASSETS

Particulars	(₹ in lacs)			
	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Interest and Other charges recoverable from customers- Good	-	-	551.45	488.71
Interest and Other charges recoverable from customers- Doubtful	-	-	552.42	302.81
Less: Allowance for Interest and other charges recoverable from customers	-	-	(552.42)	(302.81)
Deposits lodged with Excise & Sales Tax department and deposits held as margin money*	478.31	207.74	-	-
Hedge Asset	-	-	543.39	188.30
TOTAL	478.31	207.74	1,094.84	677.01

*Deposits includes ₹ 216.84 lacs (Previous Year ₹ 200.52 lacs) towards security deposit lodged with the Rajasthan excise department, ₹ 4.95 lacs (Previous Year ₹ 4.58 lacs) lodged with Commercial Taxes Kottayam, ₹ 2.03 lacs (Previous Year ₹ Nil) lodged with Commercial Taxes Srinagar, ₹ 1.54 lacs (Previous Year ₹ 1.42 lacs) lodged with Assistant Excise & Taxation Commissioner, Solan, ₹ 1.19 lacs (Previous Year ₹ 0.62 lacs) lodged with Superintendent, Prohibition & Excise Account, Jambusar, ₹ 0.52 lacs (Previous Year ₹ Nil) lodged with Superintendent, Prohibition & Excise Account, Panoli, ₹ 0.65 lacs (Previous Year ₹ 0.60 lacs) lodged with UKAI right Bank Canal Division and ₹ 250.59 lacs (Previous Year ₹ Nil) towards Fixed Deposits held as margin money.

* Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 478.31 lacs (Previous Year ₹ 207.74 lacs); and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

16 INVENTORIES (Valued at lower of cost and net realizable value)

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Raw Materials and Packing Materials {includes Stock-in-Transit ₹ 5,157.37 lacs (Previous Year ₹ 7,547.66 lacs)}	19,100.51	19,002.92
Work in Progress	5,747.72	7,104.48
Finished Goods, including By - products	11,518.22	8,373.89
Traded Goods	1,708.94	1,502.67
Stores & Spares, Laboratory Chemicals & Apparatus	1,404.96	1,837.19
TOTAL	39,480.35	37,821.15

17 TRADE RECEIVABLES

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
<i>Unsecured, considered good unless stated otherwise</i>		
Debts outstanding for a period exceeding six months from the date they are due for payment		
-Considered Good	4,654.36	2,517.56
-Doubtful	1,235.58	728.85
	5,889.94	3,246.41
Less: Allowance for Doubtful Debts	(1,235.58)	(728.85)
A	4,654.36	2,517.56
Others Debts		
-Considered Good	35,123.65	35,740.09
-Doubtful	4.89	5.01
	35,128.54	35,745.10
Less: Allowance for Other Doubtful Debts	(4.89)	(5.01)
B	35,123.65	35,740.09
TOTAL (A+B)	39,778.01	38,257.65

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

18 CASH AND BANK BALANCES

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Cash & Cash Equivalents		
- Balance with banks		
On Current Accounts	1,223.77	1,255.03
- Cash on hand	8.67	10.54
- Fixed Deposits with Bank*	2,000.30	-
Other Bank Balances		
In Deposit accounts held as margin money**	1,068.00	1,100.45
In Unclaimed Dividend Accounts ***	94.44	26.75
TOTAL	4,395.18	2,392.77

* Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil); and Fixed deposits upto 3 months maturity from date of acquisition: ₹ 2,000.30 lacs (Previous Year ₹ Nil).

** Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 1,057.78 lacs (Previous Year ₹ 1,100.45 lacs) towards margin money pledged with banks for Bank Guarantees and Letter of Credit.; and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

*** Not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

19 REVENUE FROM OPERATIONS

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from Operations includes		
a) Sale of products;		
Finished Goods	2,26,562.85	2,11,850.76
Traded Goods	9,837.68	6,635.76
	2,36,400.53	2,18,486.52
b) Sale of services;	171.56	63.18
	171.56	63.18
c) Other operating Revenues;		
Scrap Sales	122.79	190.37
Others*	1,952.18	137.93
	2,074.97	328.30
Revenue From Operations (Gross) (a+b+c)	2,38,647.06	2,18,878.00
Less: Excise Duty	10,107.07	9,288.50
Less: Discount	18,871.20	15,624.70
Revenue From Operations (Net)	2,09,668.79	1,93,964.80
d) Details of products sold		
(i) Finished goods sold		
Specialty Chemicals	1,23,783.77	1,16,147.12
Agro Chemicals	95,928.39	89,351.08
Plant Nutrients	6,310.40	5,860.74
Others	540.29	491.82
	2,26,562.85	2,11,850.76
(ii) Traded Goods Sold		
Agro Chemicals	8,233.70	6,611.69
Others	1,603.98	24.07
	9,837.68	6,635.76

* Other operating revenue includes Export incentive (Net) of ₹ 1,952.18 lacs (Previous Year ₹ 137.93 lacs).

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

20 OTHER INCOME

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Income from Long term Investment		
Dividend Income from Long term Investment	-	0.04
Income from Short term Investment		
Interest Income;		
- Margin Money Deposits	270.92	413.88
- Others	1,768.76	1,751.64
Other Non-operating Income	59.47	150.49
Exchange Gain	1,335.07	1,836.43
TOTAL	3,434.22	4,152.48

21 COST OF RAW MATERIAL AND PACKING MATERIAL CONSUMED

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Details of Raw material and Packing material consumed		
Basic Chemicals	61,189.12	63,143.77
Active Ingredients	29,282.13	22,938.89
Solvent	6,090.46	7,436.65
Packaging Material	5,390.59	5,142.42
Catalyst & Emulsifiers	3,273.80	4,909.88
Others	5,862.89	4,580.57
TOTAL	1,11,088.99	1,08,152.18
Details of Raw material and Packing material Inventory		
Basic Chemicals	10,784.36	12,032.29
Packaging Material	1,180.50	671.70
Active Ingredients	5,502.27	4,215.10
Solvent	643.12	1,042.63
Catalyst & Emulsifiers	756.67	881.40
Others	233.59	159.80
TOTAL	19,100.51	19,002.92

22 (INCREASE)/DECREASE IN INVENTORY

Particulars	(₹ in lacs)			
	Year ended March 31, 2016		Year ended March 31, 2015	
Inventories at the end of the year				
Finished Goods	11,518.22		8,373.89	
Traded Goods	1,708.94		1,502.67	
Work in Progress	5,747.72	18,974.88	7,104.48	16,981.04
Inventories at the beginning of the year				
Finished Goods	8,373.89		7,194.35	
Traded Goods	1,502.67		1,266.12	
Work in Progress	7,104.48	16,981.04	6,244.93	14,705.40
TOTAL		(1,993.84)		(2,275.64)
a) Details of Purchases of Traded Goods				
Agro Chemicals		6,442.46		5,598.94
Others		289.15		12.26
TOTAL		6,731.61		5,611.20

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
b) Details of Inventory		
Finished Goods		
Agro Chemicals	9,053.58	5,997.19
Specialty Chemicals	1,621.16	1,856.76
Plant Nutrients	362.20	262.67
Others	481.28	257.27
TOTAL	11,518.22	8,373.89
Traded Goods		
Agro Chemicals	1,708.94	1,502.67
Others	-	-
TOTAL	1,708.94	1,502.67
Work In Progress		
Agro Chemicals	746.89	2,278.55
Specialty Chemicals	4,972.39	4,795.76
Plant Nutrient	28.44	30.17
TOTAL	5,747.72	7,104.48

23 EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, Wages and Bonus	16,595.87	12,618.06
Contribution to Provident & other funds	713.77	579.92
Gratuity and Other Long term compensated absences (Refer Note 31)	430.78	287.39
Employees Welfare Expenses	715.79	572.60
Expense on Employee Stock Option Scheme (Refer Note 33)	123.74	74.12
TOTAL	18,579.95	14,132.09

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

24 OTHER EXPENSES

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Power, Fuel & Water	6,058.52	7,674.46
Stores & Spares Consumed	2,016.64	2,030.55
Repairs & Maintenance to :		
- Buildings	117.74	46.15
- Plant & Machinery	251.72	86.02
- Other Repairs	609.97	539.19
Environment & Pollution Control expenses	5,472.59	5,377.11
Laboratory & Testing Charges	1,041.75	901.37
Freight & Cartage	3,803.33	3,774.01
Advertisement & Sales Promotion	3,287.72	2,839.14
Travelling & Conveyance (Refer Note 24(a))	3,033.56	2,612.89
Rent	879.02	739.50
Rates, Taxes & Fees	330.47	248.97
Insurance	322.28	267.67
Donation	215.72	45.16
Loss on Sale/Retirement of Fixed Assets (Net)	169.14	712.29
Auditor's Remuneration* (Refer Note 24(b))	42.03	32.15
Communication Expenses	399.45	347.76
Bad debts written off (Net)	-	12.28
Provision for Bad and Doubtful debts & Advances	857.87	415.66
Prior period expenses	6.26	10.07
Director Sitting Fees & Commission	88.28	84.00
Legal & Professional Expenses	904.50	936.56
Bank Charges	208.96	239.56
Contribution towards CSR Activities	514.30	348.00
Miscellaneous Expenses	1,359.52	1,028.21
TOTAL	31,991.34	31,348.73
a. Travelling Expenditure includes Directors Travelling amounting to ₹ 268.00 lacs (Previous Year ₹ 306.03 lacs)		
b. Auditors' Remuneration		
- Audit Fees	20.00	18.00
- Limited Review Fees	7.50	6.00
- Certificates & other matters	12.72	6.19
- Reimbursement of expenses	1.81	1.96
TOTAL	42.03	32.15

25 DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation on Tangible Assets*	5,282.07	4,819.41
Amortization of Intangible Assets*	93.93	96.91
TOTAL	5,376.00	4,916.32

* Refer Note 10 & 12

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

26 FINANCE COST

(₹ in lacs)

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
Interest				
On Fixed Loans	292.79		352.54	
On Working Capital	567.73		509.18	
Others	31.88	892.40	62.31	924.03
Other Borrowing Costs		60.34		48.54
TOTAL		952.74		972.57

27 RESEARCH & DEVELOPMENT EXPENSES

Details of Expenditure on Research & Development Facilities/ division of the Company recognised by Department of Scientific & Industrial Research.

a) Revenue Expenditure

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Employee Benefit Expenses		
Salaries, Wages & Bonus	1,087.00	716.13
Contributions to Provident & other funds	75.49	51.15
Employee Welfare Expenses	24.26	16.79
	1,186.75	784.07
Raw & Packing Materials Consumed	144.00	93.21
Other Expenses		
Laboratory & testing Material	329.75	218.96
Power, Fuel & Water	48.79	21.94
Stores & Spares Consumed	168.37	31.86
Testing & Analysis	1.49	3.66
Travelling & Conveyance	71.79	47.14
Rates, Taxes & Fees	2.00	2.41
Printing & Stationery	2.35	3.29
Bank Charges	0.07	0.04
Legal & Professional Charges	2.56	13.62
Miscellaneous Expenses	159.57	29.29
	786.74	372.21
Depreciation		
Depreciation	194.52	214.83
TOTAL	2,312.01	1,464.32
Total Expenditure Allowed	2,312.01	1,464.32

b) Capital Expenditure

(₹ in lacs)

Description	March 31, 2015	Addition during the year	March 31, 2016
Buildings	18.12	2,850.51	2,868.63
Equipments & Others	1,319.01	3,183.53	4,502.54
TOTAL	1,337.13	6,034.04	7,371.17

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

28 EARNING PER SHARE

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
a) Net Profit for Basic & Diluted EPS(₹ in lacs)	31,336.41	24,324.90
b) Number of Equity Shares at the beginning of the year	13,65,76,182	13,61,09,080
Add: Issue of Shares under ESOP	5,51,040	4,67,102
Less: Cancellation of Shares	-	(7,38,51,390)
Add: Issuance of Shares	-	7,38,51,390
Total Number of Shares outstanding at the end of the year	13,71,27,222	13,65,76,182
Weighted Average number of Equity Shares outstanding during the year - Basic	13,68,31,321	13,63,57,348
Weighted Average number of Equity Shares arising out of grant of Employee Stock option	11,03,420	1,496,800
Weighted Average number of Equity Shares outstanding during the year - Diluted	13,79,34,741	13,78,54,148
Earning Per Share - Basic (₹)	22.90	17.84
Earning per share - Diluted (₹)	22.72	17.65
Face value per share (₹)	1	1

29 NOTE ON AS 30 ADOPTION

The Company has adopted Accounting Standard 30 (AS 30) "Financial Instruments: Recognition and Measurement" during the Financial year 2011-12. Based on the Recognition and Measurement principles set out in AS 30, changes in the fair values of derivative financial instruments, the net foreign exchange exposure over a period of one year against the committed order in hand hedged through forward contracts, are designated as effective cash flow hedges and marked to market loss/gain arising on said foreign currency instruments are transferred to "Cash Flow Hedge Reserve" directly in the Balance Sheet under Reserves & Surplus and later the same is reclassified in the Statement of Profit & Loss upon the occurrence of the hedging transaction. Accordingly marked to market gain of ₹ 543.39 lacs (Previous Year gain of ₹ 188.30 lacs) arising on foreign currency instruments qualifying for hedge accounting as on March 31, 2016 has been transferred to Cash Flow Hedge Reserve Account.

30 AMOUNT SPENT ON CSR ACTIVITIES

Particulars	2015-16	2014-15
a) Gross amount required to be spent by the Company during the year	514.30	348.00
b) Gross amount transferred to PI Foundation Trust for CSR activities*	514.30	348.00
c) Amount spent during the year		
Rural development projects	2.00	26.30
Promoting health care, sanitation and making available safe drinking water	180.80	-
Education and vocational training projects	80.68	14.65
Engagement and empowerment of women	1.88	-
Ensuring environmental sustainability and conservation of natural resources	70.99	-
Promotion and development of traditional arts and handicrafts	29.50	-
Promote rural sports	2.50	-
Swachh Bharat Kosh	-	55.90
Training and capacity building of CSR team and administrative expenses	18.42	4.84
TOTAL	386.77	101.69

* The Company is doing its CSR expenditure through PI Foundation Trust.

31 GRATUITY & OTHER LONG TERM COMPENSATED ABSENCES

As per Accounting Standard (AS)- 15 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standard is given below:

a) Defined Contribution Plans:-

The Company has recognised an expense of ₹ 713.77 lacs (Previous Year ₹ 579.92 lacs) towards the defined contribution plan.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

b) Defined benefits plans - as per actuarial valuation

(₹ in lacs)

Particulars	2015-16		2014-15	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
	Funded	Non -Funded	Funded	Non -Funded
I Change in present value of obligation during the year				
1 Present value of obligation at the beginning of the year	892.72	488.62	736.94	383.72
2 Current Service Cost	148.26	148.55	107.88	106.69
3 Interest Cost	72.16	40.87	62.64	32.62
4 Past Service Cost	-	-	-	-
5 Net Actuarial (Gain)/Loss	88.65	60.58	37.30	(2.07)
6 Benefits Paid	(87.87)	(41.91)	(52.04)	(32.34)
7 Present Value of obligation as at year-end	1,113.92	696.71	892.72	488.62
II Change in Fair Value of Plan Assets during the year				
1 Plan assets at the beginning of the year	512.12	-	462.98	-
2 Expected return on plan assets	43.53	-	39.35	-
3 Actuarial Gain/(Loss) on plan assets	72.56	-	11.83	-
4 Employer's contribution	-	-	50.00	-
5 Benefits paid	(83.53)	-	(52.04)	-
6 Plan assets at the end of the year	544.68	-	512.12	-
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1 Present Value of obligation as at year-end	1,113.92	696.71	892.72	488.62
2 Fair value of plan assets at year -end	544.68	-	512.12	-
3 Funded status {Surplus/(Deficit)}	(569.24)	(696.71)	(380.60)	(488.62)
4 Net Asset/(Liability)	(569.24)	(696.71)	(380.60)	(488.62)
IV Expenses recognised in the Statement of Profit and Loss				
1 Current Service Cost	148.26	148.55	107.88	106.69
2 Interest Cost	72.16	40.87	62.64	32.62
3 Past service Cost	-	-	-	-
4 Expected return on plan assets	(43.53)	-	(39.35)	-
5 Net Actuarial (Gain)/Loss	16.09	60.58	25.47	(2.07)
6 Total Expense	192.98	250.00	156.64	137.24
V Bifurcation of PBO at the end of the year				
1 Current Liability	-	104.60	-	74.80
2 Non-Current Liability	569.24	592.11	380.60	413.82
VI Actuarial Assumptions				
1 Discount Rate	8.00%	8.00%	7.75%	7.75%
2 Expected rate of return on plan assets	8.50%	-	8.50%	-
3 Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
4 Salary Escalation	5.50%	5.50%	5.50%	5.50%

VII Investment Details

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd. and Kotak Mahindra Old Mutual Life Insurance Ltd., whose pattern of investment is not available with the Company.

VIII The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 263.53 lacs.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

IX Experience Adjustment:

Gratuity	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of obligation	1,113.92	892.72	736.94	597.21	500.64
Fair value of Plan assets	544.68	512.12	462.98	373.72	372.19
Net Asset/(Liability)	(569.24)	(380.60)	(273.96)	(223.49)	(128.45)
Actuarial Gain/(Loss) on plan obligation	(73.11)	(18.65)	(20.44)	(42.34)	(32.48)
Actuarial Gain/(Loss) on plan assets	72.56	11.83	8.35	(20.76)	(6.39)
Long term Compensated Absences					
Present Value of obligation	696.71	488.62	383.72	270.11	219.56
Fair value of Plan assets	-	-	-	-	-
Net Asset/(Liability)	(696.71)	(488.62)	(383.72)	(270.11)	(219.56)
Actuarial Gain/(Loss) on plan obligation	(40.91)	12.00	12.93	1.60	(31.07)
Actuarial Gain/(Loss) on plan assets	-	-	-	-	-

32 AMALGAMATION

During the previous year 2014-15, pursuant to the sanction of the Honourable High Court of Jodhpur to the Scheme of Amalgamation, the assets and liabilities of Parteeek Finance & Investment Co. Ltd. (Holding Company of PI Industries Ltd. whose principal business is core investment) (Transferor Company) have been merged with PI Industries Ltd. (Transferee Company) with effect from the appointed date of April 01, 2014 in accordance with the Scheme so sanctioned. The amalgamation has been accounted for under the "Purchase Method" as prescribed by Accounting Standard 14 (AS-14) notified by the Government of India. Accordingly, as on the appointed date the excess of net asset value of Transferor Company over the merger consideration amounting to ₹ 1.37 lacs has been recognised as Capital Reserve (see table below) in the books of Transferee Company. Further as per the requirement of relevant statute the statutory balances in the books of Transferor Company is recorded at their carrying value in the books of Transferee Company.

Particulars	(₹ in lacs)
Non-Current Investments	738.51
Cash and cash equivalents	0.58
Net Current Assets (including Statutory Balances)	0.79
Net Assets taken over on Amalgamation	739.88
Cancellation of Investment on account of Amalgamation	(738.51)
Balance transferred to Capital Reserve	1.37

Further as agreed with Transferee Company, the Transferor Company has utilized net income available (after meeting the merger expenses as per the scheme of amalgamation) between the appointed date and effective date i.e. March 30, 2015 for declaration and payment of interim dividend amounting to ₹ 1,581.20 lacs to its shareholders. The balances arising after the said payment as on effective date in the books of Transferor Company comprising of liabilities of ₹ 28.49 lacs, bank balance of ₹ 28.29 lacs and other assets ₹ 0.20 lacs have been incorporated in the books of the Transferee Company (PI Industries Ltd.) in the FY 2014-15.

33 EMPLOYEE STOCK OPTION PLANS

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

In December 2010, the Board of Directors approved the PII ESOP 2010 Scheme in order to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company (including subsidiary companies) with an intent to attract and retain talent in the organization. The aforesaid scheme was duly approved by shareholders in its EGM held on January 21, 2011 and is administered through independent trust. Upto March 31, 2016 the Compensation Committee of the Board has granted following options under PII ESOP 2010 Scheme to certain category of employees as per criteria laid down by Compensation Committee of the Board.

Particulars	2015-16	2014-15
Options Granted (No. of Shares)	43,70,857	40,93,731
Options Vested and Exercisable	228,134	2,63,106
Options Exercised	20,33,917	14,32,554
Options Cancelled	7,77,433	6,37,493

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

Options lapsed	-	-
Total number of Options in force	15,59,507	20,23,684
Variations in terms of ESOP	Not Applicable	Not Applicable
Total number of shares arising as a result of exercise of options	20,33,917	14,32,554
Money realised by exercise of options (in ₹ lacs)	1,390.79	797.62

The details of exercise price for stock option outstanding at the end of the year

Particulars	2015-16		2014-15	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	20,23,684	146.61	24,38,320	91.50
Granted during the year	2,77,126	613.00	3,65,510	409.28
Forfeited during the year	1,39,940	193.37	3,56,688	128.39
Exercised during the year*	6,01,363	98.64	4,23,458	71.06
Expired during the year	-	-	-	-
Outstanding at the end of the year	15,59,507	243.69	20,23,684	146.61
Exercisable at the end of the year	2,28,134	41.16	2,63,106	42.98
Weighted average remaining contractual life of outstanding options (in Years)		6.79		7.06
Weighted average fair value of options granted (in ₹)		355.10		278.94

* Shares allotted by PII ESOP Trust against exercise of options.

The details of Exercise Price for stock options outstanding at the end of the year

Range of Exercise price	2015-16			2014-15		
	No. of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise price	No. of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise price
PII ESOP 2010 PLAN						
25-75	1,16,405	3.58	50.54	3,18,492	5.31	51.88
75-125	8,89,364	6.58	106.37	13,75,926	7.19	105.82
150-500	2,93,979	7.38	409.28	3,29,266	8.23	409.28
450-650	2,59,759	8.30	613.00	-	-	-

Methods and Assumptions used to estimate the fair value of options granted during the year: 2015-16

The fair value of options granted during the year has been calculated using the Black Scholes Option Pricing model.

The assumptions used in the model are as follows:

Variables	October 15, 2015	September 19, 2014
1 Risk Free Interest rate	7.49% to 7.57%	8.56% to 8.57%
2 Expected Life	4 years to 7 years	4 years to 7 years
3 Expected Volatility	41.39% to 42.31%	45% to 61%
4 Dividend Yield	0.64%	0.48%
5 Price of the underlying share in market at the time of the option granted (₹)	682.85	454.75

The stock based compensation cost calculated as per the intrinsic value method for the financial year 2015-16 is ₹ 123.74 lacs (Previous Year ₹ 74.12 lacs). If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2015-16 would be ₹ 659.20 lacs (Previous Year ₹ 503.57 lacs). The effect of adopting the fair value method on the net income and earnings per share is presented below:

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

Pro- Forma Adjusted Net Income and Earning per share

	(₹ in lacs)	
Particulars	2015-16	2014-15
Net Income as reported	31,336.41	24,324.90
Add: Intrinsic Value Compensation Cost	123.74	74.12
Less: Fair Value Compensation cost	(659.20)	(503.57)
Adjusted Pro Forma Net income	30,800.95	23,895.45
Earning Per Share: Basic (₹)		
As Reported	22.90	17.84
Adjusted Pro Forma	22.51	17.52
Earning Per Share: Diluted (₹)		
As Reported	22.72	17.65
Adjusted Pro Forma	22.33	17.33

34 CAPITAL & OTHER COMMITMENT

	(₹ in lacs)	
Particulars	March 31, 2016	March 31, 2015
a. Estimated Amount of Contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 2,104.56 lacs (Previous Year ₹ 3,868.21 lacs)}	-	2,226.34
b. Bank Guarantees*	1,542.37	1,842.63
c. Letter of Credit	10,342.59	11,378.19
d. Export Commitment	32,174.62	52,815.06

* Refer Note 14

35 LEASES

The Company is a lessee under various operating leases. Total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

	(₹ in lacs)	
Particulars	March 31, 2016	March 31, 2015
- Payable within one year	986.55	804.30
- Later than one year and not later than five years	2,423.24	1,674.58
- Later than five years	165.63	-
- Lease payments recognised in Statement of P&L	1,020.15	786.38

The Company has entered into a lease agreement with some of the parties for lease of corporate office & Vadodara office. The lease rent would be increased by 12.5% and 15% respectively after every 3 years.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

36 CAPITALISATION OF EXPENDITURE

Pre-operative expenditure capitalised as a part of Fixed Assets and carried forward is as under:

(₹ in lacs)		
Particulars	March 31, 2016	March 31, 2015
A. Brought forward from the earlier year	1,466.45	930.66
B. Expenditure incurred during the year:		
Staff Costs	607.74	564.70
Other Expenses	240.60	391.61
Interest and commitment charges	160.68	-
Exchange Difference	565.88	290.37
	1,574.90	1,246.68
C. Capitalised as part of :		
Plant & Machinery	1,105.47	528.36
Building	449.21	182.53
Intangible Assets	53.71	-
	1,608.39	710.89
D. Carried forward as part of capital work in progress	1,432.96	1,466.45

37 SEGMENT INFORMATION

The Company is in the business of manufacturing and distribution of Agro Chemicals which is a single business segment and constitutes the primary segment. Accordingly, no separate disclosure is required to be given as per Accounting Standard AS-17.

Secondary Segment information (Geographical Segments)

The Company is organised into two key geographical segment based upon the location of its customer within India (domestic) and outside India (export)

(₹ in lacs)		
Particulars	March 31, 2016	March 31, 2015
1 Segment Revenue		
- Within India	1,16,652.84	1,06,691.20
- Outside India	1,25,428.44	1,16,339.28
	2,42,081.28	2,23,030.48
2 Segment Assets*		
- Within India	1,76,356.42	1,42,356.05
- Outside India	19,953.45	19,767.42
	1,96,309.87	1,62,123.47

* Segment Assets outside India is entirely related to Sundry Debtors.

38 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Accounting Standard-18, is as below:

a) List of Related Parties

i Enterprises which control the entity:

Paratek Finance & Investment Co. (Holding Company till March 30, 2015) (Refer Note 32)

ii Where control exists during the year:

Subsidiaries- (a) PILL Finance and Investments Ltd., (b) PI Life Science Research Ltd. and (c) PI Japan Co.Ltd.

Trust under control- (d) PII ESOP Trust (Trust)

iii Key Managerial Personnel & their relatives (KMP):

(a) Key Managerial Personnel (KMP):

Mr. Salil Singhal	Chairman & Managing Director
Mr. Mayank Singhal	Managing Director & CEO
Mr. Rajnish Sarna	Whole-Time Director

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

(b) Relatives of Key Managerial Personnel:-

Relation with Key Managerial Personnel	Mr. Salil Singhal	Mr. Mayank Singhal
Father		Mr. Salil Singhal
Mother	Ms. Saraswati Singhal	Ms. Madhu Singhal
Wife	Ms. Madhu Singhal	
Sister		Ms. Pooja Singhal, Ms. Shefali Khushlani
Son	Mr. Mayank Singhal	
Daughter	Ms. Pooja Singhal, Ms. Shefali Khushlani	

iv Enterprises over which KMP and their relatives are able to exercise significant influence :-

(a) Wolkem India Ltd.; (b) Secure Meters Ltd.; (c) Salil Singhal (HUF); (d) Singhal Foundation; (e) PI Foundation

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

(₹ in Lacs)

Nature of Transaction	Type of relation	2015-16		Balance outstanding Dr (Cr)	2014-15		Balance outstanding Dr (Cr)
		Transactions during the period			Transactions during the period		
		Recd/Pur.	Paid/Sales		Recd/Pur.	Paid/Sales	
Purchase/Sales of goods and services	a(iv)(a), a(ii)(c), a(ii)(b)	556.37	-	(27.60)	598.96	-	(22.97)
Remuneration to Directors	a (iii)(a)	-	1,840.15	(750.00)	-	1,520.12	(625.00)
Interest	a(iii)(a), a(iii)(b), a(iv)(c), a(ii)(d)	38.98	-	38.98	36.57	42.97	36.57
Rent & Power Cost	a(ii)(a), a(ii)(b), a(iii)(b), a(iv)(a)	46.29	17.33	-	40.68	15.60	-
Deposits Received and Paid	a(iii)(a), a(iii)(b), a(iv)(c)	-	-	-	-	578.45	-
Loans Given	a(ii)(d)	410.00	500.00	434.07	420.93	500.00	344.07
Security Deposits	a(ii)(a)	-	-	0.50	-	-	0.50
Recovery of Dues on account of expenses incurred	a(iii)(b), a(iv)(a), a(iv)(b)	56.89	-	28.85	54.42	-	33.51
Reimbursement on account of expenses	a(iv)(b)	-	-	-	-	1.49	(1.49)
Donation	a (iv)(d), a (iv)(e)	-	90.70	-	-	5.00	-
Salary	a (iii)(b)	-	1.23	-	-	1.23	-
Travel & Other expenditure incurred	a (iii)(a), a(iii)(b)	-	289.82	5.32	-	318.92	8.20
Contribution towards CSR Activities	a (iv)(e)	-	514.30	-	-	348.00	-

- c) During the previous year 2014-15, the Company has allotted 7,38,51,390 Equity Shares to the Promoters, viz., Salil Singhal and Family, pursuant to the merger of Parteeek Finance & Investment Co. Ltd. with PI Industries Ltd. For details, refer Note 1(d) and Note 32.

39 CONTINGENT LIABILITIES

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Disputed Taxation demands not acknowledged as debts:		
- Sales Tax	304.94	124.42
- Excise Duty	225.50	310.50
- Income Tax	1,139.77	935.59
- ESI	6.09	6.09
Counter Guarantee to GIDC	32.85	32.85

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

40 DERIVATIVES INSTRUMENTS AND HEDGED/ UNHEDGED FOREIGN CURRENCY EXPOSURE

- i) All financial and derivative contracts entered into by the Company are for hedging purposes.
 ii) Forward Contract outstanding as at Balance Sheet date

Currency	Amount Outstanding		Buy / Sell	Purpose
	as at March 31, 2016	as at March 31, 2015		
USD	630.00	455.00	Sell	Hedging

These forward covers are against export orders and future receivables over a period of one year against committed orders in hand.

- iii) Particulars for Hedged Foreign Currency Exposure

Particulars	Currency	Amount as at		Amount as at	
		March 31, 2016 (in Foreign Currency)	March 31, 2016 (in INR)	March 31, 2015 (in Foreign Currency)	March 31, 2015 (in INR)
Export Debtors	USD	78.49	5,352.16	89.65	5,752.39

- iv) Foreign currency exposure that are not hedged by derivative or forward contracts as at Balance Sheet Date

Particulars	Currency	Amount as at		Amount as at	
		March 31, 2016 (in Foreign Currency)	March 31, 2016 (in INR)	March 31, 2015 (in Foreign Currency)	March 31, 2015 (in INR)
1 ECB Term loan	USD	226.67	15,017.80	80.00	5,000.00
2 Buyers Credit	USD	-	-	6.95	434.37
3 EEFC Account	USD	13.52	895.57	6.87	429.65
4 Import Creditors (Net)	USD	204.02	13,517.17	144.94	9,058.70
	EURO	(1.52)	(114.69)	11.07	743.56
	GBP	-	-	(0.31)	(28.75)
	CHF	(0.49)	(33.94)	(0.20)	(12.85)
	JPY	41.81	24.66	41.95	21.87
5 Export Debtors	USD	213.90	14,171.76	219.53	13,720.67
	EURO	5.70	429.53	4.38	294.36

41 DEFERRAL/ CAPITALISATION OF EXCHANGE DIFFERENCE

Pursuant to notification dated March 31, 2009 and December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Company decided to exercise the option of accounting for Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in the previous financial statements in so far as they relate to the acquisition of depreciable capital assets by addition to/ deduction from the cost of the asset and depreciate the same over the balance life of the asset. Accordingly, the current year exchange losses amounting to ₹ 565.88 lacs (Previous Year ₹ 290.37 lacs) have been adjusted to the cost of fixed assets/CWIP.

42 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

(₹ in Lacs)

Particulars	March 31, 2016		March 31, 2015	
	Principal Amount	Interest Amount	Principal Amount	Interest Amount
Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March	739.88	-	424.21	-
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	150.87	1.77	274.67	2.30
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	-	-	-	-

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

Further interest remaining due and payable in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.

43 VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	(₹ in Lacs)	
	March 31, 2016	March 31, 2015
Raw Materials	56,686.79	63,075.81
Spare Parts & Components	717.29	257.83
Capital Goods	1,481.07	158.35

44 EARNINGS IN FOREIGN CURRENCY

Particulars	(₹ in Lacs)	
	March 31, 2016	March 31, 2015
Export of Goods on FOB Basis	1,24,152.61	1,14,799.15

45 EXPENDITURE IN FOREIGN CURRENCY

Particulars	(₹ in Lacs)	
	March 31, 2016	March 31, 2015
Professional	388.65	352.51
Interest	360.36	269.32
Travelling	25.11	24.06
Salary	143.90	115.46
Others	594.43	456.56

46 ACTUAL PRODUCTION, PURCHASES, SALES AND STOCK OF GOODS MANUFACTURED

S. No.	Product	Opening Stock	Production	Purchases	Sales	Closing Stock
(I)	QUANTITY (IN TONNES)					
	Current Year					
	Chemicals including by-product/ Traded goods	10,062	78,674	772	76,908	12,600
	TOTAL	10,062	78,674	772	76,908	12,600
	Previous Year					
	Chemicals including by-product/ Traded goods	(12,181)	(60,957)	(452)	(63,528)	(10,062)
	TOTAL	(12,181)	(60,957)	(452)	(63,528)	(10,062)
(II)	IN VALUE (₹ In lacs)					
	Current Year					
	Chemicals including by-product/ Traded goods	16,981.04	-	6,731.61	2,36,400.53	18,974.88
	TOTAL	16,981.04	-	6,731.61	2,36,400.53	18,974.88
	Previous Year					
	Chemicals including by-product/ Traded goods	(14,705.40)	-	(5,611.20)	(2,18,486.52)	(16,981.04)
	TOTAL	(14,705.40)	-	(5,611.20)	(2,18,486.52)	(16,981.04)

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

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

Particulars	March 31, 2016		March 31, 2015	
	Qty (in Tonnes)	(in ₹ lacs)	Qty (in Tonnes)	(in ₹ lacs)
Technical Pesticides	1,672	6,731.05	565	2,181.20
Inert Chemicals & Adjuvants	68,338	98,090.79	73,320	1,01,496.69
Others	-	6,267.15	-	4,474.29
TOTAL	70,010	1,11,088.99	73,885	1,08,152.18

Particulars	March 31, 2016		March 31, 2015	
	%	(in ₹ lacs)	%	(in ₹ lacs)
i Raw Material				
Imported	51.97	54,933.30	53.83	55,447.80
Indigenous	48.03	50,765.10	46.17	47,561.96
ii Packing Material				
Imported	-	-	0.67	34.54
Indigenous	100.00	5,390.59	99.33	5,107.88

48 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of loans, advances and other current assets, in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet and provisions has been made for all known liabilities.

49 Figures of previous year have been regrouped and/ or rearranged wherever necessary to make them comparable with those of the current year.

Signatures to the Notes to Accounts

As per our separate report of even date attached

For and on behalf of the Board of Directors

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

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

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

Sd/-
Yogesh K Gupta
Partner
M. No.: 093214

Sd/-
Jayashree Satagopan
Chief Financial Officer

Sd/-
Naresh Kapoor
Company Secretary

Place: Gurgaon
Date: May 24, 2016

CONSOLIDATED
FINANCIAL STATEMENTS

Independent Auditor's Report

To, The Members

PI Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **PI INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under 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 consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- a) We did not audit the financial statements of two subsidiaries, whose financial statement reflect total assets of ₹ 1,678.47 Lacs as at March 31, 2016, Total revenue of ₹ 354.75 Lacs and net cash inflow amounting to ₹156.94 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on the report of other auditors.
- b) The financial statement of subsidiary namely PI Japan Co. Ltd, whose financial statement reflect total assets of ₹ 132.96 Lacs as

at March 31, 2016. Total revenue of ₹ 281.27 Lacs and net cash inflow amounting to ₹17.18 Lacs for the year ended on that date, as considered in the consolidated financial statements have not been audited by us or any other auditors and has been certified by Public Tax Accountant and their Directors whose certificate has been furnished to us and converted by the Management as per the requirement of Indian GAAP and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, in so far as it relates to the aforesaid subsidiary, is based solely on such financial statement certified by Public Tax Accountant and their Directors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and financial statement certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group in India 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 Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 39 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Group did not have any long-term derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No. : 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership No.: 093214

Place: Gurgaon

Date: May 24, 2016



Annexure A to the Independent Auditor's Report of Even Date on the Consolidated Financial Statements of PI Industries Limited

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

In conjunction with our audit of the consolidated financial statements of the **PI INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2016. We have audited the Internal Financial Controls over Financial Reporting of Holding Company and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India 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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company and its subsidiary companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary companies incorporated in India 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 Holding Company and its subsidiary companies which are companies incorporated in India, have, 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 (ICAI).

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over Financial Reporting insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such Company.

For **S.S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No. : 000756N

Sd/-

Yogesh K. Gupta

Partner

Membership No.: 093214

Place: Gurgaon

Date: May 24, 2016

Consolidated Balance Sheet

as at March 31, 2016

(₹ in lacs)

Particulars	Note No.	As at March 31, 2016		As at March 31, 2015	
I EQUITY & LIABILITIES					
1 Shareholders' Funds					
a Share Capital	B 1	1,371.27		1,365.76	
b Reserves and Surplus	B 2	<u>1,15,810.81</u>	<u>1,17,182.08</u>	<u>88,279.67</u>	89,645.43
2 Non Current Liabilities					
a Long-term borrowings	B 3	12,304.50		1,666.67	
b Deferred tax liabilities (Net)	B 4	5,627.08		3,685.39	
c Other long-term liabilities	B 5	1,744.88		1,582.77	
d Long-term provisions	B 6	<u>1,162.66</u>	<u>20,839.12</u>	<u>795.29</u>	7,730.12
3 Current Liabilities					
a Short-term borrowings	B 7	199.01		6,479.37	
b Trade payables					
Dues to Micro and Small Enterprises	B 8	739.88		424.21	
Dues to Others	B 8	35,869.45		34,953.88	
c Other current liabilities	B 9	22,112.89		20,747.33	
d Short-term provisions	B 6	<u>955.70</u>	<u>59,876.93</u>	<u>3,338.53</u>	65,943.32
TOTAL			<u>1,97,898.13</u>		<u>1,63,318.87</u>
II ASSETS					
1 Non Current Asset					
a Fixed asset					
Tangible asset	B 10	87,016.22		52,955.51	
Intangible asset	B 12	485.05		311.08	
Capital work-in-progress	B 11	5,873.82		12,219.74	
Intangible asset under development	B 11	<u>1,256.31</u>	<u>94,631.40</u>	<u>1,104.30</u>	66,590.63
b Non-current investments	B 13		51.79		51.79
c Long term loans & advances	B 14		4,946.28		4,277.77
d Other non-current assets	B 15		478.31		207.74
2 Current Asset					
a Inventories	B 16	39,480.35		37,821.15	
b Trade receivables	B 17	39,778.01		38,257.65	
c Cash and Bank Balances	B 18	5,609.71		3,414.36	
d Short-term loans and advances	B 14	11,827.44		12,020.77	
e Other current assets	B 15	<u>1,094.84</u>	<u>97,790.35</u>	<u>677.01</u>	92,190.94
TOTAL			<u>1,97,898.13</u>		<u>1,63,318.87</u>
Significant Accounting Policies	A				
Notes to Accounts	B-1 to B-50				

Accompanying notes referred to above formed the integral part of the financial statement

As per our separate report of even date attached

For and on behalf of the Board of Directors

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

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

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

Sd/-
Yogesh K Gupta
Partner
M. No.: 093214

Sd/-
Jayashree Satagopan
Chief Financial Officer

Sd/-
Naresh Kapoor
Company Secretary

Place: Gurgaon
Date: May 24, 2016



Statement of Consolidated Profit & Loss

for the year ended March 31, 2016

(₹ in lacs)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
I. Revenue from Operations	B 19		
Sale of products		2,36,400.53	2,18,486.52
Less: Discount		(18,871.20)	(15,624.70)
Less: Excise Duty		(10,107.07)	(9,288.50)
Sale of services		179.32	125.47
Other operating Revenues		2,074.97	328.30
II. Other Income	B 20	3,495.34	4,201.86
III. Total Revenue (I+II)		2,13,171.89	1,98,228.95
IV. Expenses:			
Cost of Materials consumed	B 21	1,11,113.41	1,08,200.14
Purchase of Stock in Trade		6,731.61	5,611.20
Changes in Inventories of finished goods, work in progress and stock in trade	B 22	(1,993.84)	(2,275.64)
Employee Benefits expense	B 23	18,745.60	14,299.13
Finance Costs	B 26	952.74	972.57
Depreciation and amortisation expense	B 25	5,429.90	4,978.30
Other Expenses	B 24	31,616.54	30,919.26
Total Expenses		1,72,595.96	1,62,704.96
V. Profit Before Tax (III-IV)		40,575.93	35,523.99
Less: Provision for Current Tax		(8,836.02)	(11,426.90)
Less: Provision for Deferred Tax		(1,941.69)	539.42
Add: MAT Credit Entitlement of earlier years		(0.01)	0.47
Add: MAT Credit Entitlement of current year		1,989.38	44.93
Add: Income Tax of earlier years		(254.77)	(92.56)
VI. Profit after Tax		31,532.82	24,589.35
VII. Earnings per Equity Shares	B 28		
1) Basic (in ₹)		23.05	18.03
2) Diluted (in ₹)		22.86	17.84
Face value per share (in ₹)		1.00	1.00
Significant Accounting Policies	A		
Notes to Accounts	B-1 to B-50		
Accompanying notes referred to above formed the integral part of the financial statement			

As per our separate report of even date attached

For and on behalf of the Board of Directors

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

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

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

Sd/-
Yogesh K Gupta
Partner
M. No.: 093214

Sd/-
Jayashree Satagopan
Chief Financial Officer

Sd/-
Naresh Kapoor
Company Secretary

Place: Gurgaon
Date: May 24, 2016

Consolidated Cash Flow Statement annexed to the Balance Sheet

for the year ended March 31, 2016

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Operating Profit before Tax & Extraordinary Items	40,575.93	35,523.99
<i>Adjustments for:</i>		
Net operating profit before tax		
Depreciation	5,429.90	4,978.30
Interest Expenses	952.74	972.57
Provision for Doubtful Debts and Advances	857.87	415.66
Interest Income	(2,119.35)	(2,229.04)
Dividend Income	(0.32)	(0.35)
Employee Stock Option Expense	123.74	74.12
(Profit)/Loss on Sale/Retirement of Fixed Assets (Net)	169.14	712.29
Bad Debts written off	-	12.28
Unrealised Foreign Exchange Loss/(Gain) (Net)	89.05	(370.67)
Foreign Currency Translation Reserve	12.59	(13.88)
	5,515.36	4,551.28
Operating Profit before Working Capital changes	46,091.29	40,075.27
(Increase) / Decrease in Short term Trade Receivables	(2,426.44)	(12,404.58)
(Increase) / Decrease in Short term Loans and Advances	192.01	(1,144.87)
(Increase) / Decrease in Long term Loans and Advances	(227.29)	55.40
(Increase) / Decrease in Other assets	(312.35)	(307.21)
(Increase) / Decrease in Other Long term assets	(19.98)	(16.23)
(Increase) / Decrease in Inventories	(1,659.20)	(5,945.27)
Increase / (Decrease) in Short term Trade Payables/ Provisions	1,472.50	6,079.25
Increase / (Decrease) in Long term Trade Payables/ Provisions	367.37	195.64
Increase / (Decrease) in Other Short term Liabilities	2,551.74	3,570.94
Increase / (Decrease) in Other Long term Liabilities	162.11	205.16
	100.47	(9,711.77)
Cash generated from Operations before tax	46,191.76	30,363.50
Net Direct Taxes paid	(10,804.23)	(11,948.92)
Net cash from Operating Activities	35,387.53	18,414.58
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital Work in Progress, Intangible Assets and Capital Advances	(32,149.39)	(16,915.41)
Sale of Fixed Assets	335.82	61.03
Interest Received	2,119.35	2,229.04
Dividend Received	0.32	0.35
Net cash used in Investing Activities	(29,693.90)	(14,624.99)
Net cash from Operating and Investing Activities	5,693.63	3,789.59



Consolidated Cash Flow Statement annexed to the Balance Sheet

for the year ended March 31, 2016

(₹ in lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share capital	5.51	4.67
Employee Stock option Allotted	(69.63)	(42.66)
Share Premium Account	690.80	421.98
Short Term Borrowings (Net)	(6,957.33)	2,397.82
Long Term Borrowings (Net of Repayments)	9,451.92	(3,930.85)
Interest paid (Net)	(1,086.54)	(1,108.49)
Dividend Distribution	(6,026.43)	(3,000.00)
Net Cash from Financing activities	(3,991.70)	(5,257.53)
Net Cash from Operating, Investing & Financing Activities	1,701.93	(1,467.94)
Effect of exchange differences on translation of foreign currency Cash & Cash equivalent	(0.65)	5.92
Net increase in Cash & Cash equivalent	1,701.28	(1,462.02)
Opening balance of Cash & Cash equivalent	1,716.22	3,177.66
Increase in Cash & Cash equivalent on Amalgamation (Refer Note 32)	-	0.58
Closing balance of Cash & Cash equivalent	3,417.50	1,716.22
Note:		
Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-		
i) Cash Balance on Hand	8.72	10.68
ii) Balance with Banks :		
- In Current Accounts	1,408.48	1,705.54
- In Fixed Deposits	2,000.30	-
Total	3,417.50	1,716.22

As per our separate report of even date attached

For and on behalf of the Board of Directors

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

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

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

Sd/-
Yogesh K Gupta
Partner
M. No.: 093214

Sd/-
Jayashree Satagopan
Chief Financial Officer

Sd/-
Naresh Kapoor
Company Secretary

Place: Gurgaon
Date: May 24, 2016

Significant Accounting Policies and Notes to Accounts

A SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION

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

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

2) USE OF ESTIMATES

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

3) REVENUE RECOGNITION

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

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

Revenue from services - Revenue is recognised as the service is performed by the completed service method and no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

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

Lease rent Income: Lease income is recognised on straight line basis over the lease term.

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

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

4) EXPENDITURE

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

5) TANGIBLE FIXED ASSETS AND DEPRECIATION

a) Fixed Assets are stated at cost, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

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

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

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

Significant Accounting Policies and Notes to Accounts

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

- c) Leasehold land and Cost of improvement on leasehold building is being amortised over the lease period.
- d) -Leasehold Improvements are amortised over its useful life of 15 years on Declining Balance method.
 - Equipments over 200000 yen are depreciated on Declining Balance method over its useful life of 10 years.
 - Equipments (100000-200000 yen) are depreciated on straight line basis over its useful life of 3 years.

6) INTANGIBLE ASSETS

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

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

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

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

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

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

7) IMPAIRMENT OF ASSETS

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

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

8) INVENTORIES

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

9) EMPLOYEE BENEFITS

- a) Defined Contribution Plan :

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance is a defined contribution scheme and contributions are charged to the Statement of Profit & Loss of the year when the contribution to the respective fund is due.

- b) Defined Benefit Plan :

Retirement benefits in the form of gratuity and leave encashment are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation as at the date of the Balance Sheet using the projected unit credit method.

- c) Actuarial gains/losses, if any, are immediately recognised as Profit/Loss.

- d) Short Term Employee benefits:

Short term benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Significant Accounting Policies and Notes to Accounts

10) FOREIGN CURRENCY TRANSACTIONS

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate.

c) Exchange Difference

Any gain or loss on account of exchange difference arising either on the settlement or on reinstatement of foreign currency monetary items is recognised as Profit/Loss, except exchange difference arising on long term foreign currency monetary items relating to acquisition of depreciable fixed assets, which is adjusted to the carrying amount of such assets.

An asset shall be designated as a long term foreign currency monetary item, if the asset or liability is expressed in foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

d) Translation of non integral foreign operations:

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non monetary of the non-integral foreign operation are translated at the closing rate; income and expenses items of the non-integral foreign operations are translated at the average rate prevailing during the year; and all resulting exchange differences are accumulated in the foreign currency translation reserve until the disposal of net investment.

11) RESEARCH AND DEVELOPMENT

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

12) PRIOR PERIOD ADJUSTMENTS

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

13) INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are stated at cost. Provision for diminution in the value of investments is made, if it is other than temporary.

14) BORROWING COST

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

15) TAXATION

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

Significant Accounting Policies and Notes to Accounts

16) LEASES

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

17) PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

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

18) SEGMENT REPORTING

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

Primary Segment:

Business Segment: The Company is in the business of manufacturing and distribution of Agro Chemicals and accordingly has one reportable business segment viz. 'Agro Chemicals', which constitutes the primary segment.

Secondary Segment:

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

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

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

19) CASH FLOW STATEMENTS

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

20) EARNING PER SHARE

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

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

21) DERIVATIVE INSTRUMENTS

The Company has adopted Accounting Standard 30 (AS 30) "Financial Instruments: Recognition and Measurement". Based on the Recognition and Measurement principles set out in AS 30, changes in the fair values of derivative financial instruments designated as effective cash flow hedges are recognised as "Cash Flow Hedge Reserve" directly in the Balance Sheet under Reserves & Surplus and later reclassified in the Statement of Profit & Loss upon the occurrence of the hedging transaction. Changes in the fair value of ineffective hedges taken are recognised directly to the Statement of Profit & Loss.

22) EMPLOYEE STOCK OPTION BASED COMPENSATION

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

Significant Accounting Policies and Notes to Accounts

23) PRINCIPLES OF CONSOLIDATION

- (i) The consolidated financial statements relate to PI Industries Ltd. and its wholly owned subsidiary companies.

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The consolidated financial statements have been prepared using uniform accounting policies for the transactions and other events in similar circumstances and are prepared to the extent possible in the same manner as the Company 's separate financial statements.

- (ii) The subsidiary companies considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% voting power held as at March 31st, 2016
PILL Finance & Investment Limited	India	100%
PI Life Science Research Limited	India	100%
PI Japan Co. Ltd.	Japan	100%

B NOTES TO ACCOUNTS

1 SHARE CAPITAL

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Authorised Shares		
22,30,00,000 (Previous Year 22,30,00,000) Equity Shares of ₹1 each (Previous Year of ₹ 1 each)	2,230.00	2,230.00
50,00,000 (Previous Year 50,00,000) Preference Shares of ₹100 each (Previous Year of ₹ 100 each)	5,000.00	5,000.00
	7,230.00	7,230.00
Issued Shares		
13,73,03,797 (Previous Year 13,67,52,757) Equity Shares of ₹1 each (Previous Year ₹ 1 each)	1,373.04	1,367.53
	1,373.04	1,367.53
Subscribed & Fully Paid up Shares		
13,71,27,222 (Previous Year 13,65,76,182) Equity Shares of ₹1 each (Previous Year ₹ 1 each)	1,371.27	1,365.76
Total subscribed and fully paid up share capital	1,371.27	1,365.76

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

b Terms/ rights attached to Equity Shares

The Company has only one class of Equity Shares having a par value of ₹ 1 per share (Previous Year ₹ 1 per share). Each holder of Equity Shares is entitled to one vote per share. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the year ended March 31, 2016, the Company has declared 310% Interim dividend on Equity Shares of face value of ₹ 1 each to the Equity Shareholders, which is recognised as distribution to the Equity Shareholders. (Previous Year Final dividend of 130% and Interim dividend of 120% on face value of ₹ 1 per share).

c Issue of Shares under ESOP Scheme

During the year ended March 31, 2016, the Company has issued 5,51,040 Equity Shares of ₹ 1 each (Previous Year 4,67,102 Equity Shares of ₹ 1 each), as per exercise price to PII ESOP Trust (Trust), set up to administer Employee Stock Option Plan. Out of total Equity Shares issued to the Trust 6,01,363 Equity Shares of face value of ₹ 1 each (Previous Year 4,23,458 Equity Shares of face value of ₹ 1 each) have been allocated by the Trust to respective employees upon exercise of Stock Option from time to time. As on March 31, 2016, 2,28,135 Equity Shares of face value of ₹ 1 per share (Previous Year 2,78,458 of face value of ₹ 1 each) are pending to be allocated to employees upon exercise of Stock option. (Refer Note 33).

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

d Pursuant to the approval by the Honourable High Court of Jodhpur to the scheme of amalgamation vide its formal order dtd. March 27, 2015, the Company has taken following actions during the previous year 2014-15:-

- Authorised Share Capital stands increased to ₹ 7,230 lacs divided into 22,30,00,000 Equity Shares of ₹ 1 each; 50,00,000 Preference Shares of ₹ 100 each.
- Investment held by Parteeek Finance & Investment Co. Ltd. (Transferor Company) in PI Industries Ltd. representing 7,38,51,390 Equity Shares have been cancelled and fresh Equity Shares of 7,38,51,390 Equity Shares have been issued to the shareholders of the Transferor Company.

e Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

Issued Share Capital

Equity Shares

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares) (₹ in lacs)	
	2015-16	2014-15	2015-16	2014-15
Share outstanding at beginning of period	13,67,52,757	13,62,85,655	1,367.53	1,362.86
Shares issued under ESOP scheme (Refer Note 1(c))	5,51,040	4,67,102	5.51	4.67
Cancellation of shares (Refer Note 1(d))	-	(7,38,51,390)	-	(738.51)
Issuance of shares (Refer Note 1(d))	-	7,38,51,390	-	738.51
Share outstanding at end of period	13,73,03,797	13,67,52,757	1,373.04	1,367.53

Subscribed & Paid up

Equity Shares

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares) (₹ in lacs)	
	2015-16	2014-15	2015-16	2014-15
Share outstanding at beginning of period	13,65,76,182	13,61,09,080	1,365.76	1,361.09
Shares issued under ESOP scheme (Refer Note 1(c))	5,51,040	4,67,102	5.51	4.67
Cancellation of shares (Refer Note 1(d))	-	(7,38,51,390)	-	(738.51)
Issuance of shares (Refer Note 1(d))	-	7,38,51,390	-	738.51
Share outstanding at end of period	13,71,27,222	13,65,76,182	1,371.27	1,365.76

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

Particulars	As at March 31, 2016	As at March 31, 2015
Equity Shares allotted as fully paid up Bonus shares by capitalisation of reserves as on	1,86,45,835	3,63,64,605

Year of Issue	No. of Shares
2010-11	1,86,45,835
2009-10	1,77,18,770

g Shares reserved for issue under option

Shares reserved for issue under ESOP - Refer Note 33

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

Equity Shares

Name of Shareholders	2015-16		2014-15	
	No of Shares	% of Holding	No of Shares	% of Holding
Mr. Salil Singhal jointly with Mrs. Madhu Singhal	1,70,57,174	12.44	2,58,57,174	18.93
Mrs. Madhu Singhal jointly with Mr. Salil Singhal	2,37,64,621	17.33	2,37,64,621	17.40
Mr. Salil Singhal	1,31,01,879	9.55	1,31,01,879	9.59
Salil Singhal (HUF)	1,28,73,629	9.39	1,28,73,629	9.43
Cartica Capital Ltd.	84,83,037	6.19	Nil	Nil

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

2 RESERVES & SURPLUS

(₹ in lacs)

Particulars	As at March 31, 2016		As at March 31, 2015	
a. Capital Reserve				
Balance at the beginning of the Financial year	148.88		147.51	
Addition during the Financial year ⁽ⁱ⁾	-		1.37	
Deduction during the Financial year	-	148.88	-	148.88
b. Capital Redemption Reserve				
Balance at the beginning of the Financial year	35.00		35.00	
Addition during the Financial year	-		-	
Deduction during the Financial year	-	35.00	-	35.00
c. Foreign Currency Translation Reserve				
Balance at the beginning and end of the Financial year	(8.51)		5.37	
Addition during the Financial year	12.59		-	
Deduction during the Financial year	-	4.08	(13.88)	(8.51)
d. Securities Premium Reserve				
Balance at the beginning of the Financial year	16,765.07		16,343.09	
Add: Premium on issue of Equity Shares through ESOP	690.80	17,455.87	421.98	16,765.07
e. Revaluation Reserve				
Balance at the beginning of the Financial year	-		179.67	
Less: Reversal of Revaluation Reserve ⁽ⁱⁱ⁾	-	-	(179.67)	-
f. Share Option Outstanding Account				
Balance at the beginning of the Financial year	126.46		95.00	
Addition during the Financial year	189.00		166.22	
Less: Written back during the Financial year	(30.08)		(51.05)	
Less: Shares Allotted	(69.63)		(42.66)	
Less: Deferred employee stock compensation	(35.19)	180.56	(41.05)	126.46
g. Cash Flow Hedge Reserve				
Balance at the beginning of the Financial year	188.30		411.32	
Addition during the Financial year	355.09		-	
Less: Written back during the Financial year	-	543.39	(223.02)	188.30
h. General Reserve				
Balance at the beginning of the Financial year	10,859.08		8,426.59	
Add: Transferred during the Financial year	3,133.64	13,992.72	2,432.49	10,859.08
i. Surplus in Statement of Profit & Loss				
Balance at the beginning of the Financial year	60,165.39		42,446.26	
Addition during the Financial year	31,532.82		24,589.35	
Less: Transfer to General Reserves	(3,133.64)		(2,432.49)	
Less: Depreciation for assets having NIL remaining life as on April 01, 2014 ⁽ⁱⁱⁱ⁾	-		(276.88)	
Less: Interim Dividend on Equity Shares ₹ 3.10 per share (Previous Year ₹ 1.20 per share)	(4,250.94)		(1,638.91)	
Less: Proposed Dividend on Equity Shares ₹ Nil per share (Previous Year ₹ 1.30 per share)	-		(1,775.49)	
Less: Dividend Distribution Tax on Equity Shares	(863.32)	83,450.31	(746.45)	60,165.39
TOTAL		1,15,810.81		88,279.67

During the year, interim dividend amounting to ₹ 25.15 lacs (Previous Year ₹ 35.48 lacs) declared for the financial year 2015-16 was paid in foreign currency to one of the shareholder holding 20,95,426 shares (Previous Year two of the shareholders holding 29,56,974 shares) & final dividend amounting to ₹ 26.74 lacs (Previous Year ₹ 29.42 lacs) declared for the financial year 2014-15 was paid in foreign currency to two of the shareholders holding 20,56,974 shares (Previous Year one of the shareholder holding 29,41,974 shares).

(i) Refer Note 32

(ii) In order to present all the fixed assets at cost, during the previous year 2014-15 the Company had reversed the revaluation reserve created on tangible fixed assets on June 30, 1988. Accordingly, revaluation reserve amounting to ₹ 179.67 lacs outstanding in the books has been adjusted against the revalued amount of related asset. There is no impact on the Statement of Profit & Loss account.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

- (iii) 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 01, 2014 except in case of certain items of Plant and Equipment, based on internal assessment and independent technical evaluation, depreciation is provided on the Straight Line Method over the useful lives of assets of 15 years in place of 20 to 25 years as prescribed in Schedule II. Accordingly, an amount of ₹ 276.88 lacs (net of deferred tax) representing assets beyond their useful life as of April 01, 2014 has been charged to General Reserve and in respect of the remaining assets, an additional depreciation amounting to ₹ 1,584.91 lacs has been charged to the Profit and Loss Statement for the year.

3 LONG TERM BORROWINGS

Particulars	(₹ in lacs)			
	Non- Current		Current Maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Term Loans - From Banks				
Foreign Currency Loans from Banks (secured)	12,304.50	1,666.67	2,713.30	3,333.33
TOTAL	12,304.50	1,666.67	2,713.30	3,333.33
The above amount includes				
Secured borrowings	15,017.80	5,000.00		
Unsecured borrowings	-	-		
Net Amount	15,017.80	5,000.00		

a. Foreign Currency Loans includes:

ECB from Standard Chartered Bank amounting to USD 26.67 lacs carrying interest rate of 90 days LIBOR plus 1.85% is outstanding as on March 31, 2016 and is repayable in balance 2 Quarterly instalments of USD 13.33 lacs each. The loan is secured by first charge over all the movable fixed assets relating to Multi Purpose Plant (MPP)- 5 of the Company situated at SPM 28, Jambusar (Gujarat) and first pari passu charge on the movable fixed assets of the Company, situated at 237, GIDC, Panoli (Gujarat) and second pari passu charge on all the current assets of the Company.

ECB from HSBC Bank amounting to USD 200.00 lacs carrying interest rate of 90 days LIBOR plus 1.42% is outstanding as on March 31, 2016 and is repayable in 14 Quarterly instalments of USD 14.29 lacs each, beginning from February 2017. The loan is secured by exclusive charge on movable Plant and Machinery relating to Multi Purpose Plant (MPP)- 6 & Multi Purpose Plant (MPP)- 7 of the Company situated at SPM 28, Jambusar (Gujarat).

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

4 DEFERRED TAX LIABILITIES

Particulars	(₹ in lacs)	
	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	1,183.75	652.94
Sub- Total (a)	1,183.75	652.94
Deferred Tax Liabilities		
Difference in depreciation and amortisation in block of fixed assets as per Income Tax Act and books of accounts & Others	6,810.83	4,338.33
Sub- Total (b)	6,810.83	4,338.33
Net Deferred Tax Liability (b)-(a)	5,627.08	3,685.39

5 OTHER LONG TERM LIABILITIES

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Other Payables		
Security Deposits from Dealers	1,657.21	1,518.85
Security Deposits from Contractors	42.75	19.00
Miscellaneous payables	44.92	44.92
TOTAL	1,744.88	1,582.77

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

6 PROVISIONS

Particulars	(₹ in lacs)			
	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provision for Employee Benefits*				
Compensated Absences	592.80	414.23	104.67	74.85
Gratuity	569.86	381.06	-	-
	1,162.66	795.29	104.67	74.85
Other Provisions				
Provision for Income Tax {Net of Advance Tax of ₹ 38,043.68 lacs (Previous Year ₹ 28,855.43 lacs)}			851.03	1,124.66
Provision for Proposed Dividend on Equity Shares			-	1,775.49
Provision for Dividend Distribution Tax			-	363.53
	-	-	851.03	3,263.68
TOTAL	1,162.66	795.29	955.70	3,338.53

* Refer Note 31

7 SHORT TERM BORROWINGS

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Loans Repayable on Demand		
Working Capital Loans from Banks (secured)	199.01	6,479.37
TOTAL	199.01	6,479.37
The above amount includes		
Secured Borrowings	199.01	6,479.37

Working capital loans are secured by way of first pari passu charge on all the current assets by hypothecation of stocks of raw materials, finished and semi finished goods, stores and spares not related to plant and machinery, bills receivable, book debts and all other movable current assets of the Company both present and future, and additionally secured by way of second charge on all the fixed assets of the Company excluding leasehold land situated at SPM 28, Jambusar (Gujarat) in favour of the consortium bankers.

Working Capital Loan includes Foreign currency Loan (Buyers Credit Loan) amounting to ₹ Nil (Previous Year ₹ 434.37 lacs).

8 TRADE PAYABLES

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Trade Payables		
- Due to Micro and Small enterprises (Refer Note 42)	739.88	424.21
- Other Trade Payables	35,869.45	34,953.88
TOTAL	36,609.33	35,378.09

9 OTHER CURRENT LIABILITIES

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debt (Refer Note 3)	2,713.30	3,333.33
Interest accrued but not due on borrowings	27.54	0.66
Unclaimed dividends*	94.44	26.75
Creditors for Capital Purchases	2,216.98	2,877.70
Security Deposits Contractors	5.50	31.25
Income received in advance/ Customer advances	1,829.61	2,214.41
Other payables		
- Employee Balances	3,695.52	2,585.93
- Statutory Dues Payable	928.67	892.05
- Miscellaneous Payable	10,601.33	8,785.25
TOTAL	22,112.89	20,747.33

* The amount does not include amount due/ outstanding to be credited to Investor Education & Protection Fund, same shall be credited as and when due.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

10 TANGIBLE ASSETS

(₹ in lacs)										
Particulars	Leasehold land	Freehold Land	Leasehold Improvement	Buildings	Plant & Equipment	Furniture & Fixtures	Office Equipments	Vehicles	Library	Total
Gross Carrying Value										
As at April 01, 2014	2,176.63	247.89	3.45	9,371.56	54,779.03	275.90	571.41	52.58	99.74	67,578.19
Additions	-	-	-	1,265.37	4,784.40	81.65	69.51	0.54	-	6,201.47
Disposals	-	-	-	(74.64)	(4,113.73)	(50.08)	(169.10)	(27.21)	-	(4,434.76)
Other Adjustments										
Reversal of Revaluation Reserve	-	(179.67)	-	-	-	-	-	-	-	(179.67)
Exchange Difference	-	-	-	68.93	221.44	-	-	-	-	290.37
Foreign currency exchange reserve	-	-	(0.44)	-	-	-	(1.09)	-	-	(1.53)
Other Expenses including Salary	-	-	-	113.60	306.92	-	-	-	-	420.52
Others	-	-	-	555.77	(387.47)	9.63	(89.59)	7.19	(99.74)	(4.21)
As at March 31, 2015	2,176.63	68.22	3.01	11,300.59	55,590.59	317.10	381.14	33.10	-	69,870.38
Additions	-	-	-	11,649.47	25,918.20	412.46	365.45	-	-	38,345.58
Disposals	(78.25)	-	-	(49.91)	(954.95)	(1.79)	(21.97)	(0.39)	-	(1,107.26)
Other Adjustments										
Exchange Difference	-	-	-	140.19	425.69	-	-	-	-	565.88
Borrowing Costs	-	-	-	41.85	118.83	-	-	-	-	160.68
Foreign currency exchange reserve	-	-	0.40	-	-	-	0.98	-	-	1.38
Other Expenses including Salary	-	-	-	267.17	560.95	-	-	-	-	828.12
As at March 31, 2016	2,098.38	68.22	3.41	23,349.36	81,659.31	727.77	725.60	32.71	-	1,08,664.76
Depreciation										
As at April 01, 2014	75.34	-	2.30	1,114.66	13,599.22	132.26	247.47	41.36	81.24	15,293.85
Charge for the year	22.62	-	0.14	518.39	4,622.79	27.20	104.33	5.35	-	5,300.82
Disposals	-	-	-	(52.87)	(3,389.68)	(48.21)	(157.50)	(26.35)	-	(3,674.61)
Difference on account of Foreign Currency Exchange Reserve	-	-	(0.30)	-	-	-	(0.86)	-	-	(1.16)
Others	-	-	-	385.93	(305.57)	1.18	(6.54)	2.21	(81.24)	(4.03)
As at March 31, 2015	97.96	-	2.14	1,966.11	14,526.76	112.43	186.90	22.57	-	16,914.87
Charge for the year	21.85	-	0.13	500.56	4,687.81	39.62	82.49	3.51	-	5,335.97
Disposals	(11.68)	-	-	(16.14)	(552.71)	(1.64)	(20.93)	(0.32)	-	(603.42)
Difference on account of Foreign Currency Exchange Reserve	-	-	0.29	-	-	-	0.83	-	-	1.12
As at March 31, 2016	108.13	-	2.56	2,450.53	18,661.86	150.41	249.29	25.76	-	21,648.54
Net Carrying Value										
As at March 31, 2015	2,078.67	68.22	0.87	9,334.48	41,063.83	204.67	194.24	10.53	-	52,955.51
As at March 31, 2016	1,990.25	68.22	0.85	20,898.83	62,997.45	577.36	476.31	6.95	-	87,016.22

- During the previous year 2014-15, the Company has reversed the revaluation reserve created on Freehold Land on June 30, 1988.
- Depreciation for the year includes depreciation amounting to ₹ 194.52 lacs (Previous Year ₹ 214.83 lacs) on assets used for Research & Development. During the year Company incurred ₹ 6,034.04 lacs (Previous Year ₹ 219.30 lacs) towards capital expenditure for Research & Development (Refer Note 27).
- Amount capitalised on account of exchange difference, borrowing costs and other administrative costs have been transferred from Capital Work in progress.
- Out of the total depreciation charge for the previous year 2014-15, ₹ 419.43 Lacs representing assets beyond their useful life as of April 01, 2014 has been charged to General Reserve in accordance with the Schedule II to the Companies Act 2013. (Refer Note 2(i)(iii))

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

11 CAPITAL WORK IN PROGRESS & INTANGIBLES ASSETS UNDER DEVELOPMENT

(₹ in lacs)

Particulars	Amount of Capital Work in progress	Intangible Assets under Development
As at April 01, 2014	3,555.32	693.08
Additions	14,297.18	411.22
Amount transferred from CWIP	(6,468.22)	-
Other Adjustments*		
Exchange Difference	290.37	-
Other Expenses including Salary	545.09	-
As at March 31, 2015	12,219.74	1,104.30
Additions	32,138.11	205.72
Amount transferred from CWIP	(39,853.21)	(53.71)
Other Adjustments*		
Exchange Difference	565.88	-
Borrowing Costs	160.68	-
Other Expenses including Salary	642.62	-
As at March 31, 2016	5,873.82	1,256.31

* Refer Note No. 36

12 INTANGIBLE ASSETS

(₹ in lacs)

Particulars	Software	Product Development	Total
Gross Carrying Value			
As at April 01, 2014	662.80	51.13	713.93
Additions	39.12	-	39.12
Other Expenses including Salary	4.21	-	4.21
Disposals	(124.64)	-	(124.64)
As at March 31, 2015	581.49	51.13	632.62
Additions	214.19	53.71	267.90
Disposals	-	-	-
As at March 31, 2016	795.68	104.84	900.52
Depreciation			
As at April 01, 2014	330.04	0.87	330.91
Charge for the year	88.41	8.50	96.91
Others	4.03	-	4.03
Disposals	(110.31)	-	(110.31)
As at March 31, 2015	312.17	9.37	321.54
Charge for the year	80.27	13.66	93.93
Disposals	-	-	-
As at March 31, 2016	392.44	23.03	415.47
Net Carrying Value			
As at March 31, 2015	269.32	41.76	311.08
As at March 31, 2016	403.24	81.81	485.05

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

13 NON CURRENT INVESTMENTS

(₹ in lacs)

Particulars	As at March 31, 2016			As at March 31, 2015		
	Face value	No. of Shares	Amount	Face value	No. of Shares	Amount
Long Term Investments (At cost) : Non Trade						
1) Quoted Shares						
a) United Credit Ltd.	10	700	0.21	10	700	0.21
b) Summit Securities		12	-		12	-
c) Akzo Nobel India Ltd.	10	50	0.05	10	50	0.05
d) BASF India Ltd.	10	976	0.46	10	976	0.46
e) Sudershan Chemical Industries Ltd.	1	900	0.04	1	900	0.04
f) Rallis India Ltd.	1	2,070	0.12	1	2,070	0.12
g) Bayers Crop Science Ltd.	10	66	0.19	10	66	0.19
h) Punjab Chemicals & Crop Protection Ltd.	10	248	0.09	10	248	0.09
i) Pfizer Ltd. (Erstwhile Wyeth Ltd.)	10	29	0.15	10	29	0.15
j) Sanofi India Ltd.	10	100	0.03	10	100	0.03
k) L.M.L.Ltd.	10	150	0.02	10	150	0.02
l) United Sprit Ltd.	10	188	0.05	10	188	0.05
m) RPG Life Sciences Ltd.	10	360	0.22	10	360	0.22
n) Voltas Ltd.	1	100	0.01	1	100	0.01
o) ICICI Bank Ltd.	2	2,300	2.42	2	2,300	2.42
			4.06			4.06
2) Unquoted Shares (Equity)						
a) Panoli Enviro Technology Ltd. 30,000 (Previous Year 30,000) Equity Shares of ₹ 10 each fully paid			3.00			3.00
b) Bharuch Enviro Infrastructure Ltd. 2,100 (Previous Year 2,100) Equity Shares of ₹ 10 each fully paid			0.21			0.21
c) Narmada Clean Tech Ltd. 444,339 (Previous Year 444,339) Equity Shares of ₹ 10 each fully paid			44.43			44.43
d) Abhilasha Tower Co-operative Service Housing Society Ltd. 10 (Previous Year 10) Equity Shares of ₹ 250 each fully paid			0.02			0.02
e) Sygenta India Limited 160 (Previous Year 160) Equity Shares of ₹ 10 each fully paid up			0.02			0.02
f) Ciba CKD Biochem Ltd. 100 (Previous Year 100) Equity Shares of ₹ 10 each fully paid up			0.05			0.05
			47.73			47.73
TOTAL			51.79			51.79
Aggregate book value of Quoted Investments			4.06			4.06
Aggregate market value of Quoted Investments			32.25			38.82
Aggregate book value of Un-Quoted Investments			47.73			47.73

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

14 LOANS AND ADVANCES

(₹ in lacs)

Particulars	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Capital Advances (Unsecured)				
Considered good	2,107.32	3,867.72	-	-
Doubtful	1.20	0.49	-	-
Less: Allowance for Doubtful Capital Advances	(1.20)	(0.49)	-	-
A	2,107.32	3,867.72	-	-
Security Deposits (Unsecured)				
Considered good	439.41	368.05	12.48	9.28
Doubtful	-	-	-	-
B	439.41	368.05	12.48	9.28
Loans and advances to related parties (unsecured)				
Considered good (Refer Note 38)*	-	-	501.90	412.65
C	-	-	501.90	412.65
Other Loans and advances (Unsecured)				
Loans To Body Corporate**	-	-	2,636.76	2,287.59
Advances to Vendors				
Considered good	-	-	1,233.24	2,325.67
Doubtful	-	-	3.68	2.36
Less: Allowance for Doubtful Advances	-	-	(3.68)	(2.36)
MAT Credit Entitlement	2,202.33	-	-	-
Balance with Central Excise Authorities, Customs etc.	-	-	2,812.78	3,181.36
Prepaid Expenses	-	-	346.63	338.31
Employee Advances				
Considered good	-	-	26.87	48.20
Doubtful	-	-	0.83	0.27
Less: Allowance for Doubtful Employee Advances	-	-	(0.83)	(0.27)
Other Statutory Advances	5.93	14.90	1,894.41	2,105.91
Other Miscellaneous Advances	191.29	27.10	2,362.37	1,311.80
D	2,399.55	42.00	11,313.06	11,598.84
TOTAL (A+B+C+D)	4,946.28	4,277.77	11,827.44	12,020.77

* Includes provision of money amounting to ₹ 473.05 lacs (Previous Year ₹ 380.64 lacs), to PII ESOP Trust (Trust) for subscription of Shares by PII ESOP Trust for the benefit of employees and carries an interest rate of 9% p.a..

** The above unsecured loan is given to M/s Sterling SEZ & Infrastructure Ltd. for the purpose of infrastructure development and carries an interest rate of 15% p.a.. The Company has also provided a Bank Guarantee (dtd. September 2, 2015 valid till September 1, 2016) amounting ₹ 106.71 lacs in favour of Dakshin Gujrat VIJ Company Ltd., Surat on behalf of Sterling SEZ & Infrastructure Ltd.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

15 OTHER ASSETS

Particulars	(₹ in lacs)			
	Non- Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Interest and Other charges recoverable from customers- Good	-	-	551.45	488.71
Interest and Other charges recoverable from customers- Doubtful	-	-	552.42	302.81
Less: Allowance for Interest and other charges recoverable from customers	-	-	(552.42)	(302.81)
Deposits lodged with Excise & Sales Tax department and deposits held as margin money*	478.31	207.74	-	-
Hedge Asset	-	-	543.39	188.30
TOTAL	478.31	207.74	1,094.84	677.01

*Deposits includes ₹ 216.84 lacs (Previous Year ₹ 200.52 lacs) towards security deposit lodged with the Rajasthan excise department, ₹ 4.95 lacs (Previous Year ₹ 4.58 lacs) lodged with Commercial Taxes Kottayam, ₹ 2.03 lacs (Previous Year ₹ Nil) lodged with Commercial Taxes Srinagar, ₹ 1.54 lacs (Previous Year ₹ 1.42 lacs) lodged with Assistant Excise & Taxation Commissioner, Solan, ₹ 1.19 lacs (Previous Year ₹ 0.62 lacs) lodged with Superintendent, Prohibition & Excise Account, Jambusar, ₹ 0.52 lacs (Previous Year ₹ Nil) lodged with Superintendent, Prohibition & Excise Account, Panoli, ₹ 0.65 lacs (Previous Year ₹ 0.60 lacs) lodged with UKAI right Bank Canal Division and ₹ 250.59 lacs (Previous Year ₹ Nil) towards Fixed Deposits held as margin money.

* Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 478.31 lacs (Previous Year ₹ 207.74 lacs); and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

16 INVENTORIES (Valued at lower of cost and net realizable value)

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Raw Materials and Packing Materials {includes Stock-in-Transit ₹ 5,157.37 lacs (Previous Year ₹ 7,547.66 lacs)}	19,100.51	19,002.92
Work in Progress	5,747.72	7,104.48
Finished Goods, including By - products	11,518.22	8,373.89
Traded Goods	1,708.94	1,502.67
Stores & Spares, Laboratory Chemicals & Apparatus	1,404.96	1,837.19
TOTAL	39,480.35	37,821.15

17 TRADE RECEIVABLES

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
<i>Unsecured, considered good unless stated otherwise</i>		
Debts outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	4,654.36	2,517.56
- Doubtful	1,235.58	728.85
	5,889.94	3,246.41
Less: Allowance for Doubtful Debts	(1,235.58)	(728.85)
A	4,654.36	2,517.56
Others Debts		
- Considered Good	35,123.65	35,740.09
- Doubtful	4.89	5.01
	35,128.54	35,745.10
Less: Allowance for Other Doubtful Debts	(4.89)	(5.01)
B	35,123.65	35,740.09
TOTAL (A+B)	39,778.01	38,257.65

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

18 CASH AND BANK BALANCES

Particulars	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Cash & Cash Equivalents		
- Balance with banks		
On Current Accounts	1,408.48	1,705.54
- Cash on hand	8.72	10.68
- Fixed Deposits with Bank*	2,000.30	-
Other Bank Balances		
Fixed Deposits with Bank**	1,029.77	570.94
In Deposit accounts held as margin money***	1,068.00	1,100.45
In Unclaimed Dividend Accounts ****	94.44	26.75
TOTAL	5,609.71	3,414.36

* Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil); and Fixed deposits upto 3 months maturity from date of acquisition: ₹ 2,000.30 lacs (Previous Year ₹ Nil).

** Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 324.45 lacs (Previous Year ₹ 354.22 lacs) and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

*** Includes Fixed deposits with more than twelve months maturity from date of acquisition: ₹ 1,057.78 lacs (Previous Year ₹ 1,100.45 lacs) towards margin money pledged with banks for Bank Guarantees and Letter of Credit.; and Fixed deposits upto 3 months maturity from date of acquisition: ₹ Nil (Previous Year ₹ Nil).

**** Not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

19 REVENUE FROM OPERATIONS

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Revenue from Operations includes		
a) Sale of products;		
Finished Goods	2,26,562.85	2,11,850.76
Traded Goods	9,837.68	6,635.76
	2,36,400.53	2,18,486.52
b) Sale of services;	179.32	125.47
	179.32	125.47
c) Other operating Revenues;		
Scrap Sales	122.79	190.37
Others*	1,952.18	137.93
	2,074.97	328.30
Revenue From Operations (Gross) (a+b+c)	2,38,654.82	2,18,940.29
Less: Excise Duty	10,107.07	9,288.50
Less: Discount	18,871.20	15,624.70
Revenue From Operations (Net)	2,09,676.55	1,94,027.09
d) Details of products sold		
(i) Finished goods sold		
Specialty Chemicals	1,23,783.77	1,16,147.12
Agro Chemicals	95,928.39	89,351.08
Plant Nutrients	6,310.40	5,860.74
Others	540.29	491.82
	2,26,562.85	2,11,850.76
(ii) Traded Goods Sold		
Agro Chemicals	8,233.70	6,611.69
Others	1,603.98	24.07
	9,837.68	6,635.76
(iii) Details of services rendered		
Research & Development Activities	7.76	62.29
Others	171.56	63.18
	179.32	125.47

* Other operating revenue includes Export incentive (Net) of ₹ 1,952.18 lacs (Previous Year ₹ 137.93 lacs).

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

20 OTHER INCOME

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Income from Long term Investment		
Dividend Income from Long term Investment	0.32	0.35
Income from Short term Investment		
Interest Income;		
- Margin Money Deposits	326.46	452.94
- Others	1,792.89	1,776.10
Other Non-operating Income	40.32	136.33
Exchange Gain	1,335.35	1,836.14
TOTAL	3,495.34	4,201.86

21 COST OF RAW MATERIAL AND PACKING MATERIAL CONSUMED

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Details of Raw material and Packing material consumed		
Basic Chemicals	61,189.12	63,143.77
Active Ingredients	29,282.13	22,938.89
Solvent	6,090.46	7,436.65
Packaging Material	5,390.59	5,142.42
Catalyst & Emulsifiers	3,273.80	4,909.88
Others	5,887.31	4,628.53
TOTAL	1,11,113.41	1,08,200.14
Details of Raw material and Packing material Inventory		
Basic Chemicals	10,784.36	12,032.29
Packaging Material	1,180.50	671.70
Active Ingredients	5,502.27	4,215.10
Solvent	643.12	1,042.63
Catalyst & Emulsifiers	756.67	881.40
Others	233.59	159.80
TOTAL	19,100.51	19,002.92

22 (INCREASE)/DECREASE IN INVENTORY

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Inventories at the end of the year		
Finished Goods	11,518.22	8,373.89
Traded Goods	1,708.94	1,502.67
Work in Progress	5,747.72	7,104.48
Inventories at the beginning of the year		
Finished Goods	8,373.89	7,194.35
Traded Goods	1,502.67	1,266.12
Work in Progress	7,104.48	6,244.93
TOTAL	(1,993.84)	(2,275.64)
a) Details of Purchases of Traded Goods		
Agro Chemicals	6,442.46	5,598.94
Others	289.15	12.26
TOTAL	6,731.61	5,611.20

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
b) Details of Inventory		
Finished Goods		
Agro Chemicals	9,053.58	5,997.19
Specialty Chemicals	1,621.16	1,856.76
Plant Nutrients	362.20	262.67
Others	481.28	257.27
TOTAL	11,518.22	8,373.89
Traded Goods		
Agro Chemicals	1,708.94	1,502.67
Others	-	-
TOTAL	1,708.94	1,502.67
Work In Progress		
Agro Chemicals	746.89	2,278.55
Specialty Chemicals	4,972.39	4,795.76
Plant Nutrients	28.44	30.17
TOTAL	5,747.72	7,104.48

23 EMPLOYEE BENEFIT EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, Wages and Bonus	16,744.80	12,769.12
Contribution to Provident & other funds	715.36	581.52
Gratuity and Other Long term compensated absences (Refer Note 31)	431.40	288.06
Employees Welfare Expenses	730.30	586.31
Expense on Employee Stock Option Scheme (Refer Note 33)	123.74	74.12
TOTAL	18,745.60	14,299.13

24 OTHER EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Power, Fuel & Water	6,083.61	7,690.95
Stores & Spares Consumed	2,016.64	2,030.55
Repairs & Maintenance to :		
- Buildings	117.74	46.15
- Plant & Machinery	262.11	101.19
- Other Repairs	609.97	539.19
Environment & Pollution Control expenses	5,472.59	5,377.11
Laboratory & Testing Charges	775.56	590.36
Freight & Cartage	3,803.38	3,774.84
Advertisement & Sales Promotion	3,300.98	2,853.55
Travelling & Conveyance (Refer Note 24(a))	3,058.35	2,635.44
Rent	901.64	762.90
Rates, Taxes & Fees	330.53	248.92
Insurance	322.28	267.67
Donation	215.72	45.16
Loss on Sale/Retirement of Fixed Assets (Net)	169.14	712.29
Auditor's Remuneration* (Refer Note 24(b))	42.63	32.77
Communication Expenses	407.69	355.52
Bad debts written off (Net)	-	12.28

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Provision for Bad and Doubtful debts & Advances	857.87	415.66
Prior period expenses	6.26	9.68
Director Sitting Fees & Commission	88.28	84.00
Legal & Professional Expenses	961.29	993.42
Bank Charges	209.12	240.03
Contribution towards CSR Activities	514.30	348.00
Miscellaneous Expenses	1,088.86	751.63
TOTAL	31,616.54	30,919.26
a. Travelling Expenditure includes Directors Travelling amounting to ₹ 268.00 lacs (Previous Year ₹ 306.03 lacs)		
b. Auditors' Remuneration		
- Audit Fees	20.40	18.42
- Limited Review Fees	7.50	6.00
- Certificates & other matters	12.72	6.19
- Reimbursement of expenses	2.01	2.16
TOTAL	42.63	32.77

25 DEPRECIATION AND AMORTIZATION EXPENSES

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation on Tangible Assets*	5,335.97	4,881.39
Amortization of Intangible Assets*	93.93	96.91
TOTAL	5,429.90	4,978.30

* Refer Note 10 & 12

26 FINANCE COST

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest		
On Fixed Loans	292.79	352.54
On Working Capital	567.73	509.18
Others	31.88	62.31
Other Borrowing Costs	60.34	48.54
TOTAL	952.74	972.57

27 RESEARCH & DEVELOPMENT EXPENSES

Details of Expenditure on Research & Development Facilities/ division of the Company recognised by Department of Scientific & Industrial Research.

a) Revenue Expenditure

(₹ in lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Employee Benefit Expenses		
Salaries, Wages & Bonus	1,087.00	716.13
Contributions to Provident & other funds	75.49	51.15
Employee Welfare Expenses	24.26	16.79
	1,186.75	784.07
Raw & Packing Materials Consumed	144.00	93.21
Other Expenses		
Laboratory & testing Material	329.75	218.96

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
Power, Fuel & Water	48.79	21.94
Stores & Spares Consumed	168.37	31.86
Testing & Analysis	1.49	3.66
Travelling & Conveyance	71.79	47.14
Rates, Taxes & Fees	2.00	2.41
Printing & Stationery	2.35	3.29
Bank Charges	0.07	0.04
Legal & Professional Charges	2.56	13.62
Miscellaneous Expenses	159.57	29.29
	786.74	372.21
Depreciation		
Depreciation	194.52	214.83
TOTAL	2,312.01	1,464.32
Total Expenditure Allowed	2,312.01	1,464.32

b) Capital Expenditure

Description	(₹ in lacs)		
	March 31, 2015	Addition during the year	March 31, 2016
Buildings	18.12	2,850.51	2,868.63
Equipments & Others	1,319.01	3,183.53	4,502.54
TOTAL	1,337.13	6,034.04	7,371.17

28 EARNING PER SHARE

Particulars	(₹ in lacs)	
	Year ended March 31, 2016	Year ended March 31, 2015
a) Net Profit for Basic & Diluted EPS (₹ in lacs)	31,532.82	24,589.35
b) Number of Equity Shares at the beginning of the year	13,65,76,182	13,61,09,080
Add: Issue of Shares under ESOP	5,51,040	4,67,102
Less: Cancellation of Shares	-	(7,38,51,390)
Add: Issuance of Shares	-	7,38,51,390
Total Number of Shares outstanding at the end of the year	13,71,27,222	13,65,76,182
Weighted Average number of Equity Shares outstanding during the year - Basic	13,68,31,321	13,63,57,348
Weighted Average number of Equity Shares arising out of grant of Employee Stock option	11,03,420	14,96,800
Weighted Average number of Equity Shares outstanding during the year - Diluted	13,79,34,741	13,78,54,148
Earning Per Share - Basic (₹)	23.05	18.03
Earning per share - Diluted (₹)	22.86	17.84
Face value per share (₹)	1	1

29 NOTE ON AS 30 ADOPTION

The Company has adopted Accounting Standard 30 (AS 30) "Financial Instruments: Recognition and Measurement" during the Financial year 2011-12. Based on the Recognition and Measurement principles set out in AS 30, changes in the fair values of derivative financial instruments, the net foreign exchange exposure over a period of one year against the committed order in hand hedged through forward contracts, are designated as effective cash flow hedges and marked to market loss/gain arising on said foreign currency instruments are transferred to "Cash Flow Hedge Reserve" directly in the Balance Sheet under Reserves & Surplus and later the same is reclassified in the Statement of Profit & Loss upon the occurrence of the hedging transaction. Accordingly marked to market gain of ₹ 543.39 lacs (Previous Year gain of ₹ 188.30 lacs) arising on foreign currency instruments qualifying for hedge accounting as on March 31, 2016 has been transferred to Cash Flow Hedge Reserve Account.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

30 AMOUNT SPENT ON CSR ACTIVITIES

Particulars	(₹ in lacs)	
	2015-16	2014-15
a) Gross amount required to be spent by the Company during the year	514.30	348.00
b) Gross amount transferred to PI Foundation Trust for CSR activities*	514.30	348.00
c) Amount spent during the year		
Rural development projects	2.00	26.30
Promoting health care, sanitation and making available safe drinking water	180.80	-
Education and vocational training projects	80.68	14.65
Engagement and empowerment of women	1.88	-
Ensuring environmental sustainability and conservation of natural resources	70.99	-
Promotion and development of traditional arts and handicrafts	29.50	-
Promote rural sports	2.50	-
Swachh Bharat Kosh	-	55.90
Training and capacity building of CSR team and administrative expenses	18.42	4.84
TOTAL	386.77	101.69

* The Company is doing its CSR expenditure through PI Foundation Trust.

31 GRATUITY & OTHER LONG TERM COMPENSATED ABSENCES

As per Accounting Standard (AS)- 15 "Employee Benefits", the disclosure of employee benefits as defined in the accounting standard is given below:

a) Defined Contribution Plans:-

The Company has recognised an expense of ₹ 715.36 lacs (Previous Year ₹ 581.52 lacs) towards the defined contribution plan.

b) Defined benefits plans - as per actuarial valuation

Particulars	(₹ in lacs)			
	2015-16		2014-15	
	Gratuity Funded	Long term Compensated Absences Non -Funded	Gratuity Funded	Long term Compensated Absences Non -Funded
I Change in present value of obligation during the year				
1 Present value of obligation at the beginning of the year	893.19	489.08	737.13	383.91
2 Current Service Cost	148.52	148.88	108.14	106.97
3 Interest Cost	72.20	40.91	62.65	32.64
4 Past Service Cost	-	0.10	-	-
5 Net Actuarial (Gain)/Loss	88.51	60.57	37.31	(1.98)
6 Benefits Paid	(87.87)	(42.07)	(52.04)	(32.46)
7 Present Value of obligation as at year-end	1,114.55	697.47	893.19	489.08
II Change in Fair Value of Plan Assets during the year				
1 Plan assets at the beginning of the year	512.13	-	462.99	-
2 Expected return on plan assets	43.53	-	39.35	-
3 Actuarial Gain/(Loss) on plan assets	72.56	-	11.83	-
4 Employer's contribution	-	-	50.00	-
5 Benefits paid	(83.53)	-	(52.04)	-
6 Plan assets at the end of the year	544.69	-	512.13	-
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1 Present Value of obligation as at year-end	1,114.55	697.47	893.19	489.08
2 Fair value of plan assets at year -end	544.69	-	512.13	-
3 Funded status {Surplus/(Deficit)}	(569.86)	(697.47)	(381.06)	(489.08)

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

(₹ in lacs)

Particulars	2015-16		2014-15		
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences	
	Funded	Non-Funded	Funded	Non-Funded	
4 Net Asset/(Liability)	(569.86)	(697.47)	(381.06)	(489.08)	
IV Expenses recognised in the Statement of Profit and Loss					
1 Current Service Cost	148.52	148.88	108.14	106.97	
2 Interest Cost	72.20	40.91	62.65	32.64	
3 Past service Cost	-	0.10	-	-	
4 Expected return on plan assets	(43.53)	-	(39.35)	-	
5 Net Actuarial (Gain)/Loss	15.95	60.57	25.48	(1.98)	
6 Total Expense	193.14	250.46	156.92	137.63	
V Bifurcation of PBO at the end of the year					
1 Current Liability	-	104.67	-	74.85	
2 Non-Current Liability	569.86	592.80	381.06	414.23	
VI Actuarial Assumptions					
1 Discount Rate	8.00%	8.00%	7.75%	7.75%	
2 Expected rate of return on plan assets	8.50%	-	8.50%	-	
3 Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	
4 Salary Escalation	5.50%	5.50%	5.50%	5.50%	
VII Investment Details					
The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted with the Life Insurance Corporation of India, HDFC Standard Life Insurance Company Ltd. and Kotak Mahindra Old Mutual Life Insurance Ltd., whose pattern of investment is not available with the Company.					
VIII	The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 263.94 lacs.				
IX Experience Adjustment:					
Gratuity	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of obligation	1,114.55	893.19	737.13	598.51	502.88
Fair value of Plan assets	544.69	512.13	462.99	373.72	372.19
Net Asset/(Liability)	(569.86)	(381.06)	(274.14)	(224.79)	(130.69)
Actuarial Gain/(Loss) on plan obligation	(73.00)	(18.64)	(20.62)	(42.64)	(32.63)
Actuarial Gain/(Loss) on plan assets	72.56	11.83	8.35	(20.76)	(6.39)
Long term Compensated Absences	2015-16	2014-15	2013-14	2012-13	2011-12
Present Value of obligation	697.47	489.08	383.91	270.75	220.96
Fair value of Plan assets	-	-	-	-	-
Net Asset/(Liability)	(697.47)	(489.08)	(383.91)	(270.75)	(220.96)
Actuarial Gain/(Loss) on plan obligation	(40.93)	11.93	12.88	1.47	(31.36)
Actuarial Gain/(Loss) on plan assets	-	-	-	-	-

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

32 AMALGAMATION

During the previous year 2014-15, pursuant to the sanction of the Honourable High Court of Jodhpur to the Scheme of Amalgamation, the assets and liabilities of Parteeek Finance & Investment Co. Ltd. (Holding Company of PI Industries Ltd. whose principal business is core investment) (Transferor Company) have been merged with PI Industries Ltd. (Transferee Company) with effect from the appointed date of April 01, 2014 in accordance with the Scheme so sanctioned. The amalgamation has been accounted for under the "Purchase Method" as prescribed by Accounting Standard 14 (AS-14) notified by the Government of India. Accordingly, as on the appointed date the excess of net asset value of Transferor Company over the merger consideration amounting to ₹ 1.37 lacs has been recognised as Capital Reserve (see table below) in the books of Transferee Company. Further as per the requirement of relevant statute the statutory balances in the books of Transferor Company is recorded at their carrying value in the books of Transferee Company.

Particulars	(₹ in lacs)
Non-Current Investments	738.51
Cash and cash equivalents	0.58
Net Current Assets (including Statutory Balances)	0.79
Net Assets taken over on Amalgamation	739.88
Cancellation of Investment on account of Amalgamation	(738.51)
Balance transferred to Capital Reserve	1.37

Further as agreed with Transferee Company, the Transferor Company has utilized net income available (after meeting the merger expenses as per the scheme of amalgamation) between the appointed date and effective date i.e. March 30, 2015 for declaration and payment of interim dividend amounting to ₹ 1,581.20 lacs to its shareholders. The balances arising after the said payment as on effective date in the books of Transferor Company comprising of liabilities of ₹ 28.49 lacs, bank balance of ₹ 28.29 lacs and other assets ₹ 0.20 lacs have been incorporated in the books of the Transferee Company (PI Industries Ltd.) in the FY 2014-15.

33 EMPLOYEE STOCK OPTION PLANS

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

In December 2010, the Board of Directors approved the PII ESOP 2010 Scheme in order to reward the employees for their past association and performance as well as to motivate them to contribute to the growth and profitability of the Company (including subsidiary companies) with an intent to attract and retain talent in the organization. The aforesaid scheme was duly approved by shareholders in its EGM held on January 21, 2011 and is administered through independent trust. Upto March 31, 2016 the Compensation Committee of the Board has granted following options under PII ESOP 2010 Scheme to certain category of employees as per criteria laid down by Compensation Committee of the Board.

Particulars	2015-16	2014-15
Options Granted (No. of Shares)	43,70,857	40,93,731
Options Vested and Exercisable	2,28,134	2,63,106
Options Exercised	20,33,917	14,32,554
Options Cancelled	7,77,433	6,37,493
Options lapsed	-	-
Total number of Options in force	15,59,507	20,23,684
Variations in terms of ESOP	Not Applicable	Not Applicable
Total number of shares arising as a result of exercise of options	20,33,917	14,32,554
Money realised by exercise of options (in ₹ lacs)	1,390.79	797.62

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

The details of exercise price for stock option outstanding at the end of the year

Particulars	2015-16		2014-15	
	No. of options	Weighted average exercise price (₹)	No. of options	Weighted average exercise price (₹)
Outstanding at the beginning of the year	20,23,684	146.61	24,38,320	91.50
Granted during the year	2,77,126	613.00	3,65,510	409.28
Forfeited during the year	1,39,940	193.37	3,56,688	128.39
Exercised during the year*	6,01,363	98.64	4,23,458	71.06
Expired during the year	-	-	-	-
Outstanding at the end of the year	15,59,507	243.69	20,23,684	146.61
Exercisable at the end of the year	2,28,134	41.16	2,63,106	42.98
Weighted average remaining contractual life of outstanding options (in Years)		6.79		7.06
Weighted average fair value of options granted (in ₹)		355.10		278.94

* Shares allotted by PII ESOP Trust against exercise of options.

The details of Exercise Price for stock options outstanding at the end of the year

Range of Exercise price	2015-16			2014-15		
	No. of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise price	No. of Options Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise price
PII ESOP 2010 PLAN						
25-75	1,16,405	3.58	50.54	3,18,492	5.31	51.88
75-125	8,89,364	6.58	106.37	13,75,926	7.19	105.82
150-500	2,93,979	7.38	409.28	3,29,266	8.23	409.28
450-650	2,59,759	8.30	613.00	-	-	-

Methods and Assumptions used to estimate the fair value of options granted during the year: 2015-16

The fair value of options granted during the year has been calculated using the Black Scholes Option Pricing model.

The assumptions used in the model are as follows:

Variables	October 15, 2015	September 19, 2014
1 Risk Free Interest rate	7.49% to 7.57%	8.56% to 8.57%
2 Expected Life	4 years to 7 years	4 years to 7 years
3 Expected Volatility	41.39% to 42.31%	45% to 61%
4 Dividend Yield	0.64%	0.48%
5 Price of the underlying share in market at the time of the option granted (₹)	682.85	454.75

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

The stock based compensation cost calculated as per the intrinsic value method for the financial year 2015-16 is ₹ 123.74 lacs (Previous Year ₹ 74.12 lacs). If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2015-16 would be ₹ 659.20 lacs (Previous Year ₹ 503.57 lacs). The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro- Forma Adjusted Net Income and Earning per share			(₹ in lacs)
Particulars	2015-16	2014-15	
Net Income as reported	31,532.82	24,589.35	
Add: Intrinsic Value Compensation Cost	123.74	74.12	
Less: Fair Value Compensation cost	(659.20)	(503.57)	
Adjusted Pro Forma Net income	30,997.36	24,159.90	
Earning Per Share: Basic (₹)			
As Reported	23.05	18.03	
Adjusted Pro Forma	22.65	17.72	
Earning Per Share: Diluted (₹)			
As Reported	22.86	17.84	
Adjusted Pro Forma	22.47	17.53	

34 CAPITAL & OTHER COMMITMENT

(₹ in lacs)

Particulars	March 31, 2016	March 31, 2015
a. Estimated Amount of Contracts remaining to be executed on capital account and not provided for {Net of advances ₹ 2,104.56 lacs (Previous Year ₹ 3,868.21 lacs)}	-	2,226.34
b. Bank Guarantees*	1,542.37	1,842.63
c. Letter of Credit	10,342.59	11,378.19
d. Export Commitment	32,174.62	52,815.06

* Refer Note 14

35 LEASES

The Company is a lessee under various operating leases. Total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

(₹ in lacs)

Particulars	March 31, 2016	March 31, 2015
-Payable within one year	986.55	804.30
-Later than one year and not later than five years	2,423.24	1,674.58
-Later than five years	165.63	-
-Lease payments recognised in Statement of P&L	1,020.15	786.38

The Company has entered into a lease agreement with some of the parties for lease of corporate office & Vadodara office. The lease rent would be increased by 12.5% and 15% respectively after every 3 years.

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

36 CAPITALISATION OF EXPENDITURE

Pre-operative expenditure capitalised as a part of Fixed Assets and carried forward is as under:

(₹ in lacs)

Particulars	March 31, 2016	March 31, 2015
A. Brought forward from the earlier year	1,466.45	930.66
B. Expenditure incurred during the year:		
Staff Costs	607.74	564.70
Other Expenses	240.60	391.61
Interest and commitment charges	160.68	-
Exchange Difference	565.88	290.37
	1,574.90	1,246.68
C. Capitalised as part of :		
Plant & Machinery	1,105.47	528.36
Building	449.21	182.53
Intangible Assets	53.71	-
	1,608.39	710.89
D. Carried forward as part of capital work in progress	1,432.96	1,466.45

37 SEGMENT INFORMATION

The Company is in the business of manufacturing and distribution of Agro Chemicals which is a single business segment and constitutes the primary segment. Accordingly, no separate disclosure is required to be given as per Accounting Standard AS-17.

Secondary Segment information (Geographical Segments)

The Company is organised into two key geographical segment based upon the location of its customer within India (domestic) and outside India (export)

(₹ in lacs)

Particulars	March 31, 2016	March 31, 2015
1 Segment Revenue		
- Within India	1,16,713.96	1,06,809.95
- Outside India	1,25,436.20	1,16,332.20
	2,42,150.16	2,23,142.15
2 Segment Assets*		
- Within India	1,77,944.68	1,43,551.45
- Outside India	19,953.45	19,767.42
	1,97,898.13	1,63,318.87

* Segment Assets outside India is entirely related to Sundry Debtors.

38 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Accounting Standard-18, is as below:

a) List of Related Parties

i. Enterprises which control the entity:

Parteek Finance & Investment Co. (Holding Company till March 30, 2015) (Refer Note 32)

ii. Where control exists during the year:

Trust under control- (a) PII ESOP Trust (Trust)

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

iii Key Managerial Personnel & their relatives (KMP) :

(a) Key Managerial Personnel (KMP):

Mr. Salil Singhal	Chairman & Managing Director
Mr. Mayank Singhal	Managing Director & CEO
Mr. Rajnish Sarna	Whole-Time Director

(b) Relatives of Key Managerial Personnel:-

Relation with Key Managerial Personnel	Mr. Salil Singhal	Mr. Mayank Singhal
Father		Mr. Salil Singhal
Mother	Ms. Saraswati Singhal	Ms. Madhu Singhal
Wife	Ms. Madhu Singhal	
Sister		Ms. Pooja Singhal, Ms. Shefali Khushlani
Son	Mr. Mayank Singhal	
Daughter	Ms. Pooja Singhal, Ms. Shefali Khushlani	

iv Enterprises over which KMP and their relatives are able to exercise significant influence :-

(a) Wolkem India Ltd.; (b) Secure Meters Ltd.; (c) Salil Singhal (HUF); (d) Singhal Foundation; (e) PI Foundation

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

Nature of Transaction	Type of relation	2015-16		Balance outstanding Dr (Cr)	2014-15		Balance outstanding Dr (Cr)
		Transactions during the period			Transactions during the period		
		Recd/Pur.	Paid/Sales		Recd/Pur.	Paid/Sales	
Purchase/Sales of goods and services	a(iv)(a)	2.55	-	-	2.61	-	-
Remuneration to Directors	a (iii)(a)	-	1,840.15	(750.00)	-	1,520.12	(625.00)
Interest	a(ii)(a), a(iii)(a), a(iii)(b), a(iv)(c)	38.98	-	38.98	36.57	42.97	36.57
Rent & Power Cost	a(iii)(b), a(iv)(a)	2.48	16.79	-	2.80	15.06	-
Deposits Received and Paid	a(iii)(a), a(iii)(b), a(iv)(c)	-	-	-	-	578.45	-
Loans given	a(ii)(a)	410.00	500.00	434.07	420.93	500.00	344.07
Recovery of Dues on account of expenses incurred	a(iii)(b), a(iv)(a), a(iv)(b)	56.89	-	28.85	54.42	-	33.51
Reimbursement on account of expenses	a(iv)(b)	-	-	-	-	1.49	(1.49)
Donation	a(iv)(d), a(iv)(e)	-	90.70	-	-	5.00	-
Salary	a (iii)(b)	-	1.23	-	-	1.23	-
Travel & Other expenditure incurred	a (iii)(a), a(iii)(b)	-	289.82	5.32	-	318.92	8.20
Contribution towards CSR Activities	a (iv)(e)	-	514.30	-	-	348.00	-

c) During the previous year 2014-15, the Company has allotted 7,38,51,390 Equity Shares to the Promoters, viz., Salil Singhal and Family, pursuant to the merger of Parteeek Finance & Investment Co. Ltd. with PI Industries Ltd. For details, refer Note 1(d) and Note 32.

39 CONTINGENT LIABILITIES

Particulars	(₹ in Lacs)	
	March 31, 2016	March 31, 2015
Disputed Taxation demands not acknowledged as debts:		
- Sales Tax	304.94	124.42
- Excise Duty	225.50	310.50
- Income Tax	1,139.77	935.59
- ESI	6.09	6.09
Counter Guarantee to GIDC	32.85	32.85

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

40 DERIVATIVES INSTRUMENTS AND HEDGED/ UNHEDGED FOREIGN CURRENCY EXPOSURE

- i) All financial and derivative contracts entered into by the Company are for hedging purposes.
ii) Forward Contract outstanding as at Balance Sheet date

Currency	Amount		Buy / Sell	Purpose
	Outstanding as at March 31, 2016	Outstanding as at March 31, 2015		
USD	630.00	455.00	Sell	Hedging

These forward covers are against export orders and future receivables over a period of one year against committed orders in hand.

- iii) Particulars for Hedged Foreign Currency Exposure

Particulars	Currency	Amount as at March 31, 2016		Amount as at March 31, 2015	
		(in Foreign Currency)	(in INR)	(in Foreign Currency)	(in INR)
Export Debtors	USD	78.49	5,352.16	89.65	5,752.39

- iv) Foreign currency exposure that are not hedged by derivative or forward contracts as at Balance Sheet Date

Particulars	Currency	Amount as at March 31, 2016		Amount as at March 31, 2015	
		(in Foreign Currency)	(in INR)	(in Foreign Currency)	(in INR)
1 ECB Term loan	USD	226.67	15,017.80	80.00	5,000.00
2 Buyers Credit	USD	-	-	6.95	434.37
3 EEFC Account	USD	13.52	895.57	6.87	429.65
4 Import Creditors (Net)	USD	204.02	13,517.17	144.94	9,058.86
	EURO	(1.52)	(114.69)	11.07	743.56
	GBP	-	-	(0.31)	(28.75)
	CHF	(0.49)	(33.94)	(0.20)	(12.85)
	JPY	(4.99)	(2.94)	(2.11)	(1.10)
5 Export Debtors	USD	213.90	14,171.76	219.53	13,720.67
	EURO	5.70	429.53	4.38	294.36

41 DEFERRAL/ CAPITALISATION OF EXCHANGE DIFFERENCE

Pursuant to notification dated March 31, 2009 and December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India, the Company decided to exercise the option of accounting for Exchange differences arising on reporting of long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in the previous financial statements in so far as they relate to the acquisition of depreciable capital assets by addition to/ deduction from the cost of the asset and depreciate the same over the balance life of the asset. Accordingly, the current year exchange losses amounting to ₹ 565.88 lacs (Previous Year ₹ 290.37 lacs) have been adjusted to the cost of fixed assets/CWIP.

42 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Particulars	(₹ in Lacs)			
	March 31, 2016		March 31, 2015	
	Principal Amount	Interest Amount	Principal Amount	Interest Amount
Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March	739.88	-	424.21	-
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	150.87	1.77	274.67	2.30

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

(₹ in Lacs)

Particulars	March 31, 2016		March 31, 2015	
	Principal Amount	Interest Amount	Principal Amount	Interest Amount
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-	-	-
Interest accrued and remaining unpaid at the end of the year	-	-	-	-
Further interest remaining due and payable in succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act.	-	-	-	-

43 VALUE OF IMPORTS CALCULATED ON CIF BASIS

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Raw Materials	56,692.71	63,089.88
Spare Parts & Components	717.29	257.83
Capital Goods	1,481.07	199.62

44 EARNINGS IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Export of Goods on FOB Basis	1,24,160.37	1,14,888.69

45 EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	March 31, 2016	March 31, 2015
Professional	388.65	352.51
Interest	360.36	269.32
Travelling	25.11	24.06
Salary	143.90	115.46
Others	594.43	456.56

46 ACTUAL PRODUCTION, PURCHASES, SALES AND STOCK OF GOODS MANUFACTURED

S. No.	Product	Opening Stock	Production	Purchases	Sales	Closing Stock
(I)	QUANTITY (IN TONNES)					
	Current Year					
	Chemicals including by-product/ Traded goods	10,062	78,674	772	76,908	12,600
	TOTAL	10,062	78,674	772	76,908	12,600
	Previous Year					
	Chemicals including by-product/ Traded goods	(12,181)	(60,957)	(452)	(63,528)	(10,062)
	TOTAL	(12,181)	(60,957)	(452)	(63,528)	(10,062)
(II)	IN VALUE (₹ in lacs)					
	Current Year					
	Chemicals including by-product/ Traded goods	16,981.04	-	6,731.61	2,36,400.53	18,974.88
	TOTAL	16,981.04	-	6,731.61	2,36,400.53	18,974.88
	Previous Year					
	Chemicals including by-product/ Traded goods	(14,705.40)	-	(5,611.20)	(2,18,486.52)	(16,981.04)
	TOTAL	(14,705.40)	-	(5,611.20)	(2,18,486.52)	(16,981.04)

Significant Accounting Policies and Notes to Accounts

B NOTES TO ACCOUNTS (Contd...)

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

Particulars	March 31, 2016		March 31, 2015	
	Qty (in Tonnes)	(in ₹ lacs)	Qty (in Tonnes)	(in ₹ lacs)
Technical Pesticides	1,672	6,731.05	565	2,181.20
Inert Chemicals & Adjuvants	68,338	98,090.79	73,320	1,01,496.69
Others	-	6,291.57	-	4,522.25
TOTAL	70,010	1,11,113.41	73,885	1,08,200.14

Particulars	March 31, 2016		March 31, 2015	
	%	(in ₹ lacs)	%	(in ₹ lacs)
i Raw Material				
Imported	51.97	54,939.22	53.82	55,461.87
Indigenous	48.03	50,783.60	46.18	47,595.85
ii Packing Material				
Imported	-	-	0.67	34.54
Indigenous	100.00	5,390.59	99.33	5,107.88

48 ADDITIONAL INFORMATION REQUIRED UNDER SCHEDULE III TO COMPANIES ACT 2013, OF ENTITIES CONSOLIDATED AS SUBSIDIARIES

Name of the Entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lacs)	As % of consolidated profit or loss	Amount (₹ in lacs)
Parent				
PI Industries Ltd.	98.63%	1,15,580.43	99.38%	31,336.41
Subsidiaries Indian				
PI Life Science Ltd.	1.12%	1,314.44	0.54%	170.24
PILL Finance and Investments Ltd	0.28%	324.65	0.05%	16.08
Subsidiaries Foreign				
PI Japan Ltd	0.10%	111.65	0.03%	10.09
Total Eliminations	-0.13%	(149.09)	0.00%	-
TOTAL	100.00%	1,17,182.08	100.00%	31,532.82

49 In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of loans, advances and other current assets, in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet and provisions has been made for all known liabilities.

50 Figures of previous year have been regrouped and/ or rearranged wherever necessary to make them comparable with those of the current year.

Signatures to the Notes to Accounts

As per our separate report of even date attached

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.

Chartered Accountants

Firm Reg. No. 000756N

Sd/-

Salil Singhal

Chairman & Managing Director

DIN: 00006629

Sd/-

Mayank Singhal

Managing Director & CEO

DIN: 00006651

Sd/-

Yogesh K Gupta

Partner

M. No.: 093214

Sd/-

Jayashree Satagopan

Chief Financial Officer

Sd/-

Naresh Kapoor

Company Secretary

Place: Gurgaon

Date: May 24, 2016

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/-	Sd/-
	Mayank Singhal	Rajnish Sarna
Place: Gurgaon	Director	Director
Date: May 23, 2016	DIN: 00006651	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) FII's	-	-	-	-	-	-	-	-	-	-
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
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(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, 2016

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN: 06429468



Independent Auditor's Report

To the Members of

PILL FINANCE & INVESTMENT LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **PILL FINANCE & INVESTMENT LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 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.105229WSd/-
U.P. BHAVSAR
Partner
M. No. 043559Place: Ahmedabad
Date: April 22, 2016

For and on behalf of Board of Directors

PILL Finance & Investments LimitedSd/-
Mayank Singhal
Director
DIN: 00006651Place: Ahmedabad
Date: April 21, 2016Sd/-
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 March 31, 2016	As at 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 March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at 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
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	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)										
(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	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

Place: Gurgaon
Date: April 20, 2016

Membership No.:096740

“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
	29,47,109	27,26,437
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

NOTICE

NOTICE is hereby given that **69th Annual General Meeting** (AGM) of **PI INDUSTRIES LIMITED** will be held at P.P Singhal Memorial Hall, Udaipur Chamber of Commerce & Industry, Chamber Bhawan, Chamber Marg, Madri Industrial Area, Udaipur- 313001 on Friday, September 09, 2016 at 10:00 AM to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated Financial Statements) of the Company for the financial year ended March 31, 2016 and the Reports of Directors and Auditors thereon.
2. To confirm the two Interim dividends aggregating to Rs.3.10 already paid on equity shares for the financial year ended March 31, 2016.
3. To appoint a Director in place of Mr. Rajnish Sarna, (DIN: 06429468), who retires by rotation and, being eligible, offers himself for re-appointment.
4. Appointment of Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

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

SPECIAL BUSINESS:

5. Appointment of Mr. Ravi Narain (DIN 00062596) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, or any amendment thereto or modification thereof, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ravi Narain (DIN 00062596), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for a period of 3 years with effect from September 09, 2016 and the term shall not be subject to retirement by rotation.”

6. Ratification of Cost Auditor’s Remuneration.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 141, 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s K. G Goyal & Co., Cost Accountants, (FRN: 000017), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017, be paid the remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

By Order of the Board
For PI INDUSTRIES LIMITED

Sd/-

Naresh Kapoor
Company Secretary

Dated: July 26, 2016
Place: Gurgaon

Registered Office

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

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Friday, September 02, 2016 to Friday, September 09, 2016 (both days inclusive) for the purpose of AGM.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. First and Second interim dividends for the year 2015-16, at the rate of ₹ 1.20 and ₹ 1.90 per equity share, were paid on November 24, 2015 and March 30, 2016, respectively.
5. Under Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

In order to help Members to ascertain the status of Unclaimed Dividends the Company has uploaded the information in respect of the Unclaimed Dividends in respect of the financial years from 2009, as on the date of the Annual General Meeting (AGM) held on September 15, 2015, on the website of the IEPF viz. www.iepf.gov.in and under "Investors Section" on the Website of the Company viz. www.piindustries.com.

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

6. As per SEBI mandate, for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
7. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations in respect of the Directors seeking

appointment / re-appointment at the Annual General Meeting, forms an integral part of the notice. Requisite declarations have been received from the Directors for his appointment / re-appointment.

8. Electronic copy of the Annual Report for 2015-16 is being sent to all Members whose email addresses are registered with the Company / Depository Participants for communication purposes, unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copies of the Annual Report for 2015-16 are being sent in the permitted mode.
9. Members may also note that the Notice of the 69th Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot Paper and the Annual Report for 2015-16 will also be available on the Company's website www.piindustries.com for their download.

10. Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 69th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper/electronic voting system shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper/electronic voting system.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on September 05, 2016 (9:00 am) and ends on September 08, 2016 (5:00 pm). During this period members of the Company, holding

shares either in physical form or in dematerialized form, as on the cut-off date of September 02, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

- A) Member whose e-mail IDs are registered with the Company/ Depository Participants(s) will receive an email from NSDL informing them of their User-ID and Password. Once the Members receives the e-mail, he or she will need to go through the following steps to complete the e-voting process:
- (i) Open e-mail and open PDF file titled; “PI Industries remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>.
 - (iii) Click on Shareholder – Login
 - (iv) Enter the user ID and password as initial password/PIN noted in step (i) above. Click on Login.
 - (v) The Password change menu will appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select “REVEN” of PI Industries Limited.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on “Submit” and Remember to “Confirm” when prompted.
 - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorization letter etc. together with attested specimen signature of

the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail to akfriends38@yahoo.co.in or naresh.kapoor@piind.com a copy marked to evoting@nsdl.co.in.

- B) In case a Member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

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

REVEN (Remote e-voting Event Number)

USER ID

PASSWORD/PIN.....

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

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

- VII. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the ‘Forgot Password’ option available on the site to reset the password.

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

- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 02, 2016.

- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 02, 2016, may obtain the user ID and password by sending a request at evoting@nsdl.co.in or investor.grievance@piind.com. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can re-set your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com.

- XI. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut off date, only shall be

entitled to avail the facility of remote e-Voting as well as at the AGM through Ballot Paper.

- XII. Mr. Ashish K. Friends, Practicing Company Secretary (Membership No. FCA 5129), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper/electronic voting system for all those members who are present at the AGM, but have not cast their votes by availing the remote e-voting facility.
- XIV. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a

consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.

- XV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.piindustries.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Ltd., Mumbai.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on all working days except Saturdays, upto and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 5

The Board of Directors of the Company on the basis of recommendation of Nomination and Remuneration Committee vide its resolution dated May 24, 2016 appointed Mr. Ravi Narain as Additional Director of the Company pursuant to Section 161 of the Companies Act, 2016 and accordingly he holds his office up to the conclusion of forthcoming Annual General Meeting. In terms of section 160 of the Companies Act, 2013, the Company has received notice in writing from member of the company along with a deposit of ₹ 1 Lakh proposing the candidature of Mr. Ravi Narain for appointment as an Independent Director as per the provisions of sections 149 and 152 of the Companies Act, 2013.

Mr. Ravi Narain has given declaration to the Board of Directors of the Company that he meets the criteria of Independence as required under Section 149 of the Companies Act, 2013. In the opinion of the Board of Directors, Mr. Ravi Narain, Director fulfils the conditions specified in the relevant provisions of the Companies Act, 2013 and rules made thereunder for the appointment as Independent Director of the Company and he is independent of the management. Further Mr. Ravi Narain is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

Mr. Ravi Narain currently serves as the Non-Executive Vice-Chairman of the National Stock Exchange of India Ltd (NSE). He co-founded the NSE in 1994 as a part of India's effort to open up its economy to

global capital and was the Managing Director & CEO till he stepped down in 2013.

Since stepping down from his executive position at NSE, he has been engaged at board level or in an advisory capacity with select private companies, NGO's, regulators, RBI and the Government of India.

Mr. Ravi Narain holds master's degree in economics from St. Stephen College, Delhi & Cambridge University, UK and a master's degree in Business Administration from the Wharton School, University of Pennsylvania, USA.

The Board considers that the appointment of Mr. Ravi Narain would bring with him immense experience to the Company in the areas of management, administration and corporate governance. Mr. Ravi Narain is not holding any equity shares in the Company.

Accordingly, the Board recommends his appointment as an Independent Director of the Company. Except Mr. Ravi Narain, being an appointee, or his relatives, none of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out at Item No. 5. Mr. Ravi Narain is not related to any Director of the Company.

Item no. 6

The Board on the recommendation of the Audit Committee has approved the appointment of M/s K.G Goyal & Co, Cost Accountants

to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 at the remuneration of ₹ 2,75,000/- and applicable taxes, if any, plus out pocket expenses.

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

Accordingly, consent of the members is sought for passing an ordinary resolution as set out in item No.6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2017.

None of the Director(s)/key managerial personnel of the Company/ their relative(s) are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at item No. 6 of the Notice.

The Board recommends the Ordinary Resolution as set out in Item No.6 of the Notice for approval by the shareholders.

By Order of the Board
For PI INDUSTRIES LIMITED

Sd/-

Naresh Kapoor
Company Secretary

Dated: July 26, 2016
Place: Gurgaon

Registered Office

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

**Details of Directors seeking appointment/ re-appointment at the Annual General Meeting scheduled to be held on September 09, 2016
(Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015:**

Name of the Director	Mr. Rajnish Sarna	Mr. Ravi Narain
DIN No.	06429468	00062596
Date of Birth	June 8, 1969	August 19, 1955
Age	47 Years	61 Years
Date of Appointment	November 7, 2012	May 24, 2016
Qualification	Chartered Accountant	Masters Degree in Economics from St. Stephen's College, Delhi, & Cambridge University, UK Masters in Business Administration from Wharton School, University of Pennsylvania, USA.
Expertise in specific functional area	<p>Mr. Rajnish Sarna, brings with him his diverse experience of over 25 years in areas of Business Development & Strategy, Customer Relationship Management, Operations, Finance & Risk Management, Legal Contracting & Compliances, Investor relations, Corporate Planning & Reporting, Information Technology & Process Re-engineering etc.</p> <p>Using his enormous skills and knowledge of the PI Business model, he has been played a facilitator role at the Board and the Management Committee for past several years and instrumental in formulation and implementation of growth strategies at PI. Some of the key initiatives at PI includes development of export market for Company's Agro-Chemical products, maiden private equity funding, setting up a robust Information Management System including implementation of SAP etc. His current role is focusing on Business Development & Alliances with Global Partners for manufacturing and export Business. He also serves on the Boards of PI Life Science Research Ltd., PILL Finance and Investments Ltd. and Solinnos Agro Science Pvt. Ltd.</p>	<p>Mr. Ravi Narain co-founded the National Stock Exchange of India Ltd. (NSE) in 1994 as part of India's efforts to open up its economy to global capital and was its Managing Director & CEO till 2013. He is the current Non-executive Vice Chairman of the NSE.</p> <p>Since stepping down from his executive position at the NSE, Mr. Narain has been engaged at the board level or in an advisory capacity with select private corporates, NGOs, Regulators, RBI and the Government of India. He serves on the Boards of the National Stock Exchange of India Ltd., National Securities Clearing Corporation Ltd., NSDL e-Governance Infrastructure Ltd., National Commodity & Derivatives Exchange Ltd., HDFC Standard Life Insurance Co. Ltd., Power Exchange India Ltd., National Securities Depository Ltd., NSE Strategic Investment Corporation Ltd. and Indostar Capital Finance Ltd.</p>
Disclosure of Relationships between directors inter-se	None	None
No. of equity shares held in the Company (as on March 31, 2016)	2,20,545	None
Names of the Listed entities in which the person also holds the directorship	PI Industries Ltd.	PI Industries Ltd.
List of committees of Board of Directors (only listed entities) in which Chairmanship/ membership is held (includes only Audit Committee and Stakeholders Relationship Committee.	Member- Audit Committee, PI Industries Ltd.	None

Note:-

1. Details regarding the remuneration and the attendance at the board meetings held during 2015-16 are given in the Corporate Governance Report.
2. The proposal for appointment/re-appointment has been approved by the Board pursuant to the recommendation of the Nomination and Compensation Committee considering their skills, experience and on basis of performance evaluation.



PI Industries Limited
Form No. MGT-11

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN	L24211RJ1946PLC000469
Name of the Company	PI Industries Limited
Registered Office	Udaisagar Road, Udaipur- 313 001 (Rajasthan) Phone: 0294 2492451 – 55 Fax: 0294 2491946 E-mail Address: investor.grievance@piind.com Website:www.piindustries.com

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No./Client ID:	DP ID:

I/We, being the Member(s) of _____ shares of the above Company, hereby appoint:

1	Name	
	Address	
	E-mail:	Signature

or failing him/her:

2	Name	
	Address	
	E-mail:	Signature

Or failing him/her:

3	Name	
	Address	
	E-mail:	Signature



As my/our proxy to attend and vote (on poll) for me/us and on/our behalf at the 69th Annual General Meeting of the Company to be held on **Friday, September 09, 2016 at 10:00 AM** at P.P. Singhal Memorial Hall, Udaipur Chamber of Commerce & Industry, Chamber Bhawan, Chamber Marg, Madri Industrial Area, Udaipur – 313 001 (Rajasthan) and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Description
Ordinary Business:	
1	To receive, consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the financial year ended March 31, 2016 and the Reports of Directors and Auditors thereon.
2	To confirm the payment of Interim dividends paid on equity shares for the financial year ended March 31, 2016.
3	To appoint a Director in place of Mr. Rajnish Sarna, (DIN : 06429468), who retires by rotation and being eligible offers himself for re-appointment.
4	To appoint M/s. S.S. Kothari Mehta & Co., Chartered Accountants (ICAI Registration No.000756N) as statutory auditors of the Company and fix their remuneration.
Special Business:	
5	Appointment of Mr. Ravi Narain (DIN : 00062596) as an Independent Director of the Company.
6	Ratification of Cost Auditor's Remuneration.

Signed this day of 2016.

Signature of Shareholder.....

Signature of Proxy holder(s)

<i>Affix revenue stamp</i>

NOTE: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.



PI Industries Limited

CIN: L24211RJ1946PLC000469

Regd Office: Udaisagar Road, Udaipur – 313 001 (Rajasthan)

Corporate Office: 5th Floor, Vipul Square, B- Block, Sushant Lok, Phase-I, Gurgaon-122 009

Email ID: investor.grievance@piind.com, Website: www.piindustries.com

Phone: 0124-6790000 Fax: 0124 –4081247

ATTENDANCE SLIP

(To be presented at the entrance)

Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand over the same, duly signed at the space provided, at the entrance of the meeting hall.

I hereby record my presence at the 69th Annual General Meeting of the Company at P.P Singhal Memorial Hall, Udaipur Chamber of Commerce & Industry, Chamber Bhawan, Chamber Marg, Madri Industrial Area, Udaipur- 313001 (Rajasthan) on Friday, September 09, 2016 at 10:00 AM.

Folio No. / DP ID No. & Client ID.....

Name of the Shareholder

Signature

.....

.....

Name of the Proxy holder

Signature

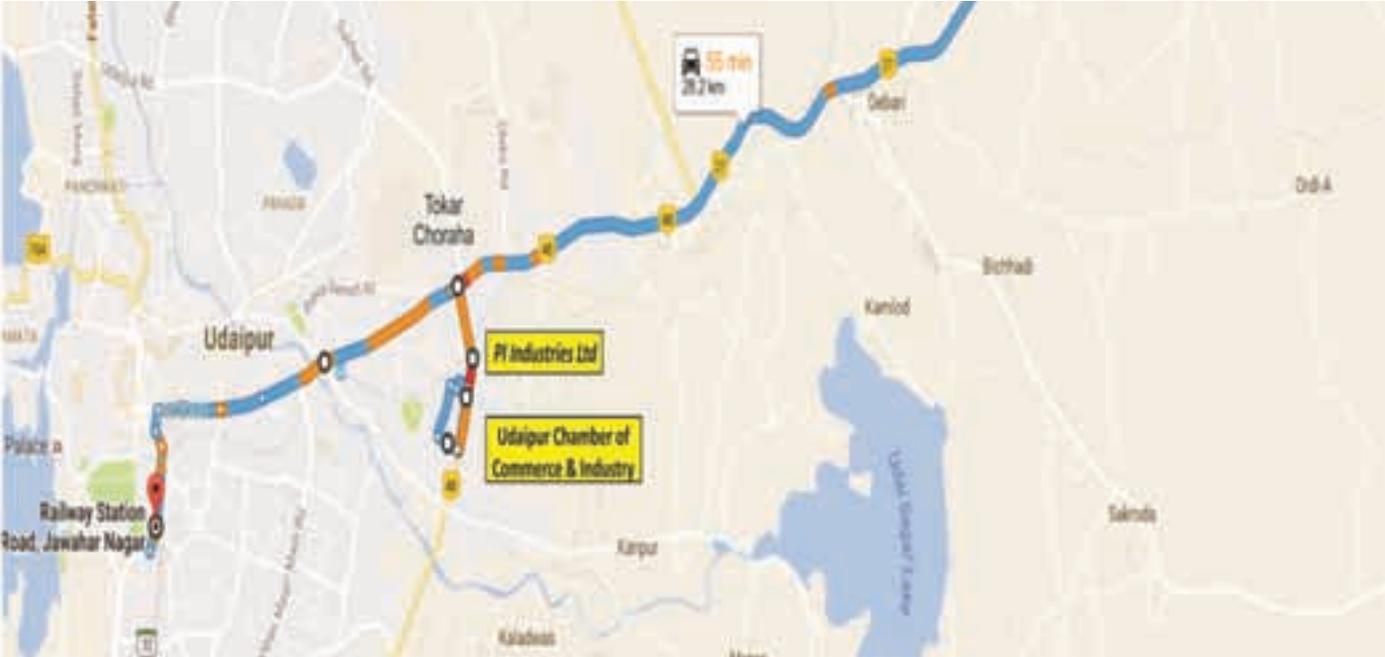
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Note: Shareholder/ Proxy holder desiring to attend the Meeting should bring his copy of the Annual Report for reference at the Meeting.



ROUTE MAP FOR AGM VENUE





Inspired by Science

Registered Office: PI Industries Ltd.

Post Box No.- 20, Udaisagar Road Udaipur - 313001

Tel: +91 – 0294 - 2491451-5,2491477

Fax: +91 – 0294 - 2491946,2491384

Corporate Office: PI Industries Ltd.

5th floor, Vipul Square, B Block, Sushant Lok,
Phase - 1, Gurgaon-122009.

Tel: +91 - 124 - 6790000 Fax: +91 - 124 - 4081247.

Email : corporate@piind.com

Website: www.piindustries.com