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SUBSIDIARIES'

FINANCIAL STATEMENTS

CONTENTS

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

(Merged with SBI w.e.f. April 1, 2017)

Corporate Identity Number (CIN)

U73100DL2004PLC131109

Auditors

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

Chartered Accountants

New Delhi -110 020

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BOARD REPORT

Dear Members,

Your Directors have pleasure in presenting their report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended March 31, 2018.

1. FINANCIAL HIGHLIGHTS

(₹ in lakh)

Particulars	Current year (2017-18)	Previous year (2016-17)
Total Revenues	**412.33**	428.15
Expenditure	**200.86**	163.47
Profit before tax	**211.47**	264.68
Provision for Current Tax	**43.30**	88.22
Provision for Deferred Tax	**31.21**	(4.54)
Profit after tax	**136.96**	181.00
EPS - Basic & Diluted (in ₹)	**14.49**	19.15

2. KEY HIGHLIGHTS

During the year, your Company had registered profit before tax amounting to ₹ 211.47 Lacs and generated a net profit after tax of ₹136.93 Lacs as compared to ₹ 181.00 Lacs in the previous year from its business operations. The earnings per share (EPS) for the year stood at ₹14.49 per equity share as compared to 19.15 in the previous year.

3. MATERIAL CHANGES AND COMMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of your Company during the year under review.

5. DIVIDEND

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

6. TRANSFER TO RESERVES

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

7. DIRECTORS' RE-APPOINTMENT

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Rajendra Dev Kapoor (DIN : 00419722), 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.

8. 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. 19 to the financial statement which set out related party disclosures.

9. ASSOCIATE COMPANIES

Your Company has Two (2) Associate Company as on March 31, 2018. The key highlights of the associate company are as under:

Solinnos Agro Sciences Pvt. Ltd.

The Company posted a Profit of ₹ 116.46 lacs during the year ended March 31, 2018.

PI Kumiai Private Limited

Pi Kumiai Private Limited was incorporated on July 04, 2017 as a wholly owned subsidiary of PI Life Science Research Limited pursuant to the Joint Venture Agreement entered between Kumiai Chemical Industry Co. Ltd., (Kumiai) Japan and PI Industries Ltd. (PI). Kumiai had acquired 50% stake in PI Kumiai Private Limited by acquiring 50,000 equity shares from PI Life Science Research Ltd.

The Company posted a loss of ₹ 0.21 lacs on accounts of establishment expenses during the period ended March 31, 2018.

A statement containing salient features of the financial statements of the Associate Company is given in form AOC-1. Refer **Annexure 'A'** to this Report.

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

During the year, Board of Directors met 6 (Six) times. The meetings were held on May 06, 2017, June 16, 2017, July 17, 2017, August 30, 2017, December 12, 2017 and March 20, 2018.

The Composition and attendance record of the members of the Board for the financial year 2017-18 is as follows:

Name of Director	Category	Number of meetings during the financial year 2017 -18	
		Held	Attended
Mr. Mayank Singhal	Director	6	6
Mr. Rajnish Sarna	Director	6	6
Mr. Rajendra Dev Kapoor	Director	6	6

11. 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 for the year ended March 31, 2018, the applicable accounting standards had been followed;

(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 as at March 31, 2018 and of the profit of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. 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.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not given any Loan, Guarantee and also not made any Investments during the period under review.

14. STATUTORY AUDITORS AND AUDITORS' REPORT

The shareholders of the Company at last AGM held on September 29, 2017 had appointed M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Registration No.000756N), as the Statutory Auditors of the Company for an initial term of 5 years, subject to ratification by members at every AGM, if required under the provisions of the Companies Act, 2013. However, the Companies Amendment Act, 2017 has removed the requirement of ratification of Statutory Auditors and accordingly they hold their office till the conclusion of Annual General Meeting to be held in 2022.

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. 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 attached as Annexure B.

17. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control commensurate to the size of the Company for planning, review, revenue recognition, expense authorization, risk management, investment etc. the Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statement.

18. 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. There is no significant and material orders has been passed during the year by the regulators or courts or tribunals which can impact the going concern status and Company's operations in future.
4. Corporate Social Responsibility (CSR).
5. The Company has not accepted any fixed deposit during the year.

19. ACKNOWLEDGMENTS

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 the Board of Director
For **PI Life Science Research Ltd.**

	Sd/-	Sd/-
	Mayank Singhal	**Rajnish Sarna**
Place: Gurugram	Director	Director
Date: May 12, 2018	DIN: 00006651	DIN: 06429468

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ANNEXURE - A

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/ Associate companies/ Joint ventures

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associate Entity	Solinnos Agro Sciences Pvt. Ltd.	PI Kumiai Private Ltd
1.	Latest audited Balance Sheet Date	31st March, 2018	31st March, 2018
2.	Date on which the Associate was incorporated	May 2, 2016	4th July, 2017
3.	Shares of Associate held by the company on the year end No. of shares (No.)	5,14,500 equity shares of ₹10/- each.	50,000 equity shares of ₹ 10/- each.
	Amount of Investment in Associates (₹ in lakh)	51.45	5.00
	Extend of Holding (In percentage)	49%	50%
4.	Description of how there is significant influence	PI Life Science Research Ltd holds 49% equity in Solinnos Agro Sciences Pvt. Ltd and 50% in PI Kumiai Private Ltd and accordingly able to participate in financial and operating policy decision making of the Company.	
5.	Reason why the associate is not consolidated	In case of Solinnos, control is with Mitsui Chemicals Agro Inc., Japan which holds 51% equity in the Company. In case of PI Kumiai, PI Life Science Research Ltd. hold 50% equity and 50% equity is held by Kumiai Chemical Industry Co., Ltd. Hence, same is not consolidated line by line and is accounted on equity basis only.	
6.	Net worth attributable to shareholding as per latest audited Balance Sheet	116.46	9.79
7.	Profit/Loss for the year	30.35	(0.21)
	i. Considered in Consolidation	-	-
	ii. Not Considered in Consolidation	30.35	(0.21)

1. Names of associates or joint ventures which are yet to commence operations. Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year. Nil

On behalf of the Board of Director

For **PI Life Science Research Ltd.**

	Sd/-	Sd/-
	Mayank Singhal	**Rajnish Sarna**
Place: Gurugram	Director	Director
Date: May 12, 2018	DIN: 00006651	DIN: 06429468

ANNEXURE-B

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018
[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
5.	Address of the Registered office & contact details	433-A, Ansal Chambers –II, Bhikaji Cama Place, New Delhi-110 066 Mob. 09212311051
6.	Whether shares are listed on a recognized Stock Exchange, Name, Address & contact details of the Registrar & Transfer Agent, if any.	No 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	72100	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 – 313 001, Rajasthan	L24211RJ1946PLC000469	Holding Company
2	Solinnos Agro Sciences Pvt. Ltd. 5071, 5th Floor, Vipul Square, B-Block Sushant Lok Phase-I Gurgaon Gurgaon HR 122009 IN	U24309HR2016PTC063905	Associate Company
3	PI Kumiai 2-B, 1601, 16th Floor Horizon Centre, Phase-V, DLF City Gurgaon Gurgaon HR 122002 IN	U51909HR2017PTC069751	Associate Company

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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 01, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	NIL	9,45,000	9,45,000	100%	NIL	9,45,000	9,45,000	100%	NIL
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) 1	**NIL**	**9,45,000**	**9,45,000**	**100%**	**NIL**	**9,45,000**	**9,45,000**	**100%**	**NIL**
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Others - Individuals	-	-	-	-	-	-	-	-	-
c) Body Corporate	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any others	-	-	-	-	-	-	-	-	-
Sub-total (A) 2	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A) 1 +(A)2	**NIL**	**9,45,000**	**9,45,000**	**100%**	**NIL**	**9,45,000**	**9,45,000**	**100%**	**NIL**
B. Public Shareholding:									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**NIL**	**9,45,000**	**9,45,000**	**100%**	**NIL**	**9,45,000**	**9,45,000**	**100%**	**NIL**

(ii) Share holding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2017)			Shareholding at the end of the year (as on March 31, 2018)			% 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 (as on April 01, 2017)		Shareholding at the end of the year (as on March 31, 2018)	
		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 (as on April 01, 2017)		Shareholding at the end of the year (as on March 31, 2018)	
		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	-	-	-	-
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
3	At the end of the year	-	-	-	-

(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 (as on April 01, 2017)		Shareholding at the end of the year (as on March 31, 2018)	
		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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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			None		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			None		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment					
Compounding					

On behalf of the Board of Director

For **PI Life Science Research Ltd.**

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Place: Gurugram
Date: May 12, 2018

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Independent Auditor's Report

TO THE MEMBERS OF PI LIFE SCIENCE RESEARCH LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of PI LIFE SCIENCE RESEARCH LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2018, the statement of Profit and loss (including other comprehensive income), the Statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance(including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act and the Rules made thereunder including 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 of the standalone Ind AS financial statement 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31stMarch, 2018, and its financial performance (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other matter

The Comparative financial information of the Company for the year ended March 31, 2017 have been audited by predecessor auditor (NSBP & Co. chartered accountants having firm registration number 001075N). The report of the predecessor auditor on the comparative financial information dated May 6, 2017 expressed an unmodified opinion.

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 section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the

Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act

(e) On the basis of the written representations received from the directors as on 31stMarch 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31stMarch 2018 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 litigations on its financial position in 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 **S.S. Kothari Mehta & Co.,**
Chartered Accountants
Firm's Registration No. 000756N

(Sunil Wahal)
(Partner)
Membership No. 087294

Place: New Delhi
Dated: May 12, 2018

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Annexure "A" to the Independent Auditor's Report

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act as referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements' section.

(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 verifications 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 provision of Clause 3(ii) of the Order are not applicable to the Company.

(iii) The Company has not granted any loan secured or unsecured to any companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provision of clause 3(iii) (a), (b), (c) of the Order are not applicable.

(iv) According to the information, explanations and representations provided by the management and based upon audit procedures performed, the company has not given any loans, guarantees, security and has not made any investment under the provisions of section 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the order are not applicable to the company.

(v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public within the provision of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under (to the extent applicable). Therefore, the provisions of the clause 3(v) of the order are not applicable to the company. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

(vi) In our opinion and according to information and explanation given to us, the company is not required to maintain cost records pursuant to section 148(1) of the Act. Accordingly Clause 3(vi) of the order are not applicable.

(vii) (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing 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 other material statutory dues with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2018

(b) According to the records and information & explanations given to us, there are no material dues in respect of income tax, sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the Information and explanations given to us and on the basis of our examination and explanations given to us, the Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, we are not offering any comments under clause 3(viii) of the Order.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, we are not offering any comments under clause 3 (ix) of the Order.

(x) Based on the audit procedure performed and on the basis of information and explanations provided by the management, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of the audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration. Accordingly, Clause 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, we are not offering any comments under clause 3(xii) of the Order.

(xiii) According to the information and explanations and records made available by the management of the Company and audit procedure performed, for transactions with the related parties during the year, the Company has complied with the provisions of Section 177 and 188 of the Act, where applicable. As explained and as per records, details of related party transactions have been disclosed in the financial statements as per the applicable Accounting Standards.

(xiv) According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year. Accordingly, we are not offering any comment with respect to clause 3(xiv) of the order.

(xv) On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, we are not offering comment under clause 3(xv) of the order.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S.S. Kothari Mehta & Co.,**
Chartered Accountants
Firm's Registration No. 000756N

(Sunil Wahal)
(Partner)
Membership No. 087294

Place: New Delhi
Dated: May 12, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PI LIFE SCIENCE RESEARCH LIMITED

Report on the Internal Financial Controls over Financial Reporting 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 **PI LIFE SCIENCE RESEARCH LIMITED** ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone Ind AS 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, 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March 2018, 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's Registration No. 000756N

(Sunil Wahal)
(Partner)
Membership No. 087294

Place: New Delhi
Dated: May 12, 2018

Inspired by Science

PI LIFE SCIENCE RESEARCH LIMITED

Balance Sheet as at March 31, 2018

(₹ in lakh)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I	**ASSETS**			
1	**Non Current Assets**			
a	Property, Plant & Equipment	4	162.52	197.86
b	Financial Assets			
	(i) Investments	5	56.45	51.45
	(ii) Other financial assets	6	210.17	303.09
c	Deferred tax Assets (Net)	7	162.46	193.71
	Total non-current assets		**591.60**	**746.11**
2	**Current Assets**			
a	Financial Assets			
	(i) Trade receivables	8	112.88	-
	(ii) Cash and cash equivalents	9(a)	11.73	92.01
	(iii) Bank balances other than (ii) above	9(b)	494.77	655.06
	(iv) Other financial assets	9(c)	428.37	-
b	Other current assets	10	31.94	13.63
c	Current Tax Assets (Net)	11	9.29	-
	Total current assets		**1,088.98**	**760.70**
	Total assets		**1,680.58**	**1,506.81**
II	**EQUITY & LIABILITIES**			
1	**Equity**			
a	Equity Share Capital	12	94.50	94.50
b	Other Equity	13	1,537.81	1,400.76
	Total equity		**1,632.31**	**1,495.26**
2	**Non Current Liabilities**			
a	Provisions	14	4.08	2.97
	Total Non current liabilities		**4.08**	**2.97**
3	**Current Liabilities**			
a	Financial Liabilities			
	(i) Trade payables	15	33.75	0.63
	(ii) Other financial liabilities	17	8.94	6.40
b	Other current liabilities	18	1.36	0.82
c	Provisions	19	0.14	0.10
d	Current Tax Liabilities (Net)	20	-	0.63
	Total current liabilities		**44.19**	**8.58**
	Total equity and liabilities		**1,680.58**	**1,506.81**

Significant accounting policies and accompanying notes referred to above formed the integral part of the financial statements 1 to 35

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

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

Place: Gurugram
Date: 12 May 2018

PI LIFE SCIENCE RESEARCH LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lakh)

	Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I.	**Revenue from Operations**		337.02	363.22
II.	**Other Income**	21	75.31	64.93
III.	**Total Revenue (I+II)**		**412.33**	**428.15**
IV.	**Expenses:**			
	Cost of Materials consumed		-	10.20
	Employee Benefits expense	22	46.18	42.93
	Finance Costs	23	0.78	0.69
	Depreciation and amortisation expense	4	35.34	35.50
	Other Expenses	24	118.56	74.15
	Total Expenses		**200.86**	**163.47**
V.	**Profit Before Tax (III-IV)**		**211.47**	**264.68**
	Income Tax Expense	**25**		
	- Current Tax		43.30	53.96
	- Deferred Tax		31.21	29.72
	Total tax expense		**74.51**	**83.68**
VI.	**Profit for the period**		**136.96**	**181.00**
VII.	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gains/(losses) on defined benefit plans		0.13	(0.27)
	(ii) Income tax relating to the above item		(0.04)	0.09
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to the above item		-	-
VIII.	**Total Comprehensive Income for the period(VI+VII)**		**137.05**	**180.82**
IX.	**Earnings per Equity Shares**	**26**		
	1) Basic (in ₹)		14.49	19.15
	2) Diluted (in ₹)		14.49	19.15
	Face value per share (in ₹)		**10.00**	**10.00**

Significant accounting policies and accompanying notes referred to above formed the integral part of the financial statement — 1 to 35

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

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

Place: Gurugram
Date: 12 May 2018

Inspired by Science

PI LIFE SCIENCE RESEARCH LIMITED

Statement of Changes in Equity for the year ended March 31, 2018

a. Equity share capital

(₹ in lakh)

	Note No.	As at March 31, 2018		As at March 31,2017	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	12	945,000	94.50	945,000	94.50
Changes in equity share capital during the year		-	-	-	-
Balance at the end of the reporting period		**945,000**	**94.50**	**945,000**	**94.50**

b. Other equity

(₹ in lakh)

	Note No.	Retained earnings	Total Other Equity
Balance as at 31 March, 2016		1,219.94	1,219.94
Profit for the year	13	181.00	181.00
Other comprehensive income for the year		(0.18)	(0.18)
Total comprehensive income for the year		**180.82**	**180.82**
Balance as at 31 March, 2017		1,400.76	1,400.76
Profit for the year	13	136.96	136.96
Other comprehensive income for the year		0.09	0.09
Total comprehensive income for the year		**137.05**	**137.05**
Balance as at 31 March, 2018		**1,537.81**	**1,537.81**

Significant accounting policies and accompanying notes referred to above formed the integral part of the financial statements — 1 to 35

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

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

Place: Gurugram
Date: 12 May 2018

PI LIFE SCIENCE RESEARCH LIMITED

Statement of Cash Flows for the year ended March 31, 2018

(₹ in lakh)

Particulars		For the year ended 31 March, 2018	For the year ended 31 March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		211.47	264.68
Adjustment for :			
Depreciation and amortisation expense		35.34	35.50
Interest Income on Financial Assets at amortised cost		(74.57)	(63.33)
Other interest income		(0.01)	(1.60)
Finance Costs		0.78	0.69
Operating Profit before working capital changes		**173.01**	**235.94**
Adjustment for :			
Decrease/(Increase) in trade receivables		(112.88)	-
Decrease/(Increase) in other non-current financial assets		92.92	(302.89)
Decrease/(Increase) in other current financial assets		(428.37)	-
Decrease/(Increase) in bank balances other than Cash and cash equivalents		160.29	74.01
Decrease/(Increase) in other non-current assets		-	3.96
Decrease/(Increase) in other current assets		(18.31)	(8.33)
Increase/(Decrease) in trade payables		33.12	(0.61)
Increase/(Decrease) in other current financial liabilities		2.54	1.00
Increase/(Decrease) in other current liabilities		0.54	0.61
Increase/ (Decrease) in non-current provisions		1.24	1.41
Increase/ (Decrease) in current provisions		0.04	0.03
Cash generated from/ (used in) operations		**(95.86)**	**5.13**
Income Taxes paid		(53.22)	(17.05)
Net Cash Flow from/ (used in) operating activities	**(A)**	**(149.08)**	**(11.92)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Payments for purchase of Property, Plant and Equipment		-	(3.83)
Interest Received		74.58	64.93
Purchase of investments		(10.00)	(51.45)
Sale of investments		5.00	-
Net Cash Flow from/ (used in) investing activities	**(B)**	**69.58**	**9.65**
C. CASH FLOW FROM FINANCING ACTIVITIES		(0.78)	(0.69)
Net Cash Flow from/ (used in) financing activities	**(C)**	**(0.78)**	**(0.69)**
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(A+B+C)**	**(80.28)**	**(2.96)**
Opening cash and cash equivalents		92.01	94.97
Closing cash and cash equivalents		11.73	92.01
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (Refer note 9(a)):-			
- Cash on Hand		0.04	0.05
- Balances with Scheduled Banks in Current A/c		11.69	91.96
Total		**11.73**	**92.01**

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

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

Place: Gurugram
Date: 12 May 2018

PI LIFE SCIENCE RESEARCH LIMITED

Notes to Financial Statements for the year ended March 31, 2018

1 Corporate Information

PI Life Science Research Ltd. (the Company) is a company limited by shares, domiciled in India and has its registered office at New Delhi. The principal activities of the Company are Research and Development. PI Industries Limited owns 100% of the Company's Equity Share Capital.

2 Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable.

These financial statements were authorised for issue by the Board of Directors on 12 May 2018.

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, unless otherwise indicated.

c) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

d) Current or Non current classification

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.

e) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognised in the financial statements are:

- Measurement of defined benefit obligations:
- Recognition of deferred tax assets & MAT credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets
- Impairment test of financial and non-financial assets;
- Recognition and measurement of provisions and contingencies

3 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

PI LIFE SCIENCE RESEARCH LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, and is recognised in the statement of profit and loss. Depreciation on property, plant and equipment is provided on the Straight Line Method based on the useful life of assets estimated by the Management which coincide with the life specified under Schedule II of the Companies Act, 2013, which are as follows:

- Buildings including factory buildings and Roads	3 - 60 years
- General Plant and Equipment	15 years
- Electrical Installations and Equipments	10 years
- Furniture and Fixtures	10 years
- Office Equipments	5 years
- Vehicles	8 - 10 years
- Computer and Data Processing Units	3 - 6 years
- Laboratory Equipments	10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

b) Intangible assets

a) Recognition and measurement

Intangible assets that are acquired by the Company are measured at cost, less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of intangible assets is recognised in profit or loss.

b) Amortisation

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. The estimated useful lives are as follows:

Software 6 years

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

c) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

d) Financial instruments

a) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognised in OCI are not reclassified to profit and loss.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in associates and joint venture

Investment in subsidiaries, associates and joint venture is carried at cost less impairment, if any, in the separate financial statements.

c) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. Except Trade receivables, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

With regard to trade receivable, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

d) Derecognition

Financial Assets

Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

e) Reclassification of financial assets and Financial Liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

f) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1- This includes financial instruments measured using quoted prices.

Level 2– The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

g) Revenue Recognition

a) Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts and volume rebates.

b) Rendering of services

Revenue from sale of services is recognised as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

c) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

h) Employee Benefits

a) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, The Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

c) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) Other long-term employee benefits

Employee benefits in the form of long term compensated absences are considered as long term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise. The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

i) Foreign currency transactions

Initial recognition:

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference:

Exchange differences are recognised in profit or loss.

j) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

k) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

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Notes to Financial Statements for the year ended March 31, 2018

i) has a legally enforceable right to set off the recognised amounts; and

ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the forseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if: i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

l) Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Board of Directors of the Company has been identified as the CODM by the Company. Refer Note 31 for Segment disclosure.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n) Cash flow statement

Cash flow statements are prepared in accordance with “”Indirect Method”” as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact upon on the financial statements of the Company.

o) Lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease, based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as lessee under operating lease
Payments made under operating leases are generally

recognised in profit or loss on a straight- line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as an integral part of the total lease expense over the term of the lease.

p) Earning per share

Basic earnings 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.

q) Recent Accounting Pronouncements

Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration:

Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018 and is not applicable to the Company.

Appendix B to Ind AS 115 - Revenue from Contract with Customers:

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018 and is not applicable to the Company.

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Notes to Financial Statements for the year ended March 31, 2018

4 PROPERTY, PLANT & EQUIPMENT

(₹ in lakh)

	Plant & Equipment	Furniture & Fixtures	Office Equipment	Total
Gross Carrying Value				
As at 31 March, 2016	281.64	0.49	0.82	**282.95**
Additions	3.83	-	-	**3.83**
Disposals	-	-	-	**-**
As at 31 March, 2017	285.47	0.49	0.82	**286.78**
Additions	-	-	-	**-**
Disposals	-	-	-	**-**
As at 31 March, 2018	285.47	0.49	0.82	**286.78**
Depreciation				
As at 31 March, 2016	52.50	0.24	0.68	**53.42**
Charge for the year	35.46	0.04	-	**35.50**
Disposals	-	-	-	**-**
As at 31 March, 2017	**87.96**	**0.28**	**0.68**	**88.92**
Charge for the year	35.30	0.04	-	**35.34**
Disposals	-	-	-	**-**
As at 31 March, 2018	**123.26**	**0.32**	**0.68**	**124.26**
Net Carrying Value				
As at 31 March, 2017	**197.51**	**0.21**	**0.14**	**197.86**
As at 31 March, 2018	**162.21**	**0.17**	**0.14**	**162.52**

5 INVESTMENTS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Investment in Equity Instruments (fully paid up)		
Unquoted Shares		
Investment in Associates at Cost		
Investment in Solinnos Agro Sciences Private Limited.	51.45	51.45
5,14,500 (31 March, 2017: 5,14,500) Equity Shares of Rs. 10 each fully paid.		
Investment in Joint Venture at Cost		
Investment in PI Kumiai Private Limited	5.00	-
50,000 (31 March, 2017: Nil) Equity Shares of Rs. 10 each fully paid.		
TOTAL	**56.45**	**51.45**
Aggregate book value of unquoted investments	**56.45**	**51.45**

6 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Security Deposit with Sales Tax Department	0.37	0.20
Fixed Deposits with Bank	209.80	302.89
TOTAL	**210.17**	**303.09**

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Notes to Financial Statements for the year ended March 31, 2018

7 DEFERRED TAX ASSETS (NET)

(₹ in lakh)

Particulars		As at 31 March, 2018	As at 31 March, 2017
The balance comprises temporary differences attributable to:			
Deferred Tax Assets			
Provision for employee benefits		1.18	0.98
MAT credit entitlement		174.57	211.80
Remeasurements of the defined benefit plans through OCI		0.01	0.05
	A	**175.76**	**212.83**
Deferred Tax Liabilities			
Property, plant and equipment		(13.30)	(19.12)
	B	**(13.30)**	**(19.12)**
TOTAL	**(A+B)**	**162.46**	**193.71**

Movement in deferred tax:	As at March 31, 2017	Recognized in Statement of Profit and Loss	Recognized in OCI	As at March 31, 2018
Deferred Tax Assets				
Provision for employee benefits	0.98	0.20	-	1.18
MAT credit entitlement	211.80	(37.23)	-	174.57
Remeasurements of the defined benefit plans through OCI	0.05	-	(0.04)	0.01
Sub- Total (a)	**212.83**	**(37.03)**	**(0.04)**	**175.76**
Deferred Tax Liabilities				
Property, plant and equipment	19.12	(5.82)	-	13.30
Sub- Total (b)	**19.12**	**(5.82)**	**-**	**13.30**
Net Deferred Tax Assets (a)-(b)	**193.71**	**(31.21)**	**(0.04)**	**162.46**

Movement in deferred tax:	As at March 31, 2016	Recognized in Statement of Profit and Loss	Recognized in OCI	As at March 31, 2017
Deferred Tax Assets				
Provision for employee benefits	0.49	0.49	-	0.98
MAT credit entitlement	246.06	(34.26)	-	211.80
Remeasurements of the defined benefit plans through OCI	-	-	0.05	0.05
Sub- Total (a)	**246.55**	**(33.77)**	**0.05**	**212.83**
Deferred Tax Liabilities				
Property, plant and equipment	23.17	(4.05)	-	19.12
Remeasurements of the defined benefit plans through OCI	0.04	-	(0.04)	-
Sub- Total (b)	**23.21**	**(4.05)**	**(0.04)**	**19.12**
Net Deferred Tax Assets (a)-(b)	**223.34**	**(29.72)**	**0.09**	**193.71**

8 TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Unsecured and Considered Good	112.88	-
TOTAL	**112.88**	**-**

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Notes to Financial Statements for the year ended March 31, 2018

9(a) CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Cash & Cash Equivalents		
- Cash on Hand	0.04	0.05
- Balance with banks		
- Balances with Scheduled Banks in Current A/c	11.69	91.96
TOTAL	**11.73**	**92.01**

9(b) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Fixed Deposits with Bank	494.77	655.06
TOTAL	**494.77**	**655.06**

9(c) OTHER CURRENT FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Fixed Deposits with Bank	428.37	-
TOTAL	**428.37**	**-**

10 OTHER CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Prepaid Expenses	0.52	0.53
Balance with Government Authorities	31.42	13.10
TOTAL	**31.94**	**13.63**

11 CURRENT TAX ASSETS (NET)

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Income Tax Balances (Net of Provision of ₹ 43.31 lacs)	9.29	-
TOTAL	**9.29**	**-**

12 EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Authorised Shares		
10,00,000 (31 March, 2017: 10,00,000) Equity Shares of ₹ 10 each (31 March, 2017 : ₹ 10 each)	100.00	100.00
	100.00	**100.00**
Issued, Subscribed & Fully Paid up Shares		
9,45,000 (31 March, 2017: 9,45,000) Equity shares of ₹ 10 each (31 March, 2017 : ₹ 10 each)	94.50	94.50
Total issued, subscribed and fully paid up share capital	**94.50**	**94.50**

a. 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 dividend proposed by the Board of

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Notes to Financial Statements for the year ended March 31, 2018

Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend. However, Company has not proposed any dividend in the current and previous year. 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.

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

Issued , Subscribed and Paid up Share Capital

Equity Shares

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares) (₹ in lakh)	
	2017-18	2016-17	2017-18	2016-17
Share outstanding at beginning of period	945,000	945,000	94.50	94.50
Shares issued during the year	-	-	-	-
Share outstanding at end of period	**945,000**	**945,000**	**94.50**	**94.50**

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

Equity Shares

Name of Shareholders	2017-18		2016-17	
	No of Shares	% of Holding	No of Shares	% of Holding
PI Industries Limited and its nominees	945,000	100	945,000	100

d. Equity Shares held by holding Company

Particulars	2017-18		2016-17	
	No of Shares	(₹ in lakh)	No of Shares	(₹ in lakh)
PI Industries Limited and its nominees	945,000	94.50	945,000	94.50

13 OTHER EQUITY

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Surplus in Statement of Profit & Loss		
Balance at the beginning of the Financial year	1,400.76	1,219.94
Addition during the Financial year	136.96	181.00
Add: Remeasurements of the net defined benefit Plans through OCI	0.09	(0.18)
TOTAL	**1,537.81**	**1,400.76**

14 LONG TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Provision for Employee Benefits		
Gratuity Payable*	2.16	1.55
Leave Encashment*	1.92	1.42
TOTAL	**4.08**	**2.97**

(*Refer Note No. 28)

PI LIFE SCIENCE RESEARCH LIMITED

Notes to Financial Statements for the year ended March 31, 2018

15 TRADE PAYABLES

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Payable to Micro & Small Enterprises	-	-
Payable to Others than Micro & Small Enterprises	33.75	0.63
TOTAL	**33.75**	**0.63**

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

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Principal Amount	Interest Amount	Principal Amount	Interest Amount
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.	-	-	-	-

17 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Employee Payables	7.76	5.31
Audit Fees Payable	0.35	0.29
Staff Leave Travel Assistance Payable	0.32	0.31
Other Expense Payable	0.51	0.49
TOTAL	**8.94**	**6.40**

18 OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Statutory Dues	1.36	0.82
TOTAL	**1.36**	**0.82**

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Notes to Financial Statements for the year ended March 31, 2018

19 SHORT TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Provision for employee benefits		
Gratuity Payable*	0.02	0.00
Leave encashment*	0.12	0.10
TOTAL	**0.14**	**0.10**

(*Refer Note No. 28)

20 CURRENT TAX LIABILITIES (NET)

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Provision for Income Tax (Net of Advance Tax (31 March, 2017: ₹ 53.96 lacs)	-	0.63
TOTAL	**-**	**0.63**

21 OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest Income on Financial Assets at amortised cost	74.57	63.33
Other Interest Income	0.01	1.60
Other Non Operating Income	0.73	-
TOTAL	**75.31**	**64.93**

22 EMPLOYEE BENEFIT EXPENSE

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salary, wages and Other Allowances	37.73	35.63
Contribution to provident and other funds	2.22	2.22
Gratuity and Long Term Compensated Absences (Refer Note No. 28)	1.37	1.62
Employee welfare	4.86	3.46
TOTAL	**46.18**	**42.93**

23 FINANCE COST

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest Cost	0.78	0.69
TOTAL	**0.78**	**0.69**

PI LIFE SCIENCE RESEARCH LIMITED

Notes to Financial Statements for the year ended March 31, 2018

24 OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Power & Electric Expenses	34.71	33.59
Repairs to machinery	6.73	10.43
Net Loss on foreign currency transaction	-	0.12
Postage & Telegram Expenses	-	0.04
Printing & Stationary	-	0.03
Office Expenses	4.09	3.60
Rent	23.59	21.16
Auditor remuneration (Refer note 24(a))	0.35	0.33
Travelling Expenses	1.97	0.49
Legal & Professional Fee	0.51	0.98
Freight charges	-	1.74
Bank Charges	0.06	0.12
Business Support Service	45.93	-
Doubtful Advances written off	-	0.01
Misc. Expenses	0.62	1.51
TOTAL	**118.56**	**74.15**

a. Auditor Remuneration	For the year ended 31 March, 2018	For the year ended 31 March, 2017
-Statutory Audit	0.35	0.33
-Reimbursement of Expenses	-	-
TOTAL	**0.35**	**0.33**

25 INCOME TAX EXPENSE

(₹ in lakh)

		For the year ended 31 March, 2018	For the year ended 31 March, 2017
a)	**Income tax recognised in profit or loss**		
	Current tax expense		
	Current year	(43.30)	(53.96)
	Deferred tax expense		
	Origination and reversal of temporary differences	(31.21)	(29.72)
		(74.51)	**(83.68)**
b)	**Deferred tax related to items recognised in OCI during the year**		
	Net loss/(gain) on items that will not be reclassified to profit or loss	(0.04)	0.09
	Income tax charged to OCI	**(0.04)**	**0.09**
c)	**Reconciliation of effective tax rate**		
	Accounting profit before tax	211.47	264.68
	At India's statutory income tax rate @ 27.5525% (31 March, 2017: @31.9609%)	**58.27**	**84.59**
	Adjustment in respect of current income tax of previous years	17.85	-
	Non-deductible expenses for tax purposes :		
	Deduction on account of operations in tax free zone	-	-
	Other expenses	(1.61)	(0.91)
	Income Tax Expense	**74.51**	**83.68**

26 EARNING PER SHARE

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Net Profit for Basic & Diluted EPS	**136.96**	**181.00**
Weighted Average number of Equity Shares outstanding during the year - Basic	945,000	945,000
Weighted Average number of Equity Shares outstanding during the year - Diluted	945,000	945,000
Earning Per Share - Basic (₹)	14.49	19.15
Earning per share - Diluted (₹)	14.49	19.15
Face value per share (₹)	10.00	10.00

27 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

A) List of Related Parties

i)	**Enterprises which control the entity**	PI Industries Ltd.
ii)	**Enterprises under common control**	PILL Finance & Investment Ltd.
		PI Japan Co. Ltd.
iii)	**Associate & Joint Venture**	Solinnos Agro Sciences Private Ltd. (Associate)
		PI Kumiai Private Ltd. (w.e.f 04-07-2017) (Joint Venture)
iv)	**Key Managerial Personnel & their relatives (KMP)**	
	Key Managerial Personnel (KMP)	
	Mr. Mayank Singhal	Director
	Mr. Rajnish Sarna	Director
	Mr. Rajender Dev Kapoor	Director

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

Nature of Transaction	2017-18			2016-17		
	Transactions during the period		Balance outstanding Dr (Cr)	Transactions during the period		Balance outstanding Dr (Cr)
	Recd/Pur.	Paid/Sales		Recd/Pur.	Paid/Sales	
Transactions with :-						
Holding Company- PI Industries Limited						
Sale of Services	-	337.02	112.88	-	326.12	-
Rent, electricity and other miscellaneous payment	-	57.97	-	-	53.90	-
Associate - Solinnos Agro Sciences Private Limited.						
Business Support Services	45.93	-	(33.57)	-	-	-
Investments	-	-	-	51.45	-	-
Joint Venture - PI Kumiai Private Limited.						
Investments	10.00	-	-	-	-	-
Grand Total	**55.93**	**394.99**	**79.31**	**51.45**	**380.02**	**-**

c) Terms and conditions of transactions with related parties

The services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

PI LIFE SCIENCE RESEARCH LIMITED

Notes to Financial Statements for the year ended March 31, 2018

28 EMPLOYEE BENEFITS

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

Central provident fund

In accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees are entitled to receive benefits under the Provident Fund. Employers and employees both contribute @12% of wages in contribution accounts. Further, the employers also contribute towards administration of the benefits under the EPF & MP Act. These contributions are made to the fund administered and managed by the Employee Provident Fund organization. The Company has no further obligations under the fund managed by the Employee Provident Fund Organization (EPFO) beyond its monthly contributions which are charged to the statements of profit or loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the EPFO.

Gratuity Plan

In accordance with the Payment of Gratuity Act of 1972, PI Life Science Research Ltd contribute to a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to the employees at the time of retirement or resignation (after 5 years of continued services of employment), being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Long term leave encashment

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

a) Defined Contribution Plans:-

The Company has recognised an expense of ₹ 2.22 lacs (Previous Year ₹ 2.22 lacs) towards the defined contribution plan.

b) Defined benefits plans - as per actuarial valuation

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Non -Funded		Non -Funded	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
I Change in present value of obligation during the year				
Present value of obligation at the beginning of the year	1.55	1.52	0.61	0.75
Total amount included in profit and loss:				
- Current Service Cost	0.64	0.66	0.62	0.71
- Interest Cost	0.12	0.11	0.05	0.06
- Past Service Cost		-	-	-
Remeasurement related to long term employee benefit:				
Actuarial losses/(gains) arising from:				

- Financial assumption	-	(0.08)	-	0.46
- Experience Judgement	-	(0.08)	-	(0.28)
Total amount included in OCI:				
Remeasurement related to gratuity:				
Actuarial losses/(gains) arising from:				
- Financial assumption	(0.08)	-	0.42	-
- Experience Judgement	(0.05)	-	(0.15)	-
Others				
Benefits Paid	-	(0.09)	-	(0.18)
Present Value of obligation as at year-end	**2.18**	**2.04**	**1.55**	**1.52**
Change in Fair Value of Plan Assets during the year				
Plan assets at the beginning of the year	-	-	-	-
Included in profit and loss:				
Expected return on plan assets	-	-	-	-
Included in OCI:				
Actuarial Gain/(Loss) on plan assets	-	-	-	-
Others:				
Employer's contribution	-	-	-	-
Benefits paid	-	-		-
Plan assets at the end of the year	-	-	-	-

II Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Non -Funded		Non -Funded	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
1. Present Value of obligation as at year-end	2.18	2.04	1.55	1.52
2. Fair value of plan assets at year -end	-	-	-	-
3. Funded status {Surplus/(Deficit)}	(2.18)	(2.04)	(1.55)	(1.52)
Net Asset/(Liability)	**(2.18)**	**(2.04)**	**(1.55)**	**(1.52)**

III Bifurcation of net liability at the end of the year

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Non -Funded		Non -Funded	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
1. Current Liability	0.02	0.12	-	0.10
2. Non-Current Liability	2.16	1.92	1.55	1.42

IV Actuarial Assumptions

1. Discount Rate	7.71%	7.71%	7.50%	7.50%
2. Expected rate of return on plan assets	-	-	-	-
3. Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
4. Salary Escalation	7.00%	7.00%	7.00%	7.00%

V The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 0.89 lacs

PI LIFE SCIENCE RESEARCH LIMITED

Notes to Financial Statements for the year ended March 31, 2018

VI Sensitivity Analysis

Gratuity

(₹ in lakh)

	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (.50 % movement)	(0.18)	0.20	(0.14)	0.16
Future salary growth (.50 % movement)	0.21	(0.19)	0.16	(0.14)

Long term Compensated Absences

(₹ in lakh)

	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (.50 % movement)	(0.17)	0.19	(0.13)	0.15
Future salary growth (.50 % movement)	0.19	(0.17)	(0.13)	0.15

VII Maturity Profile of Defined Benefit Obligation

	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Non -Funded		Non -Funded	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
Within the next 12 months	0.02	0.12	-	0.10
Between 1-5 years	0.20	0.20	0.08	0.15
Beyond 5 years	1.96	1.72	1.47	1.27

29 FINANCIAL INSTRUMENTS

1 Financial instruments – Fair values and risk management

Financial instruments by category

Particulars	31 March, 2018			31 March, 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Non-current Assets						
Investments in Associates	-	-	56.45	-	-	51.45
Other financial asset	-	-	210.17	-	-	303.09
Current Assets						
Trade Receivable			112.88			-
Cash and cash equivalents	-	-	11.73	-	-	92.01
Other balances with Banks	-	-	494.77	-	-	655.06
	-	-	886.00	-	-	1,101.61
Financial liabilities						
Current						
Trade payables	-	-	33.75	-	-	0.63
Employee Payables	-	-	7.76	-	-	5.31
Audit Fees Payable	-	-	0.35	-	-	0.29
Staff Leave Travel Assistance Payable	-	-	0.32	-	-	0.31
Other Expense Payable	-	-	0.51	-	-	0.49
	-	-	42.69	-	-	7.03

Assets and liabilities which are measured at amortised cost for which fair values are disclosed.

The fair value of trade receivables, cash and cash equivalents, other balances with bank, trade payables and current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments. Fair value for all other non-current assets is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management framework

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

- Credit risk
- Liquidity risk
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

Cash and cash equivalents, deposits with banks:

The Company considers that its cash and cash equivalents and Deposits with banks have low credit risk based on good external credit ratings of counterparties. Impairment on cash and cash equivalents and deposits with banks has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures.

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses (if any) recognized represent the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2018 was as follows:

Particulars	31 March, 2018	31 March, 2017
Cash and cash equivalents	11.73	92.01
Bank balances other than above	494.77	655.06
Trade Receivables	112.88	-
Other financial assets	210.17	303.09
Total	**829.55**	**1,050.16**

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements

	Contractual cash flows					
31 March, 2018	**Total**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade Payable	33.75	33.75	-	-	-	-
Employee Payables	7.76	7.76	-	-	-	-
Audit Fees Payable	0.35	0.35	-	-	-	-
Staff Leave Travel Assistance Payable	0.32	0.32	-	-	-	-
Other Expense Payable	0.51	0.51	-	-	-	-
Total	**42.69**	**42.69**	**-**	**-**	**-**	**-**

PI LIFE SCIENCE RESEARCH LIMITED

Notes to Financial Statements for the year ended March 31, 2018

		Contractual cash flows				
31 March, 2017	**Total**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade Payable	0.63	0.63	-	-	-	-
Employee Payables	5.31	5.31	-	-	-	-
Audit Fees Payable	0.29	0.29	-	-	-	-
Staff Leave Travel Assistance Payable	0.31	0.31	-	-	-	-
Other Expense Payable	0.49	0.49	-	-	-	-
Total	**7.03**	**7.03**	**-**	**-**	**-**	**-**

iii. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Foreign Currency risk

The Company is not exposed to any material foreign currency risk as at the reporting date.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's investments are primarily in fixed deposits which are short term in nature and do not expose it to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	31 March, 2018	31 March, 2017
Fixed-rate instruments		
Financial assets	1,133.31	958.15
Total	**1,133.31**	**958.15**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Price Risk

The Company is not exposed to any price risk as at the reporting date.

31 OPERATING SEGMENT

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Company has evaluated the applicability of segment reporting and has concluded that since the Company is operating in research and development activities and is being reviewed by the CODM on the same lines, accordingly the Company has only one reportable business segment.

I **Revenue:**

A. Information about revenues from products and services:

Particulars	31 March, 2018	31 March, 2017
Royalty Income	337.02	326.12
Research & Development Services	-	37.10
Total	**337.02**	**363.22**

B. Geographical Areas

Particulars	31 March, 2018	31 March, 2017
India	337.02	326.12
Japan	-	37.10
Total	**337.02**	**363.22**

C. Revenues from transactions with customers amounted to more than 10% of the Company's revenue in one case.

II The total of Non-current assets (other than financial instruments, deferred tax assets and investments accounted for using equity method), broken down by location of the assets, is shown in the table below:

Particulars	31 March, 2018	31 March, 2017
India	162.52	197.86

32 As per information available with the Management as certified by them, there is no contingent liability as at March 31st, 2018.

33 As per the information available with the Management and as certified by them, there is no outstanding Capital Commitment as on March 31st, 2018.

34 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

35 Previous year figures have been re-grouped/reclassified wherever considered necessary.

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

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

Place: Gurugram
Date: 12 May 2018

Consolidated Balance Sheet of PI Life Science Research Limited as at 31 March, 2018

Inspired by Science

Independent Auditors' Report

To The Members Of
PI Life Science Research Limited

Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of **PI Life Science Research Limited** (hereinafter referred to as "the Holding Company") and jointly controlled entity and associate company (collectively referred as the Group), comprising of the consolidated balance sheet as at March 31, 2018, the consolidated statement of profit and loss including other comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ''the consolidated Ind AS financial statements'').

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income and consolidated cash flows of the Holding Company, jointly controlled entity and associate company in accordance with 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 and Companies (Indian Accounting Standards) Amendment Rules, 2015 as amended. The respective Board of Directors of the companies including its jointly controlled entity and associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group jointly controlled entities and associate company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 issued by the Institute of Chartered Accountants of India, as 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, jointly controlled entities and associate company as at March 31, 2018, its consolidated profit including other comprehensive income, its consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Other Matters

a) The Comparative financial information of the Company for the year ended March 31, 2017 have been audited by predecessor auditor (NSBP & Co. chartered accountants having firm registration number 001075N). The report of the predecessor auditor on the comparative financial information dated May 6, 2017 expressed an unmodified opinion.

b) We did not audit the Holding Company's share of net gain of Rs. 14.77 Lacs for the year ended 31st March, 2018 as considered in the consolidated Ind AS financial statements in respect of an associate. This Ind AS financial statements/financial information of this associate have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate company and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid associate company is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report, to the extent applicable, that:

a) We have relied upon, 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 of the aforesaid consolidated Ind AS financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

c) The consolidated balance sheet, the consolidated statement of profit and loss including the statement of other comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Amendment Rules, 2015, as amended;

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and report of the statutory auditors of associate company and jointly controlled entity incorporated in India, none of the directors of the Group is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

f) Reporting as required under clause (i) of section 143(3) of the Act in respect of adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls is not applicable for the associate company and jointly controlled entity, on the basis of the auditors report of the statutory auditors of the associate Company and hence not commented upon, With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

  i. The consolidated Ind AS financial statement disclose the impact of pending litigations on the consolidated financial position of the Group -Refer Note 32 consolidated Ind AS financial statements;

  ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

  iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

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

Sunil Wahal
Partner
Membership No:- 087294

Date: May 12, 2018
Place: New Delhi

Annexure A to the Independent Auditor's Report to the members of PI Life Science Research Limited on its Consolidated Ind AS Financial Statement

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.

In conjunction with our audit of the consolidated Ind AS financial statement of **PI Life Science Research Limited** as of and for the year ended March 31, 2018. We have audited the Internal Financial Controls over Financial Reporting of **PI Life Science Research Limited** (hereinafter referred to as the "Holding Company") for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 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 (the Act).

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company, associate company and jointly controlled entity 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 Act, to the extent 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 consolidated Ind AS 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 consolidated Ind AS 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:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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 have maintained, 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, 2018, based on the internal control over financial reporting criteria established by the holding 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.

Reporting as required under clause (i) of section 143(3) of the Act in respect of adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls is not applicable for the associate company and jointly controlled entity, on the basis of the auditors report of the statutory auditors of the respective entity

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

Sunil Wahal
Partner
Membership No:- 087294

Date: May 12, 2018
Place: New Delhi

Inspired by Science

Consolidated Balance Sheet

as at March 31, 2018

(₹ in lakh)

	Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017
I	**ASSETS**			
1	**Non Current Assets**			
a	Property, Plant & Equipment	4	162.52	197.86
b	Investment in Associates and Joint Ventures	5	61.97	42.20
c	Financial Assets			
	Other financial assets	6	210.17	303.09
d	Deferred tax Assets (Net)	7	162.46	193.71
	Total non-current assets		**597.12**	**736.86**
2	**Current Assets**			
a	Financial Assets			
	(i) Trade receivables	8	112.88	-
	(ii) Cash and cash equivalents	9(a)	11.73	92.01
	(iii) Bank balances other than (ii) above	9(b)	494.77	655.06
	(iv) Other financial assets	9(c)	428.37	-
b	Other current assets	10	31.94	13.63
c	Current Tax Assets (Net)	11	9.29	-
	Total current assets		**1,088.98**	**760.70**
	Total assets		**1,686.10**	**1,497.56**
II	**EQUITY & LIABILITIES**			
1	**Equity**			
a	Equity Share Capital	12	94.50	94.50
b	Other Equity	13	1,543.33	1,391.51
	Total equity		**1,637.83**	**1,486.01**
2	**Non Current Liabilities**			
a	Provisions	14	4.08	2.97
	Total Non current liabilities		**4.08**	**2.97**
3	**Current Liabilities**			
a	Financial Liabilities			
	(i) Trade payables	15	33.75	0.63
	(ii) Other financial liabilities	17	8.94	6.40
b	Other current liabilities	18	1.36	0.82
c	Provisions	19	0.14	0.10
d	Current Tax Liabilities (Net)	20	-	0.63
	Total current liabilities		**44.19**	**8.58**
	Total equity and liabilities		**1,686.10**	**1,497.56**

Significant accounting policies and accompanying notes referred to above formed the integral part of the financial statements — 1 to 35

As per our report of even date

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Place: Gurugram
Date: 12 May 2018

Statement of Consolidated Profit and Loss

as at March 31, 2018

(₹ in lakh)

	Particulars	Note No.	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I.	**Revenue from Operations**		337.02	363.22
II.	**Other Income**	21	75.31	64.93
III.	**Total Revenue (I+II)**		**412.33**	**428.15**
IV.	**Expenses:**			
	Cost of Materials consumed		-	10.20
	Employee Benefits expense	22	46.18	42.93
	Finance Costs	23	0.78	0.69
	Depreciation and amortisation expense	4	35.34	35.50
	Other Expenses	24	118.56	74.15
	Total Expenses		**200.86**	**163.47**
V.	**Profit/(Loss) before share of (Profit)/Loss of an associate and a Joint Venture, exceptional items and tax (III-IV)**		**211.47**	**264.68**
VI.	**Share of Profit /(Loss) of Associates & Joint Venture**	**5**	**14.77**	**(9.25)**
VII.	**Profit Before Tax (V+VI)**		**226.24**	**255.43**
	Income Tax Expense	25		
	- Current Tax		43.30	53.96
	- Deferred Tax		31.21	29.72
	Total tax expense		**74.51**	**83.68**
VIII.	**Profit for the period**		**151.73**	**171.75**
IX.	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gains/(losses) on defined benefit plans		0.13	(0.27)
	(ii) Income tax relating to the above item		(0.04)	0.09
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to the above item		-	-
X.	**Total Comprehensive Income for the period(VI+VII)**		**151.82**	**171.57**
XI.	**Earnings per Equity Shares**	26		
	1) Basic (in ₹)		16.06	18.17
	2) Diluted (in ₹)		16.06	18.17
	Face value per share (in ₹)		10.00	10.00

Significant accounting policies and accompanying notes referred to above formed the integral part of the financial statements — 1 to 35

As per our report of even date

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

Place: Gurugram
Date: 12 May 2018

For and on behalf of the Board of Directors

PI Life Science Research Limited

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Inspired by Science

Statement of Changes in Consolidated Equity

for the year ended March 31, 2018

a. Equity share capital

(₹ in lakh)

	Note No.	As at 31 March, 2018		As at 31 March, 2017	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	12	945,000	94.50	945,000	94.50
Changes in equity share capital during the year		-	-	-	-
Balance at the end of the reporting period		**945,000**	**94.50**	**945,000**	**94.50**

b. Other equity

(₹ in lakh)

	Note No.	Retained earnings	Total Other Equity
Balance as at 31 March, 2016		1,219.94	1,219.94
Profit for the year	13	171.75	171.75
Other comprehensive income for the year		(0.18)	(0.18)
Total comprehensive income for the year		**171.57**	**171.57**
			-
Balance as at 31 March, 2017		**1,391.51**	**1,391.51**
			-
Profit for the year	13	151.73	151.73
Other comprehensive income for the year		0.09	0.09
Total comprehensive income for the year		**151.82**	**151.82**
			-
Balance as at 31 March, 2018		**1,543.33**	**1,543.33**

Significant accounting policies and accompanying notes referred to above formed the integral part of the financial statements — 1 to 35

As per our report of even date

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

Place: Gurugram
Date: 12 May 2018

For and on behalf of the Board of Directors

PI Life Science Research Limited

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Statement of Consolidated Cash Flows

for the year ended March 31, 2018

A. CASH FLOW FROM OPERATING ACTIVITIES

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Profit before tax	211.47	264.68
Adjustment for :		
Depreciation and amortisation expense	35.34	35.50
Interest Income on Financial Assets at amortised cost	(74.57)	(63.33)
Other interest income	(0.01)	(1.60)
Finance Costs	0.78	0.69
Operating Profit before working capital changes	**173.01**	**235.94**
Adjustment for :		
Decrease/(Increase) in trade receivables	(112.88)	-
Decrease/(Increase) in other non-current financial assets	92.92	(302.89)
Decrease/(Increase) in other current financial assets	(428.37)	-
Decrease/(Increase) in bank balances other than Cash and cash equivalents	160.29	74.01
Decrease/(Increase) in other non-current assets	-	3.96
Decrease/(Increase) in other current assets	(18.31)	(8.33)
Increase/(Decrease) in trade payables	33.12	(0.61)
Increase/(Decrease) in other current financial liabilities	2.54	1.00
Increase/(Decrease) in other current liabilities	0.54	0.61
Increase/ (Decrease) in non-current provisions	1.24	1.41
Increase/ (Decrease) in current provisions	0.04	0.03
Cash generated from/ (used in) operations	**(95.86)**	**5.13**
Income Taxes paid	(53.22)	(17.05)
Net Cash Flow from/ (used in) operating activities (A)	**(149.08)**	**(11.92)**

B. CASH FLOW FROM INVESTING ACTIVITIES

Payments for purchase of Property, Plant and Equipment	-	(3.83)
Interest Received	74.58	64.93
Purchase of investments	(10.00)	(51.45)
Sale of investments	5.00	-
Net Cash Flow from/ (used in) investing activities (B)	**69.58**	**9.65**

C. CASH FLOW FROM FINANCING ACTIVITIES

CASH FLOW FROM FINANCING ACTIVITIES	(0.78)	(0.69)
Net Cash Flow from/ (used in) financing activities (C)	**(0.78)**	**(0.69)**
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(80.28)	(2.96)
Opening cash and cash equivalents	92.01	94.97
Closing cash and cash equivalents	11.73	92.01
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (Refer note 9(a)):-		
-Cash on Hand	0.04	0.05
-Balances with Scheduled Banks in Current A/c	11.69	91.96
Total	**11.73**	**92.01**

As per our report of even date

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

For and on behalf of the Board of Directors

PI Life Science Research Limited

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Place: Gurugram
Date: 12 May 2018

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

1 Corporate Information

PI Life Science Research Ltd. (the Company) is a company limited by shares, domiciled in India and has its registered office at New Delhi. The principal activities of the Company are Research and Development. PI Industries Limited owns 100% of the Company's Equity Share Capital.

2 Basis of preparation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable.

These consolidated financial statements were authorised for issue by the Board of Directors on 12 May 2018.

b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention, unless otherwise indicated.

c) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Group's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

d) Current or Non current classification

All Assets and Liabilities have been classified as current or non-current as per the Group'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 Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

e) Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of consolidated financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognised in the consolidated financial statements are:

- Measurement of defined benefit obligations:
- Recognition of deferred tax assets & MAT credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets
- Impairment test of financial and non-financial assets;
- Recognition and measurement of provisions and contingencies

3 Significant Accounting Policies

The Group has consistently applied the following accounting policies to all periods presented in the consolidated financial statements.

a) Property, plant and equipment

a) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, and is recognised in the statement of profit and loss. Depreciation on property, plant and equipment is provided on the Straight Line Method based on the useful life of assets estimated by the Management which coincide with the life specified under Schedule II of the Companies Act, 2013, which are as follows:

- Buildings including factory buildings and Roads	3 - 60 years
- General Plant and Equipment	15 years
- Electrical Installations and Equipments	10 years
- Furniture and Fixtures	10 years
- Office Equipments	5 years
- Vehicles	8 - 10 years
- Computer and Data Processing Units	3 - 6 years
- Laboratory Equipments	10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

b) Intangible assets

a) Recognition and measurement

Intangible assets that are acquired by the Group are measured at cost, less accumulated amortization and accumulated impairment losses, if any.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of intangible assets is recognised in profit or loss.

b) Amortisation

Amortization is recognized in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. The estimated useful lives are as follows

Software	6 years

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

c) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs').

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

d) Financial instruments

a) Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognised in OCI are not reclassified to profit and loss.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(v) Investment in associates and joint venture

Investment in subsidiaries, associates and joint venture is carried at cost less impairment, if any, in the separate financial statements.

c) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. Except Trade receivables, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

With regard to trade receivable, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

d) Derecognition

Financial Assets

Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

e) Reclassification of financial assets and Financial Liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

business model for managing those assets. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

f) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 – The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

g) Revenue Recognition

a) Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods to the degree usually associated with the ownership, and the amount of revenue can be measured reliably, regardless of when the payment is being made. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts and volume rebates.

b) Rendering of services

Revenue from sale of services is recognised as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

c) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

h) Employee Benefits

a) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b) **Defined contribution plans**

Employees benefits in the form of the Group's contribution to Provident Fund and Employees State Insurance are defined contribution schemes. The Group recognizes contribution payable to these schemes as an expense, when an employee renders the related service. If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, The Group recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

c) **Defined benefit plans**

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

d) **Other long-term employee benefits**

Employee benefits in the form of long term compensated absences are considered as long term employee benefits. The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

i) **Foreign currency transactions**

Initial recognition:

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference:

Exchange differences are recognised in profit or loss.

j) **Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

k) **Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

a) **Current tax'**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

Current tax assets and liabilities are offset only if, the Group:

i) has a legally enforceable right to set off the recognised amounts; and

ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the forseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if: i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Group will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

l) Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Board of Directors of the Group has been identified as the CODM by the Group. Refer Note 31 for Segment disclosure.

m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n) Cash flow statement

Cash flow statements are prepared in accordance with “”Indirect Method”” as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Group are segregated.

The amendments to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact upon on the financial statements of the Group.

o) Lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease, based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as lessee under operating lease Payments made under operating leases are generally recognised in profit or loss on a straight- line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as an integral part of the total lease expense over the term of the lease.

p) Earning per share

Basic earnings 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.

q) Equity accounted investees

An associate is an entity in which the Company has significant influence, but not control or joint control.

Investments in associates are accounted for using the equity method of accounting. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement..

Investments in joint ventures are accounted for using the equity method of accounting. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence ceases.

The accounting policies of the associate and joint venture are largly similar to parent company.

r) Recent Accounting Pronouncements

Appendix B to Ind AS 21 - Foreign Currency Transactions and Advance Consideration:

Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018 and is not applicable to the Group.

Appendix B to Ind AS 115 - Revenue from Contract with Customers:

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018 and is not applicable to the Group.

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for the year ended March 31, 2018

4 PROPERTY, PLANT & EQUIPMENT

(₹ in lakh)

	Plant & Equipment	Furniture & Fixtures	Office Equipment	Total
Gross Carrying Value				
As at 31 March, 2016	281.64	0.49	0.82	**282.95**
Additions	3.83	-	-	**3.83**
Disposals	-	-	-	**-**
As at 31 March, 2017	285.47	0.49	0.82	**286.78**
Additions	-	-	-	**-**
Disposals	-	-	-	**-**
As at 31 March, 2018	285.47	0.49	0.82	**286.78**
Depreciation				
As at 31 March, 2016	52.50	0.24	0.68	**53.42**
Charge for the year	35.46	0.04	-	**35.50**
Disposals	-	-	-	**-**
As at 31 March, 2017	**87.96**	**0.28**	**0.68**	**88.92**
Charge for the year	35.30	0.04	-	**35.34**
Disposals	-	-	-	**-**
As at 31 March, 2018	**123.26**	**0.32**	**0.68**	**124.26**
Net Carrying Value				
As at 31 March, 2017	**197.51**	**0.21**	**0.14**	**197.86**
As at 31 March, 2018	**162.21**	**0.17**	**0.14**	**162.52**

5 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD

(₹ in lakh)

	Particulars		As at 31 March, 2018	As at 31 March, 2017
	Investment in Equity Instruments (fully paid up)			
	Unquoted			
(I)	**Investment in Associate (Solinnos Agro Sciences Private Limited)*#**		57.07	42.20
	Name of Entity	SOLINNOS AGRO SCIENCE PRIVATE LIMITED		
	Place of Business	INDIA		
	%AGE OF OWNERSHIP	49%		
	Accounting Method	EQUITY METHOD		
(II)	**Investment in Joint Venture (PI Kumiai Private Limited)**#**		4.90	-
	Name of Entity	PI KUMIAI PRIVATE LIMITED		
	Place of Business	INDIA		
	%AGE OF OWNERSHIP	59%		
	Accounting Method	EQUITY METHOD		
	TOTAL		**61.97**	**42.20**

* The Company has a 49% interest in Solinnos Agro Sciences Private Limited, whose principal activities are dealing in advisory services relating to registrations, licenses, other regulatory approvals in India. The Company's interest in Solinnos Agro Sciences Private Limited is at carrying amount determined using the equity method of accounting.

** The Company has a 50% interest in PI Kumiai Private Limited, whose principal activities are manufacturing and trading of Agri science products. The Company's interest in PI Kumiai Private Limited is at carrying amount determined using the equity method of accounting.

#Share of post acquisition gain / loss has been adjusted in carrying amount

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

(₹ in lakh)

	Particulars	As at 31 March, 2018	As at 31 March, 2017
A	**Solinnos Agro Sciences Private Limited (Associate)**		
	Non-Current Assets	2.57	-
	Current Assets	176.42	96.04
	Non- Current Liabilities	-	-
	Current Liabilities	62.53	9.93
	NET ASSETS	**116.46**	**86.11**
	Revenue	99.81	0.57
	Other Expenses	65.49	19.46
	Profit / (Loss) for the period	**34.32**	**(18.89)**
	Tax Expense	3.97	-
	Profit / (Loss) for the period after tax	**30.35**	**(18.89)**
	Other Comprehensive Income for the period	-	-
	Total Comprehensive Income for the period	**30.35**	**(18.89)**
	Group's share in the total comprehensive income of Solinnos Agro Sciences Private Limited	14.87	(9.25)
	Reconciliation of the above summarised Financial Information to the carrying amount of the interest in Solinnos recognised in Financial Statements :		
	Net Assets of Associate	116.46	86.11
	Proportion of Companies ownership Interest in Solinnos Agro Sciences Private Limited	49%	49%
	Carrying amount of Group's interest in Solinnos Agro Sciences Private Limited	57.07	42.20
(B)	**PI Kumiai Private Limited (Joint Venture)**		
	Non-Current Assets	0.07	-
	Current Assets	10.02	-
	Non- Current Liabilities	-	-
	Current Liabilities	0.30	-
	NET ASSETS	**9.79**	**-**
	Revenue	0.16	-
	Other Expenses	0.44	-
	Profit / (Loss) for the period	**(0.28)**	**-**
	Tax Expense	(0.07)	-
	Profit / (Loss) for the period after tax	**(0.21)**	**-**
	Other Comprehensive Income for the period	-	-
	Total Comprehensive Income for the period	**(0.21)**	**-**
	Group's share in the total comprehensive income of PI Kumiai Private Limited	(0.10)	-
	Reconciliation of the above summarised Financial Information to the carrying amount of the interest in PI Kumiai recognised in Financial Statements :		
	Net Assets of Joint Venture	9.79	-
	Proportion of Companies ownership Interest in PI Kumiai Private Limited	50%	NA
	Carrying amount of Group's interest in PI Kumiai Private Limited	4.90	-

6 OTHER NON CURRENT FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Security Deposit with Sales Tax Department	0.37	0.20
Fixed Deposits with Bank	209.80	302.89
TOTAL	**210.17**	**303.09**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

7 DEFERRED TAX ASSETS (NET)

(₹ in lakh)

Particulars		As at 31 March, 2018	As at 31 March, 2017
The balance comprises temporary differences attributable to:			
Deferred Tax Assets			
Provision for employee benefits		1.18	0.98
MAT credit entitlement		174.57	211.80
Remeasurements of the defined benefit plans through OCI		0.01	0.05
	A	**175.76**	**212.83**
Deferred Tax Liabilities			
Property, plant and equipment		(13.30)	(19.12)
	B	**(13.30)**	**(19.12)**
TOTAL	**(A+B)**	**162.46**	**193.71**

Movement in deferred tax:	As at March 31, 2017	Recognized in Statement of Profit and Loss	Recognized in OCI	As at March 31, 2018
Deferred Tax Assets				
Provision for employee benefits	0.98	0.20	-	1.18
MAT credit entitlement	211.80	(37.23)	-	174.57
Remeasurements of the defined benefit plans through OCI	0.05	-	(0.04)	0.01
Sub- Total (a)	**212.83**	**(37.03)**	**(0.04)**	**175.76**
Deferred Tax Liabilities				
Property, plant and equipment	19.12	(5.82)	-	13.30
Sub- Total (b)	**19.12**	**(5.82)**	**-**	**13.30**
Net Deferred Tax Assets (a)-(b)	**193.71**	**(31.21)**	**(0.04)**	**162.46**

	As at March 31, 2016	Recognized in Statement of Profit and Loss	Recognized in OCI	As at March 31, 2017
Deferred Tax Assets				
Provision for employee benefits	0.49	0.49	-	0.98
MAT credit entitlement	246.06	(34.26)	-	211.80
Remeasurements of the defined benefit plans through OCI	-	-	0.05	0.05
Sub- Total (a)	**246.55**	**(33.77)**	**0.05**	**212.83**
Deferred Tax Liabilities				
Property, plant and equipment	23.17	(4.05)	-	19.12
Remeasurements of the defined benefit plans through OCI	0.04	-	(0.04)	-
Sub- Total (b)	**23.21**	**(4.05)**	**(0.04)**	**19.12**
Net Deferred Tax Assets (a)-(b)	**223.34**	**(29.72)**	**0.09**	**193.71**

8 TRADE RECEIVABLES

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Unsecured and Considered Good	112.88	-
TOTAL	**112.88**	**-**

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Notes to Consolidated Financial Statements

for the year ended March 31, 2018

9(a) CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Cash & Cash Equivalents		
- Cash on Hand	0.04	0.05
- Balance with banks		
- Balances with Scheduled Banks in Current A/c	11.69	91.96
TOTAL	**11.73**	**92.01**

9(b) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Fixed Deposits with Bank	494.77	655.06
TOTAL	**494.77**	**655.06**

9(c) OTHER CURRENT FINANCIAL ASSETS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Fixed Deposits with Bank	428.37	-
TOTAL	**428.37**	**-**

10 OTHER CURRENT ASSETS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Prepaid Expenses	0.52	0.53
Balance with Government Authorities	31.42	13.10
TOTAL	**31.94**	**13.63**

11 CURRENT TAX ASSETS (NET)

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Income Tax Balances (Net of Provision of ₹ 43.31 lacs)	9.29	-
TOTAL	**9.29**	**-**

12 EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Authorised Shares		
10,00,000 (31 March, 2017: 10,00,000) Equity Shares of ₹ 10 each (31 March, 2017 : ₹ 10 each)	100.00	100.00
	100.00	**100.00**
Issued, Subscribed & Fully Paid up Shares		
9,45,000 (31 March, 2017: 9,45,000) Equity Shares of ₹ 10 each (31 March, 2017 : ₹ 10 each)	94.50	94.50
Total issued, subscribed and fully paid up share capital	**94.50**	**94.50**

a. The Group 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend. However, Group has not proposed any dividend in the current and previous year. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the Group after distribution of all preferential amounts, in proportion to their shareholding.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

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

Issued , Subscribed and Paid up Share Capital

Equity Shares

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares) (₹ in lakh)	
	2017-18	2016-17	2017-18	2016-17
Share outstanding at beginning of period	945,000	945,000	94.50	94.50
Shares issued during the year	-	-	-	-
Share outstanding at end of period	945,000	945,000	94.50	94.50

c. Details of shareholders holding more than 5% shares in the Group

Equity Shares

Particulars	2017-18		2016-17	
	No of Shares	% of Holding	No of Shares	% of Holding
PI Industries Limited and its nominees	945,000	100	945,000	100

d. Equity Shares held by holding Company

Equity Shares

Particulars	2017-18		2016-17	
	No of Shares	(₹ in lakh)	No of Shares	(₹ in lakh)
PI Industries Limited and its nominees	945,000	94.50	945,000	94.50

13 OTHER EQUITY

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Surplus in Statement of Profit & Loss		
Balance at the beginning of the Financial year	1,391.51	1,219.94
Addition during the Financial year	151.73	171.75
Add: Remeasurements of the net defined benefit Plans through OCI	0.09	(0.18)
TOTAL	**1,543.33**	**1,391.51**

14 LONG TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Provision for Employee Benefits		
Gratuity Payable*	2.16	1.55
Leave Encashment*	1.92	1.42
TOTAL	**4.08**	**2.97**

(*Refer Note No. 28)

15 TRADE PAYABLES

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Payable to Micro & Small Enterprises	-	-
Payable to Others than Micro & Small Enterprises	33.75	0.63
TOTAL	**33.75**	**0.63**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

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

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Principal Amount	Interest Amount	Principal Amount	Interest Amount
Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March	-	-	-	-
Interest paid by the Group 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.	-	-	-	-

17 OTHER CURRENT FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Employee Payables	7.76	5.31
Audit Fees Payable	0.35	0.29
Staff Leave Travel Assistance Payable	0.32	0.31
Other Expense Payable	0.51	0.49
TOTAL	**8.94**	**6.40**

18 OTHER CURRENT LIABILITIES

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Statutory Dues	1.36	0.82
TOTAL	**1.36**	**0.82**

19 SHORT TERM PROVISIONS

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Provision for employee benefits		
Gratuity Payable*	0.02	0.00
Leave encashment*	0.12	0.10
TOTAL	**0.14**	**0.10**

(*Refer Note No. 28)

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

20 CURRENT TAX LIABILITIES (NET)

(₹ in lakh)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Provision for Income Tax (Net of Advance Tax (31 March, 2017: ₹ 53.96 lacs)	-	0.63
TOTAL	**-**	**0.63**

21 OTHER INCOME

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest Income on Financial Assets at amortised cost	74.57	63.33
Other Interest Income	0.01	1.60
Other Non Operating Income	0.73	-
TOTAL	**75.31**	**64.93**

22 EMPLOYEE BENEFIT EXPENSE

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Salary, wages and Other Allowances	37.73	35.63
Contribution to provident and other funds	2.22	2.22
Gratuity and Long Term Compensated Absences (Refer Note No. 28)	1.37	1.62
Employee welfare	4.86	3.46
TOTAL	**46.18**	**42.93**

23 FINANCE COST

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Interest Cost	0.78	0.69
TOTAL	**0.78**	**0.69**

24 OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Power & Electric Expenses	34.71	33.59
Repairs to machinery	6.73	10.43
Net Loss on foreign currency transaction	-	0.12
Postage & Telegram Expenses	-	0.04
Printing & Stationary	-	0.03
Office Expenses	4.09	3.60
Rent	23.59	21.16
Auditor remuneration (Refer note 24(a))	0.35	0.33
Travelling Expenses	1.97	0.49
Legal & Professional Fee	0.51	0.98
Freight charges	-	1.74
Bank Charges	0.06	0.12
Business Support Service	45.93	-
Doubtful Advances written off	-	0.01
Misc. Expenses	0.62	1.51
TOTAL	**118.56**	**74.15**

a. Auditor Remuneration	For the year ended 31 March, 2018	For the year ended 31 March, 2017
-Statutory Audit	0.35	0.33
-Reimbursement of Expenses	-	-
TOTAL	0.35	0.33

25 INCOME TAX EXPENSE

(₹ in lakh)

		For the year ended 31 March, 2018	For the year ended 31 March, 2017
a)	**Income tax recognised in profit or loss**		
	Current tax expense		
	Current year	(43.30)	(53.96)
	Deferred tax expense		
	Origination and reversal of temporary differences	(31.21)	(29.72)
		(74.51)	**(83.68)**
b)	**Deferred tax related to items recognised in OCI during the year**		
	Net loss/(gain) on items that will not be reclassified to profit or loss	(0.04)	0.09
	Income tax charged to OCI	**(0.04)**	**0.09**
c)	**Reconciliation of effective tax rate**		
	Accounting profit before tax	211.47	264.68
	At India's statutory income tax rate @ 27.5525% (31 March, 2017: @31.9609%)	58.27	84.59
	Adjustment in respect of current income tax of previous years	17.85	-
	Non-deductible expenses for tax purposes :		
	Deduction on account of operations in tax free zone	-	-
	Other expenses	(1.61)	(0.91)
	Income Tax Expense	**74.51**	**83.68**

26 EARNING PER SHARE

(₹ in lakh)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Net Profit for Basic & Diluted EPS	151.73	171.75
Weighted Average number of Equity Shares outstanding during the year - Basic	945,000	945,000
Weighted Average number of Equity Shares outstanding during the year - Diluted	945,000	945,000
Earning Per Share - Basic (₹)	16.06	18.17
Earning per share - Diluted (₹)	16.06	18.17
Face value per share (₹)	10.00	10.00

27 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

A) List of Related Parties

i)	**Enterprises which control the entity**	PI Industries Ltd.
ii)	**Enterprises under common control**	PILL Finance & Investment Ltd.
		PI Japan Co. Ltd.
iii)	**Associate & Joint Venture**	Solinnos Agro Sciences Private Limited. (Associate)
		PI Kumiai Private Limited (w.e.f 04-07-2017) (Joint Venture)
iv)	**Key Managerial Personnel & their relatives (KMP)**	
	Key Managerial Personnel (KMP)	
	Mr. Mayank Singhal	Director
	Mr. Rajnish Sarna	Director
	Mr. Rajender Dev Kapoor	Director

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

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

Nature of Transaction	2017-18			2016-17		
	Transactions during the period		Balance outstanding Dr (Cr)	Transactions during the period		Balance outstanding Dr (Cr)
	Recd/Pur.	Paid/Sales		Recd/Pur.	Paid/Sales	
Transactions with :-						
Holding Company- PI Industries Limited						
Sale of Services	-	337.02	112.88	-	326.12	-
Rent, electricity and other miscellaneous payment	-	57.97	-	-	53.90	-
Associate - Solinnos Agro Sciences Private Limited.						
Business Support Services	45.93	-	(33.57)	-	-	-
Investments	-	-	-	51.45	-	-
Joint Venture - PI Kumiai Private Limited.						
Investments	10.00	-	-	-	-	-
Grand Total	**55.93**	**394.99**	**79.31**	**51.45**	**380.02**	**-**

c) Terms and conditions of transactions with related parties

The services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

28 EMPLOYEE BENEFITS

The Group participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

Central provident fund

In accordance with the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees are entitled to receive benefits under the Provident Fund. Employers and employees both contribute @12% of wages in contribution accounts. Further, the employers also contribute towards administration of the benefits under the EPF & MP Act. These contributions are made to the fund administered and managed by the Employee Provident Fund organization. The Group has no further obligations under the fund managed by the Employee Provident Fund Organization (EPFO) beyond its monthly contributions which are charged to the statements of profit or loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the EPFO.

Gratuity Plan

In accordance with the Payment of Gratuity Act of 1972, PI Life Science Research Ltd contribute to a defined benefit plan (the "Gratuity Plan"). The Gratuity Plan provides a lump sum payment to the employees at the time of retirement or resignation (after 5 years of continued services of employment), being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group. Based on actuarial valuations conducted as at year end, a provision is recognised in full for the benefit obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Long term leave encashment

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

a) Defined Contribution Plans:-

The Group has recognised an expense of ₹ 2.22 lacs (Previous Year ₹ 2.22 lacs) towards the defined contribution plan.

b) Defined benefits plans - as per actuarial valuation

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Non -Funded		Non -Funded	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
I Change in present value of obligation during the year				
Present value of obligation at the beginning of the year	1.55	1.52	0.61	0.75
Total amount included in profit and loss:				
- Current Service Cost	0.64	0.66	0.62	0.71
- Interest Cost	0.12	0.11	0.05	0.06
- Past Service Cost		-	-	-
Remeasurement related to long term employee benefit:				
Actuarial losses/(gains) arising from:				
- Financial assumption	-	(0.08)	-	0.46
- Experience Judgement	-	(0.08)	-	(0.28)
Total amount included in OCI:				
Remeasurement related to gratuity:				
Actuarial losses/(gains) arising from:				
- Financial assumption	(0.08)	-	0.42	-
- Experience Judgement	(0.05)	-	(0.15)	-
Others				
Benefits Paid	-	(0.09)	-	(0.18)
Present Value of obligation as at year-end	**2.18**	**2.04**	**1.55**	**1.52**
Change in Fair Value of Plan Assets during the year				
Plan assets at the beginning of the year	-	-	-	-
Included in profit and loss:				
Expected return on plan assets	-	-	-	-
Included in OCI:				
Actuarial Gain/(Loss) on plan assets	-	-	-	-
Others:				
Employer's contribution	-	-	-	-
Benefits paid	-	-		-
Plan assets at the end of the year	-	-	-	-

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

II Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Non -Funded		Non -Funded	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
1 Present Value of obligation as at year-end	2.18	2.04	1.55	1.52
2 Fair value of plan assets at year -end	-	-	-	-
3 Funded status {Surplus/(Deficit)}	(2.18)	(2.04)	(1.55)	(1.52)
Net Asset/(Liability)	**(2.18)**	**(2.04)**	**(1.55)**	**(1.52)**

III Bifurcation of net liability at the end of the year

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Non -Funded		Non -Funded	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
1 Current Liability	0.02	0.12	-	0.10
2 Non-Current Liability	2.16	1.92	1.55	1.42

IV Actuarial Assumptions

1 Discount Rate	7.71%	7.71%	7.50%	7.50%
2 Expected rate of return on plan assets	-	-	-	-
3 Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
4 Salary Escalation	7.00%	7.00%	7.00%	7.00%

V The expected contribution for Defined Benefit Plan for the next financial year will be ₹ 0.89 lacs

VI Sensitivity Analysis

Gratuity

(₹ in lakh)

	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (.50 % movement)	(0.18)	0.20	(0.14)	0.16
Future salary growth (.50 % movement)	0.21	(0.19)	0.16	(0.14)

Long term Compensated Absences

(₹ in lakh)

	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (.50 % movement)	(0.17)	0.19	(0.13)	0.15
Future salary growth (.50 % movement)	0.19	(0.17)	(0.13)	0.15

VII Maturity Profile of Defined Benefit Obligation

	Year ended 31 March, 2018		Year ended 31 March, 2017	
	Non -Funded		Non -Funded	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
Within the next 12 months	0.02	0.12	-	0.10
Between 1-5 years	0.20	0.20	0.08	0.15
Beyond 5 years	1.96	1.72	1.47	1.27

29 FINANCIAL INSTRUMENTS

1 Financial instruments – Fair values and risk management

Financial instruments by category

(₹ in lakh)

Particulars	31 March, 2018			31 March, 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial assets						
Non-current						
Other financial asset	-	-	210.17	-	-	303.09
Current						
Trade Receivable			112.88			-
Cash and cash equivalents	-	-	11.73	-	-	92.01
Other balances with Banks	-	-	494.77	-	-	655.06
	-	-	829.55	-	-	1,050.16
Financial liabilities						
Current						
Trade payables	-	-	33.75	-	-	0.63
Employee Payables	-	-	7.76	-	-	5.31
Audit Fees Payable	-	-	0.35	-	-	0.29
Staff Leave Travel Assistance Payable	-	-	0.32	-	-	0.31
Other Expense Payable	-	-	0.51	-	-	0.49
	-	-	42.69	-	-	7.03

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

The fair value of trade receivables, cash and cash equivalents, other balances with bank, trade payables and current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments. Fair value for all other non-current assets is equivalent to the amortised cost, interest rate on them is equivalent to the market rate of interest.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management framework

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

- Credit risk
- Liquidity risk
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

Cash and cash equivalents, deposits with banks:

The Group considers that its cash and cash equivalents and Deposits with banks have low credit risk based on good external credit ratings of counterparties. Impairment on cash and cash equivalents and deposits with banks has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures.

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses (if any) recognized represent the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2018 was as follows:

Particulars	31 March, 2018	31 March, 2017
Cash and cash equivalents	11.73	92.01
Bank balances other than above	494.77	655.06
Trade Receivables	112.88	-
Other financial assets	210.17	303.09
Total	**829.55**	**1,050.16**

Notes to Consolidated Financial Statements

for the year ended March 31, 2018

ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

(a) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flows				
31 March, 2018	**Total**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade Payable	33.75	33.75	-	-	-	-
Employee Payables	7.76	7.76	-	-	-	-
Audit Fees Payable	0.35	0.35	-	-	-	-
Staff Leave Travel Assistance Payable	0.32	0.32	-	-	-	-
Other Expense Payable	0.51	0.51	-	-	-	-
Total	**42.69**	**42.69**	**-**	**-**	**-**	**-**

		Contractual cash flows				
31 March, 2017	**Total**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade Payable	0.63	0.63	-	-	-	-
Employee Payables	5.31	5.31	-	-	-	-
Audit Fees Payable	0.29	0.29	-	-	-	-
Staff Leave Travel Assistance Payable	0.31	0.31	-	-	-	-
Other Expense Payable	0.49	0.49	-	-	-	-
Total	**7.03**	**7.03**	**-**	**-**	**-**	**-**

iii. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Foreign Currency risk

The Group is not exposed to any material foreign currency risk as at the reporting date.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Group's investments are primarily in fixed deposits which are short term in nature and do not expose it to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	**31 March, 2018**	**31 March, 2017**
Fixed-rate instruments		
Financial assets	1,133.31	958.15
Total	**1,133.31**	**958.15**

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Price RisK

The Group is not exposed to any price risk as at the reporting date.

31 OPERATING SEGMENT

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Group's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Group has evaluated the applicability of segment reporting and has concluded that since the Group is operating in research and development activities and is being reviewed by the CODM on the same lines, accordingly the Group has only one reportable business segment.

I **Revenue:**

A. Information about revenues from products and services:

	31 March, 2018	31 March, 2017
Royalty Income	337.02	326.12
Research & Development Services	-	37.10
Total	**337.02**	**363.22**

B. Geographical Areas

	31 March, 2018	31 March, 2017
India	337.02	326.12
Japan	-	37.10
	337.02	**363.22**

II The total of Non-current assets (other than financial instruments, deferred tax assets and investments accounted for using equity method), broken down by location of the assets, is shown in the table below:

	31 March, 2018	31 March, 2017
India	162.52	197.86

32 As per information available with the Management as certified by them, there is no contingent liability as at March 31st, 2018.

33 As per the information available with the Management and as certified by them, there is no outstanding Capital Commitment as on March 31st, 2018.

34 CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

35 Previous year figures have been re-grouped/reclassified wherever considered necessary.

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Place: Gurugram
Date: 12 May 2018

PILL FINANCE AND INVESTMENTS LIMITED

CORPORATE INFORMATION

Board of Directors

Mr. Salil Singhal

Mr. Mayank Singhal

Mr. Rajnish Sarna

Registered Office

Udaisagar Road,

Udaipur – 313 001 (Rajasthan)

Corporate Identity Number (CIN)

U65990RJ1992PLC055823

Bankers

ICICI Bank Ltd.

IDBI Bank Ltd.

Auditors

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

Chartered Accountants

New Delhi -110 020

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BOARD REPORT

Dear Members,

Your Directors have pleasure in presenting their report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended **March 31, 2018.**

1. FINANCIAL HIGHLIGHTS

(₹ in lakh)

Particulars	Current year (2017-18)	Previous year (2016-17)
Total turnover	**26.46**	36.54
Expenditure	**1.42**	2.35
Profit before tax	**25.04**	34.19
Provision for tax	**0.70**	10.80
Profit after tax	**24.34**	23.39
EPS - Basic & Diluted (in ₹)	**6.76**	6.50

2. KEY HIGHLIGHTS

During the year, Company had registered Profit before tax amounting to ₹ 25.04 Lacs and generated a net profit after tax of ₹ 24.34 Lacs as compared to ₹ 23.39 Lacs in previous year. The Earnings per share (EPS) for the year stood at ₹ 6.76 per equity share as compared to ₹ 6.50 in previous year.

3. MATERIAL CHANGES AND COMMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the year or subsequently.

5. DIVIDEND

In order to plough back profits of the Company for business activities, the Directors have not recommended dividend for the year.

6. TRANSFER TO RESERVES

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

7. DIRECTORS' RE-APPOINTMENT

In accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, Mr. Mayank Singhal (DIN : 00006651), shall retire at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment for the approval of members at the forthcoming Annual General Meeting.

8. 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.19 to the financial statement which set out related party disclosures.

9. EXTRACTS OF ANNUAL RETURN

The extract 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 attached as Annexure 'A'.

10. 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 04, 2017, May 05, 2017, July 17, 2017, November 10, 2017 and February 16, 2018.

The Composition and Attendance record of the members of the Board for the financial year 2017-18 is as follows:

Name of Director	Category	Number of meetings during the financial year 2017 -18	
		Held	Attended
Mr. Salil Singhal	Director	5	2
Mr. Mayank Singhal	Director	5	5
Mr. Rajnish Sarna	Director	5	5

11. 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 for the year ended March 31, 2018, the applicable accounting standards had been followed;

(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 as at March 31, 2018 and of the profit of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. 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.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company has not given any Loan, Guarantee and also not made any Investments under the section 186 of the Companies Act, 2013.

14. STATUTORY AUDITORS AND AUDITORS' REPORT:

The shareholders of the Company at last AGM held on September 28, 2017 had appointed M/s. S.S. Kothari Mehta & Co., Chartered Accountants (Registration No.000756N), as the Statutory Auditors of the Company for an initial term of 5 years, subject to ratification by members at every AGM, if required under the provisions of the Companies Act, 2013. However, the Companies Amendment Act, 2017 has removed the requirement of ratification of Statutory Auditors and accordingly they hold their office till the conclusion of Annual General Meeting to be held in 2022.

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

Your Company does 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. SUBSIDIARY, JOINT VENTURES & ASSOCIATE COMPANIES

The Company doesn't have any subsidiary, Joint Venture and Associate company.

17. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has adequate system of internal control commensurate to the size of the Company for planning, review, revenue recognition, expense authorization, risk management, investment etc. the Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statement.

18. 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. 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.
4. Corporate Social Responsibility (CSR)
5. The Company has not accepted any fixed deposit during the year.

19. 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, Rajasthan and business associates.

On behalf of the Board of Director
For **PILL Finance and Investments Ltd.**

	Sd/-	Sd/-
Place: Gurugram	**Mayank Singhal**	**Rajnish Sarna**
Date: May 7, 2018	DIN: 00006651	DIN: 06429468

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ANNEXURE-A

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[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	U65990RJ1992PLC055823
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
5.	Address of the Registered office & contact details	Udaisagar Road, Udaipur – 313 001 (Rajasthan) 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	66,190	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 – 313 001, 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 01, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% 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	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of Shares held at the beginning of the year [As on April 01, 2017]				No. of Shares held at the end of the year [As on March 31, 2018]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
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**
B. Public Shareholding:									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh									
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**NIL**	**3,60,000**	**3,60,000**	**100%**	**NIL**	**3,60,000**	**3,60,000**	**100%**	**NIL**

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2017)			Shareholding at the end of the year (as on March 31, 2018)			% 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.	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 (as on April 01, 2017)		Shareholding at the end of the year (as on March 31, 2018)	
		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%

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(iv) Shareholding Pattern of top ten Shareholder

(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 (as on April 01, 2017)		Shareholding at the end of the year (as on March 31, 2018)	
		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	-	-	-	-
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
3	At the end of the year	-	-	-	-

(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 (as on April 01, 2017)		Shareholding at the end of the year (as on March 31, 2018)	
		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 (e.g. allotment / transfer / bonus/ sweat equity etc.)	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.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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 the Board of Director
For **PILL Finance and Investments Ltd.**

Sd/-
Mayank Singhal
Director
DIN: 00006651

Sd/-
Rajnish Sarna
Director
DIN: 06429468

Place: Gurugram
Date: May 7, 2018

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Independent Auditor's Report

To the Members of

PILL FINANCE AND INVESTMENTS LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Pill Finance And Investments Limited ('the Company'), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows, the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as " Ind AS financial statements").

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant Rules issued thereunder.

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 Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 financial position of the Company as at March 31, 2018, and its profit, other comprehensive profit, its cash flows and the changes in equity for the period ended on that date.

Other Matters

The financial statements of the Company for the year ended March 31, 2017 were audited by another auditor Kishan M. Mehta & Co., Chartered Accountant, Ahmedabad, who have given an unmodified opinion on those financial statements vide their report dated May 05, 2017.

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 section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity 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 relevant Rules issued thereunder;

e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 does not have any pending litigations which would impact its financial position;

ii. Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.S.KOTHARI MEHTA & Co.**
Chartered Accountants
Firm’s Registration No. 000756N

SUNIL WAHAL
Partner
Membership No. 087294

Place: New Delhi
Date: May 07, 2018

Annexure A to the Independent Auditor's Report to the Members of Pill Finance and Investments Limited dated May 07, 2018.

Report on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016 ("the Order') issued by the Central Government of India in terms of section 143(11) of the Companies Act, 2013 ("the Act") as referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' section.

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year, the frequency of which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) In our opinion, and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the company.

ii. The Company's operations do not give rise to any inventory.

iii. The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, clauses 3(iii) (a) to (c) of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

v. The Company has not accepted any deposits from the public within the meaning of directives issued by the Reserve Bank of India and provisions of sections 73 to 76 or any other relevant provisions of the Act, and the Rules framed thereunder.

vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Section 148 of the Act for the Company's activities. Hence, the provisions of clause 3(vi) of the Order are not applicable to the Company.

vii. a. According to the records of the Company examined by us and the information and explanations given to us, the Company is generally regular in depositing its undisputed statutory dues including Employees' Provident Fund, Employees' State Insurance, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and any other material statutory dues, as applicable, with the appropriate authorities during the year and there are no such undisputed amounts payable which have remained outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

b. We are informed that there are no dues in respect of Sales Tax, Income Tax, Customs Duty, Excise Duty, Value Added Tax and Service Tax which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and records of the Company examined by us, the Company has not taken loans from financial institutions or banks. Accordingly, clauses 3(viii) of the Order are not applicable.

ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any money way of initial public offer / further public offer and term loans hence, reporting under clause (ix) is not applicable to the Company.

x. In our opinion, and according to the information and explanations given to us, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

xi. In our opinion, and according to the information and explanations given to, the company has not paid any managerial remuneration. Hence, reporting under clause 3(xi) of the Order are not applicable and hence not commented upon.

xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

xiii. In our opinion, and according to the information and explanations given to us during the course of audit, transactions with the related parties are in compliance with section 188 of Act where ever applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

xiv. According to the information and explanations given to us and on an overall examination of the books of account, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence not commented upon.

xv. In our opinion, and according to the information and explanations given to us, 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 provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.S.KOTHARI MEHTA & Co.**
Chartered Accountants
Firm's Registration No. 000756N

SUNIL WAHAL
Partner
Membership No. 087294

Place: New Delhi
Date: May 07, 2018

Annexure B to the Independent Auditor's Report to the Members of Pill Finance and Investments Limited dated May 07, 2018

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 Pill Finance and Investments Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 Act.

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 Act, 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:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) 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

c) 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, 2018, 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's Registration No. 000756N

SUNIL WAHAL
Partner
Membership No. 087294

Place: New Delhi
Date: May 07, 2018

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PILL FINANCE AND INVESTMENTS LIMITED

Balance Sheet as at March 31, 2018

(₹ in lakh)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I	**ASSETS**			
1	**Non Current Asset**			
a	Property, Plant & Equipment	4	12.36	12.36
b	Financial Assets			
	(i) Investments	5(a)	53.07	44.01
c	Deferred tax asset	5(b)	0.73	-
	Total non-current assets		**66.16**	**56.37**
2	**Current Asset**			
a	Financial Assets			
	i) Cash and cash equivalents	6(a)	9.64	5.33
	ii) Bank balances other than (i) above	6(b)	327.37	322.26
	Total current assets		**337.01**	**327.59**
	Total assets		**403.17**	**383.96**
II	**EQUITY & LIABILITIES**			
1	**Equity**			
a	Equity Share Capital	7	36.00	36.00
b	Other Equity	8	364.58	340.24
	Total equity		**400.58**	**376.24**
2	**Non Current Liabilities**			
a	Financial Liabilities			
	i) Other financial liabilities	9(a)	0.50	0.50
	Total non current liabilities		**0.50**	**0.50**
3	**Current Liabilities**			
a	Financial Liabilities			
	i) Other financial liabilities	9(b)	0.27	0.67
b	Current Tax Liabilities (Net)	10	1.79	6.55
c	Other current liabilities	11	0.03	-
	Total current liabilities		**2.09**	**7.22**
	Total Equity & Liabilities		**403.17**	**383.96**

Notes to Accounts 1 to 28

Refer accompanying notes to financial statements

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Place: Gurugram
Date: 07 May 2018

PILL FINANCE AND I NVESTMENTS LIMITED

Statement of Profit and Loss for the year ended March 31, 2018

(₹ in lakh)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
I	Revenue from operations	12	17.07	24.50
II	Other income	13	9.39	12.04
III	**Total revenue (I+II)**		**26.46**	**36.54**
IV	**Expenses:**			
	Finance costs	14	0.19	-
	Other expenses	15	1.23	2.35
	Total expenses		**1.42**	**2.35**
V	**Profit before tax (III-IV)**		**25.04**	**34.19**
	Tax expenses	16		
	- Current tax		4.81	10.50
	- Deferred Tax		(0.73)	-
	- Tax for earlier years		(3.38)	0.30
VI	**Profit for the year**		**24.34**	**23.39**
VII	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B	(i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
VIII	**Total Comprehensive Income(VI+VII)**		**24.34**	**23.39**
IX	**Earnings per Equity Shares**	17		
	1) Basic (in ₹)		6.76	6.50
	2) Diluted (in ₹)		6.76	6.50
	Face value per share (in ₹)		**10.00**	**10.00**

Notes to Accounts 1 to 28

Refer accompanying notes to financial statements

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Place: Gurugram
Date: 07 May 2018

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PILL FINANCE AND INVESTMENTS LIMITED

Statement of Changes in Equity for the year ended March 31, 2018

a. Equity share capital

(₹ in lakh)

Particulars	Note No.	As at March 31, 2018		As at March 31,2017	
		No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	7	360,000	36.00	360,000	36.00
Changes in equity share capital during the year		-	-	-	-
Balance as at the end of the reporting period		**360,000**	**36.00**	**360,000**	**36.00**

b. Other equity

(₹ in lakh)

Particulars	Note No.	Reserves & Surplus		Total Equity
		Capital Redemption Reserve	Retained earnings	
Balance at April 1, 2016	8	35.00	281.85	316.85
Profit for the year		-	23.39	23.39
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		**-**	**23.39**	**23.39**
Balance at March 31, 2017		**35.00**	**305.24**	**340.24**
Profit for the year		-	24.34	24.34
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		**-**	**24.34**	**24.34**
Balance at March 31 2018		**35.00**	**329.57**	**364.57**

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Place: Gurugram
Date: 07 May 2018

PILL FINANCE AND INVESTMENTS LIMITED

Statement of Cash Flows for the year ended March 31, 2018

(₹ in lakh)

Particulars		For the year ended March, 2018	For the year ended March, 2017
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit / Loss before tax and Extraordinary items		25.04	34.19
Adjustment for :			
Net gain on financial assets measured at fair value through profit or loss		(9.10)	(11.69)
Dividend received		(0.29)	(0.35)
Interest Received		(16.53)	(23.96)
Provision for diminution in the value of investment		0.05	-
Operating Profit before working capital changes		**(0.83)**	**(1.81)**
Adjustment for :			
Increase/(Decrease) in other Financial liabilities Current		(7.32)	0.31
Increase/ (Decrease) in non Current Loans		-	0.05
Decrease/(Increase) in other bank balances		(5.11)	(21.56)
Cash generated from/ (used in) operations		**(13.26)**	**(23.01)**
Direct Taxes paid		0.74	(7.88)
Net Cash Flow (used in) operating activities	**(A)**	**(12.51)**	**(30.89)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Interest Received		16.53	23.96
Dividend Received		0.29	0.35
Net Cash Flow from investing activities	**(B)**	**16.82**	**24.31**
C. CASH FLOW FROM FINANCING ACTIVITIES		-	-
Net Cash Flow from/ (used in) financing activities	**(C)**	-	-
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**(A+B+C)**	**4.31**	**(6.58)**
Opening cash and cash equivalents		5.33	11.91
Closing cash and cash equivalents		**9.64**	**5.33**
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-			
-Cash in Hand		-	0.04
-Balances with Scheduled Banks in Current A/c		9.64	5.29
TOTAL		**9.64**	**5.33**

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Place: Gurugram
Date: 07 May 2018

1 Corporate Information

PILL Finance and Investments Limited (the Company) is a company limited by shares, domiciled in India and has its registered office at Udaisagar Road, Udaipur, Rajasthan, India. The principal activities of the Company are to carry the business of Investment. PI Industries Limited owns 100% of the Company's Equity Share Capital.

2 Basis of preparation

a Statement of compliance

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended and other relevant provisions of the Act to the extent applicable.

These financial statements were authorised for issue by the Board of Directors on 07 May 2018.

b Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for certain financial assets and liabilities which are measured at fair values.

c Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

d Current or Non current classification

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 Act. 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.

e Use of judgements and estimates

The preparation of financial statements is in conformity with Ind AS, which requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a Property, plant and equipment

Property, plant and equipment being land are measured at cost, less accumulated impairment losses, if any. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

b Impairment of non-financial assets

"At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss."

In respect of assets for which impairment loss has been recognised in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

c Financial instruments

a) Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs

PILL FINANCE AND INVESTMENTS LIMITED

Notes to Financial Statements for the year ended March 31, 2018

that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

b) Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

(iii) Financial assets at fair value through profit or loss A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(iv) Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

c) "Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. Except Trade receivables, the impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

d) Derecognition

Financial Assets

Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

d Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 – The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

e Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

"Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

f Revenue Recognition

a) Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in revenue from operations in the statement of profit and loss.

b) Dividends

Dividend income is recognized when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

g Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

i) has a legally enforceable right to set off the recognised amounts; and

ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred ta

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the forseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of

PILL FINANCE AND INVESTMENTS LIMITED

Notes to Financial Statements for the year ended March 31, 2018

deferred tax reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if: i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

h Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM). The Board of Directors of the Company has been identified as the CODM by the Company.

i Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j Cash flow statement

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

k Earning per share

Basic earnings 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.

PILL FINANCE AND INVESTMENTS LIMITED

Notes to Financial Statements for the year ended March 31, 2018

4 PROPERTY, PLANT & EQUIPMENT

(₹ in lakh)

Particulars	
Freehold Land	
Goss Block as at April 01, 2016	12.36
Add: Addition/(Deletion) during the year	-
Goss Block as at March 31, 2017	12.36
Add: Addition/(Deletion) during the year	-
Goss Block as at March 31, 2018	12.36
TOTAL	**12.36**

FINANCIAL ASSETS

5(a) NON CURRENT INVESTEMENTS

(₹ in lakh)

Particulars	As at March 31 2018	As at March 31 2017
Investment in Equity Instruments (fully paid up)		
Quoted at FVTPL		
700(700) Equity Shares of United Credit Ltd. of Rs. 10/- each fully paid	0.12	0.09
12 (12) Equity Shares of Summit Securities Ltd. of Rs.10/- each fully paid	0.09	0.07
50(50) Equity Shares of Akzo Nobel India Ltd. of Rs.10/-each fully paid	0.90	0.95
976(976) Equity Shares of BASF India Ltd. of Rs.10/-each fully paid	18.63	13.32
900(900) Equity Shares of Sudarshan Chemical Industries Ltd. of Re.1/- each fully paid	3.95	3.14
2070 (2070) Equity Shares of Rallis India Ltd. of Re.1/- each fully paid	4.90	5.40
66(66) Equity Shares of Bayer Cropscience Ltd. of Rs.10/-each fully paid	2.77	2.50
248(248) Equity Shares of Punjab Chemicals & Crop Protection Ltd. of Rs.10/-each fully paid	0.97	0.69
29(29) Equity Shares of Pfizer Ltd. of Rs.10/-each fully paid (Erstwhile Wyeth Ltd.)	0.63	0.55
100(100) Equity Shares of Sanofi India Ltd. of Rs.10/-each fully paid	5.16	4.72
150(150) Equity Shares of L.M.L.Ltd. of Rs.10/-each fully paid	0.01	0.02
188(188) Equity Shares of United Sprits Ltd. of Rs.10/-each fully paid	5.88	4.09
360(360) Equity Shares of RPG Life Sciences Ltd. of Rs.10/-each fully paid	1.38	1.62
100(100) Equity Shares of Voltas Ltd. of Re.1/-each fully paid	0.62	0.41
2530(2300) equity shares of ICICI Bank Ltd. of Rs.2/- each fully paid	7.04	6.37
Unquoted at FVTPL		
160(160) Equity Shares of Syngenta India Ltd. of Rs.10/-each fully paid	0.02	0.02
100(100) Equity Shares of Ciba CKD Biochem Ltd. of Rs.10/-each fully paid	0.05	0.05
Less :		
Provision for diminution in investment in Ciba CKD Biochem Ltd.	**(0.05)**	**-**
TOTAL	**53.07**	**44.01**
Aggregate amount of quoted investments and market value thereof	**53.05**	**43.94**
Aggregate amount of un-quoted investments	**0.07**	**0.07**
Provision for diminution in investment	**0.05**	**-**

5(b) Deferred Tax Asset

(₹ in lakh)

Particulars	As at March 31 2018	As at March 31 2017
Deferred Tax Asset	-	-
Add :		
MAT credit entitlement	0.73	-
TOTAL	**0.73**	**-**

PILL FINANCE AND INVESTMENTS LIMITED

Notes to Financial Statements for the year ended March 31, 2018

6(a) CASH AND CASH EQUIVALENTS

(₹ in lakh)

Particulars	As at March 31 2018	As at March 31 2017
Cash and Cash Equivalents		
- Cash on Hand	-	0.04
- Balance with banks		
- Balances with Scheduled Banks in Current A/c	9.64	5.29
TOTAL	**9.64**	**5.33**

6(b) Other Bank Balances

Fixed Deposits with Bank	327.37	322.26
TOTAL	**327.37**	**322.26**

7 EQUITY SHARE CAPITAL

(₹ in lakh)

Particulars	As at March 31 2018	As at March 31 2017
Authorised Shares		
5,00,000 (31st March 2017 : 5,00,000) Equity Shares of ₹ 10 each (31st March 2017 : ₹ 10 each)	50.00	50.00
35,000 (31st March 2017 : 35,000) Reedemable Preference Shares of ₹ 100 each (31st March 2017 : ₹ 100 each)		
	35.00	35.00
TOTAL	**85.00**	**85.00**
Issued, Subscribed & Fully Paid up Shares		
3,60,000 (31st March 2017 : 3,60,000) Equity Shares of ₹ 10 each (31st March 2017 : ₹ 10 each)	36.00	36.00
(Share capital is held by-Holding Company PI Industries Ltd. and its nominees)		
Total issued, subscribed and fully paid up share capital	**36.00**	**36.00**

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

Equity Shares - Issued, Subscribed & Fully Paid up Shares	Equity Shares (No. of Shares)		Equity Shares (Value of Shares)	
Particulars	**2017-18**	**2016-17**	**2017-18**	**2016-17**
Shares outstanding at beginning of period	360,000	360,000	36.00	36.00
Shares issued during the year	-	-	-	-
Shares outstanding at end of period	**360,000**	**360,000**	**36.00**	**36.00**

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

Equity Shares	As at March 31 2018		As at March 31 2017	
Name of Shareholders	**No of Shares**	**% of Holding**	**No of Shares**	**% of Holding**
PI Industries Limited and its nominees	360,000	100%	360,000	100%

c. Terms/ rights attached to Equity shares

The Company has issued only one class of equity shares having a par value of Rs. 10 per share (Previous Year Rs. 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, except interim dividend. However, company has not proposed any dividend in the current and 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.

PILL FINANCE AND INVESTMENTS LIMITED

Notes to Financial Statements for the year ended March 31, 2018

During the last five years,the company has not issued any bonus shares nor are there any shares bought back and issued for consideration other than cash.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

8 OTHER EQUITY

(₹ in lakh)

	Particulars	As at March 31 2018	As at March 31 2017
(I)	**Surplus in Statement of Profit & Loss**		
	Balance at the beginning of the Financial year	305.24	281.85
	Addition during the Financial year	24.34	23.39
	TOTAL (I)	**329.58**	**305.24**
(II)	**Capital Redemption Reserve**	**35.00**	**35.00**
	Capital Redemption Reserve pertains to reserve created on redemption of preference shares.		
	TOTAL (II)	**35.00**	**35.00**
	TOTAL (I+II)	**364.58**	**340.24**

9 FINANCIAL LIABILITIES

9(a) OTHER NON CURRENT FINANCIAL LIABILITIES

(₹ in lakh)

Particulars	As at March 31 2018	As at March 31 2017
Security Deposits	0.50	0.50
TOTAL	**0.50**	**0.50**

9(b) OTHER CURRENT FINANCIAL LIABILITIES

Particulars	As at March 31 2018	As at March 31 2017
Audit Fees Payable	0.27	0.18
Legal Fees Payable	-	0.49
TOTAL	**0.27**	**0.67**

10 CURRENT TAX LIABILITIES

(₹ in lakh)

Particulars	As at March 31 2018	As at March 31 2017
Provision for income taxes	5.00	10.50
Advance Tax	(3.21)	(3.95)
TOTAL	**1.79**	**6.55**

11 OTHER LIABILITIES

(₹ in lakh)

Particulars	As at March 31 2018	As at March 31 2017
TDS payable	0.03	-
	0.03	**-**

PILL FINANCE AND INVESTMENTS LIMITED

Notes to Financial Statements for the year ended March 31, 2018

12 REVENUE FROM OPERATIONS

(₹ in lakh)

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Interest Received	16.53	23.96
Lease Rent	0.54	0.54
TOTAL	**17.07**	**24.50**

13 OTHER INCOME

(₹ in lakh)

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Dividend	0.29	0.35
Net gain on financial assets measured at fair value through profit or loss	9.10	11.69
TOTAL	**9.39**	**12.04**

14 FINANCE COSTS

(₹ in lakh)

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Interest on income tax	0.19	-
TOTAL	**0.19**	**-**

15 OTHER EXPENSES

(₹ in lakh)

Particulars	For the year ended March 31 2018	For the year ended March 31 2017
Professional Tax	-	0.03
Rates & Taxes	0.60	0.98
Legal and Professional Fees	0.26	1.09
Auditor's Remuneration	0.30	0.18
Provision for diminution in investment	0.05	-
Bank Charges	0.01	0.01
Misc. Expenses	0.01	0.06
TOTAL	**1.23**	**2.35**

16 INCOME TAX

(₹ in lakh)

		For the year ended March 31 2018	For the year ended March 31 2017
a)	**Income tax recognized in statement of profit and loss**		
	Current tax expense		
	Current tax on profits for the year	4.81	10.50
	Adjustment of current tax for prior year periods	(3.38)	0.30
	Deferred tax expense		
	Origination and reversal of temporary differences		-
	MAT credit entitlement	(0.73)	

		For the year ended March 31 2018	For the year ended March 31 2017
	Income tax charged to statement of profit and loss	**0.70**	**10.80**
b)	**Reconciliation of effective tax rate**		
	Accounting profit before tax	**25.04**	**34.19**
	Tax at India's statutory income tax rate @ 25.75% (previous year 31.58%)	6.45	10.21
	Adjustment in respect of current income tax of previous years	(3.38)	0.30
	Effect of amounts which are not deductible in calculating taxable income	(2.37)	0.29
		0.70	**10.80**

17 EARNING PER SHARE

(₹ in lakh)

		For the year ended March 31 2018	For the year ended March 31 2017
a)	Net Profit for Basic & Diluted EPS (Rs. In Lakh)	**24.34**	**23.39**
b)	Number of Equity Shares (No.)	360,000	360,000
	Earning Per Share - Basic (₹)	6.76	6.50
	Earning per share - Diluted (₹)	6.76	6.50

18 FINANCIAL INSTRUMENTS

1 Financial instruments – Fair values and risk management

A. Financial instruments by category

(₹ in lakh)

	March 31 2018			March 31 2017		
Particulars	**FVTPL**	**FVTOCI**	**Amotised Cost**	**FVTPL**	**FVTOCI**	**Amotised Cost**
Financial assets						
Non-current						
Investments	53.07	-	-	44.01	-	-
Loans	-	-	-	-	-	-
Current						
Trade receivables	-	-	-	-	-	-
Cash and cash equivalents	-	-	9.64	-	-	5.33
Other balances with Banks	-	-	327.37	-	-	322.26
	53.07	**-**	**337.01**	**44.01**	**-**	**327.59**
Financial liabilities						
Non-current						
Other financial liabilities	-		0.50	-	-	0.50
Current						
Other financial liabilities	-		0.27	-	-	0.67
	-	**-**	**0.77**	**-**	**-**	**1.17**

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

PILL FINANCE AND INVESTMENTS LIMITED

Notes to Financial Statements for the year ended March 31, 2018

Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lakh)

Particulars	March 31 2018 Level 1	March 31 2018 Level 2	March 31 2018 Level 3	March 31 2017 Level 1	March 31 2017 Level 2	March 31 2017 Level 3
Financial assets						
Investments in equity instruments	53.05	-	0.02	43.94	-	0.07
	53.05	**-**	**0.02**	**43.94**	**-**	**0.07**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

The fair value of cash and cash equivalents, other balances with bank and current financial liabilities approximate their carrying amount, largely due to the short-term nature of these instruments.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:
- the use of quoted market prices for Investments.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Non-current investments in unquoted equity instruments, being insignificant, have not been fair valued.

2 **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

Risk management framework

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and impact of hedge accounting in the financial statements:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligation. The carrying amount of financial assets represents the maximum credit exposure and is as follows:

Cash and cash equivalents, deposits with banks:

The Company considers that its cash and cash equivalents and Deposits with banks have low credit risk based on good external credit ratings of counterparties. Impairment on cash and cash equivalents and deposits with banks and other financial instruments has been measured on the 12-month expected credit loss basis and reflects the short maturities of the exposures.

Exposure to credit risk:

The gross carrying amount of financial assets, net of impairment losses (if any) recognized represent the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2018 and March 31, 2018 was as follows:

(₹ in lakh)

	March 31 2018	March 31 2017
Cash and cash equivalents	9.64	5.33
Bank balances other than above	327.37	322.26
	337.01	**327.59**

ii. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(a) **Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date.

PILL FINANCE AND INVESTMENTS LIMITED

Notes to Financial Statements for the year ended March 31, 2018

			Contractual cash flows				
March 31, 2018		**Total**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Other Non Current Financial Liabilities		0.50	-	-	-	-	0.50
Other Current Financial Liabilities		0.27	0.27	-	-	-	-
	Total	**0.77**	**0.27**	-	-	-	**0.50**

			Contractual cash flows				
March 31, 2017		**Total**	**3 months or less**	**3-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Other Non Current Financial Liabilities		0.50	-	-	-	-	0.50
Other Current Financial Liabilities		0.67	0.67	-	-	-	-
	Total	**1.17**	**0.67**	-	-	-	**0.50**

iii. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Foreign currency risk

The Company is not exposed to any foreign currency risk as at the reporting date.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Company's investments are primarily in fixed deposits which are short term in nature and do not expose it to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	March 31 2018	**March 31 2017**
Fixed-rate instruments	327.37	322.26
Financial assets	327.37	322.26

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Price risk

There is no material price risk relating to the Company's equity investments.

19 RELATED PARTY DISCLOSURES

The following transactions were carried out with holding company PI Industries Ltd. in the ordinary course of activities:

a) List of Related Parties

i) Enterprises which control the entity PI Industries Ltd.

ii) Enterprises under common control PI Life Science Research Ltd. & PI Japan Co. Ltd.

iii) Key Managerial Personnel & their relatives (KMP)

Key Managerial Personnel (KMP)

Mr. Mayank Singhal	Director
Mr. Rajnish Sarna	Director

PILL FINANCE AND INVESTMENTS LIMITED

Notes to Financial Statements for the year ended March 31, 2018

b) The following transactions were carried out with the holding company PI Industries Ltd. in the ordinary course of business:

Particulars	2017-18			2016-17		
	Transactions during the period		Balance outstanding Dr (Cr)	Transactions during the period		Balance outstanding Dr (Cr)
	Recd/Pur.	Paid/Sales		Recd/Pur.	Paid/Sales	
Transaction during the year						
Rent Received	0.54	-	-	0.54	-	-
Balance outstanding at year end						
Security Deposit	-	-	(0.50)	-	-	(0.50)

c) Terms and conditions of transactions with related parties

The services rendered to and from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

20 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital management is to maximise shareholder's value. The Company manages its capital and makes adjustment to it in light of the changes in economic and market conditions.

21 OPERATING SEGMENT

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the Company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

The Company has evaluated its applicability of segment reporting and is of the opinion that since it is not engaged in providing any product or service, is working entirely in investing activities and is being reviewed by CODM on same lines, accordingly the Company has only one reportable business segment.

Non-current assets (other than financial instruments, deferred tax assets and post employment benefit assets) by geographic area:

	March 31 2018	March 31 2017
India	12.36	12.36
Total	**12.36**	**12.36**

22 In the opinion of the Management, the assets other than Property, Plant and Equipment 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.

23 As per information available with the Management and as certified by them, there is no contingent liability as at March 31st, 2018.

24 As per the information available with the Management and as certified by them, there is no outstanding Capital Commitment as on March 31st, 2018.

25 RECENT ACCOUNTING PRONOUNCEMENT

(A) In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers'. The amendments are applicable to the Company from 1 April 2018.

Ind AS 115 "Revenue from Contracts with Customers"

The new standard for revenue recognition will overhauls the existing revenue recognition standards Ind AS 18 – Revenue and Ind AS 11 – Construction contracts. The new standard provides a control-based revenue recognition model and provides a five step application principle to be followed for revenue recognition:

i. Identification of the contracts with the customer

ii. Identification of the performance obligations in the contract

iii. Determination of the transaction price

iv. Allocation of transaction price to the performance obligations in the contract (as identified in step ii)

v. Recognition of revenue when performance obligation is satisfied.

(B) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

26 The Financial Statements of the Company for the Year ended March 31, 2017 were audited by another auditor M/s Kishan M. Mehta & Co.

27 There are no present obligations requiring provision in accordance with the guiding principles as enunciated in IND AS -37, as it is not probable that an outflow of resources embodying economic benefits will be required.

28 Previous year's figures are regrouped or rearranged to make them comparable with those of current year.

As per our report of even date attached

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

Sd/-
Sunil Wahal
Partner
M. No. 087294

For and on behalf of the Board of Directors

Sd/-
Mayank Singhal
Director
Din :00006651

Sd/-
Rajnish Sarna
Director
Din :06429468

Place: Gurugram
Date: 07 May 2018

PI JAPAN CO. LIMITED
CORPORATE INFORMATION

Board of Directors

Mr. Junichi Nakano

Mr. Kunio Kihara

Bankers

Mitsubishi Tokyo UFJ Bank, Japan

Registered Office

11-4, The To-han Building

4th Floor, Uchi-kanda,

2-Chome, Chiyhoda-Ku

Tokyo, 101-0047, Japan

BALANCE SHEET OF PI JAPAN CO. LIMITED

as on March 31, 2018

(Amount in JPY)

		Particulars	Schedule No.	As on 31st March 2018	As on 31st March 2017
I		**LIABILITIES**			
	1	**Shareholders Fund**			
	a.	Share Capital	1	5,000,000	5,000,000
	b.	Retained Earnings	1	19,019,906	15,920,785
				24,019,906	**20,920,785**
	2	**Current Liabiltities**			
	a.	Other Current Liabilties	2	4,852,002	3,468,258
	b.	Short Term provisions	3	924,080	601,662
				5,776,082	**4,069,920**
		TOTAL		**29,795,988**	**24,990,705**
II		**ASSETS**			
	1	**Non- Current Assets**			
		Fixed Assets	4		
		Tangible Assets Gross		4,804,537	3,095,537
		Accumulated Depreciation		(1,876,063)	(1,394,574)
		Tangible Assets Net		2,928,475	1,700,964
		Intangible Assets			
	2	**Non- Current Loans & Advances**	5	2,653,840	2,653,840
	3	**Current Assets**			
	a.	Cash & Cash Equivalents		7,204,751	11,930,461
	b.	Trade Receivable		14,518,686	5,006,123
	c.	Short Term Loans and advances	6	2,490,236	3,699,317
				24,213,673	**20,635,901**
		TOTAL		**29,795,988**	**24,990,705**

PI JAPAN CO. LIMITED

Profit & Loss Statement for the Year Ended March 31, 2018

(Amount in JPY)

PARTICULARS	SCHEDULE	For the year ended March 31, 2018	For the year ended March 31, 2017
Sales		84,495,941	58,540,811
Gross Profit		**84,495,941**	**58,540,811**
Selling General & Administrative Expenses	2	80,472,331	55,753,159
Operating Profit		**4,023,610**	**2,787,652**
Interest Income		115	148
Miscellaneous Income		5,413	1,559
Amortization of Organization Costs			
Ordinary Profit		4,029,138	2,789,359
Loss on Disposal of Fixed Assets	**2a**		**128,123**
Profit Before Tax Deduction		4,029,138	2,661,236
Income Taxes		**930,017**	**668,922**
Net Profit		**3,099,121**	**1,992,314**
Notes to Accounts	**3**		

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Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 1 - SHAREHOLDERS FUND

(Amount in JPY)

Particulars		As on March 31 2018	As on March 31 2017
Shareholders' Equity			
Share Capital	Beginning Balance	5,000,000	5,000,000
	Changes of items during the period	-	-
	Ending Balance	**5,000,000**	**5,000,000**
Retained Earnings	Beginning Balance	15,920,785	13,928,471
	Changes of items during the period	3,099,121	1,992,314
	Ending Balance	**19,019,906**	**15,920,785**

NOTE 2 - OTHER CURRENT LIABILITIES

(Amount in JPY)

Particulars	As on March 31 2018	As on March 31 2017
Accrued Expenses	4,349,092	3,256,229
Social Insurance	502,910	212,029
	4,852,002	**3,468,258**

NOTE 3- SHORT TERM PROVISIONS

(Amount in JPY)

Particulars	As on March 31 2018	As on March 31 2017
Income Taxes Payable	328,280	362,400
Withholding Tax	595,800	239,262
	924,080	**601,662**

NOTE 4- TANGIBLE & INTANGIBLE ASSETS

Particulars	Date of acquisition	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 1st April 2017	Additions during the year	Deductions	As on 31st March 2018	As on 1st April 2017	Additions during the year	Deductions	As on 31st March 2018	As on 31st March 2018	As on 31st March 2017
Lease Hold Improvements											
Room Divider	12-May-06	0			0	0			0	0	0
	30-Oct-16	383,300			383,300	12,840	25,681		38,521	344,779	370,460
	28-Nov-16	152,400			152,400	4,254	10,210		14,464	137,936	148,146
	11-Dec-16	637,572			637,572	14,239	42,717		56,956	580,616	623,333
	11-Dec-16	108,511			108,511	4,521	13,563		18,084	90,427	103,990
Equipments											
Video Conferencing System	19-Nov-10	930,000			930,000	781,721	49,525		831,246	98,755	148,280
Laptop	30-Mar-10	103,810			103,810	103,810			103,810	0	0
Book (JIS Standard color samples)	13-Sep-10	136,322			136,322	136,322			136,322	0	0
Laptop	16-Oct-10	143,381			143,381	143,381			143,381	0	0
Laptop	25-Nov-11	112,762			112,762	112,762			112,762	0	0
Laptop	1-Nov-16	193,740			193,740	40,362	76,689		117,051	76,689	153,378
Laptop	1-Nov-16	193,739			193,739	40,362	76,688		117,050	76,689	153,377
Laptop	21-Jul-17	0	210,000		210,000	0	78,750		78,750	131,250	0
Laptop	3-Aug-17	0	195,000		195,000	0	65,000		65,000	130,000	0
Books	3-Aug-17	0	160,000		160,000	0	42,666		42,666	117,334	0
TV conference system	23-Mar-18	0	1,144,000		1,144,000	0	0		0	1,144,000	0
GRAND TOTAL		3,095,537	1,709,000	0	4,804,537	1,394,574	481,489	0	1,876,063	2,928,475	1,700,964

Notes to the Financial Statements

for the year ended March 31, 2018

NOTE 5- NON-CURRENT LOANS AND ADVANCES

(Amount in JPY)

Particulars	As on March 31 2018	As on March 31 2017
Lease Deposits	2,653,840	2,653,840
Organization Costs		0
	2,653,840	**2,653,840**

NOTE 6- CURRENT LOANS AND ADVANCES

(Amount in JPY)

Particulars	As on March 31 2018	As on March 31 2017
Prepaid Expenses	360,000	360,000
Advance for employee insurance		-
Advance for traveling exp	767,430	-
Sundry Receivable	-	2,124,211
Consumption Tax Receivable	1,362,806	1,215,106
	2,490,236	**3,699,317**

SCHEDULE 2 - SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

(Amount in JPY)

Particulars	As at March 31 2018	As at March 31 2017
Directors' Remuneration	15,488,004	19,559,334
Salary	17,104,160	6,977,927
Retirement Salary	11,000,000	0
Depreciation	481,489	179,400
Legal Welfare	3,282,759	2,258,893
Welfare	199,668	162,533
Advertising	3,000	12,000
Rental	193,870	167,572
Repair	204,400	622,120
Supplies	391,128	1,040,133
Electricity and Water	259,579	231,050
Charge	109,292	359,086
Taxes and Dues	47,770	23,372
Entertainment	3,304,365	1,601,725
Communication	1,933,989	1,531,840
Seminar	1,158,200	291,400
Books, Papers	420,141	615,107
Office Rent	4,000,008	4,000,008
Conference	548,149	284,413
Transportation (travel within 200km)	1,873,073	988,010
Domestic Travelling (travel over 200km)	723,036	707,920
International Travelling	2,228,052	1,788,459
Commutation	1,288,161	1,272,091
Consultant Fee	14,040,917	10,984,066
Market research	84,000	0
Miscellaneous	105,121	94,700
TOTAL	**80,472,331**	**55,753,159**

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SCHEDULE 3 - NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED MARCH 31, 2018

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-Straight line method

(b) Equipment-Declining balance 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 14,518,686 yen

III. Notes about profit and loss statement

Transaction with parent company

Operating transaction

Sales 84,495,941 yen

IV. Notes about statement of changes in equity

Information about issued share capital

Sort	Mar-17	Increase	Decrease	Mar-18
Common shares	100 shares			100 shares

Shareholding: 100% PI Industries Ltd. (India)

V. Information about related party

			Relations					
Attribute	Name	Voting right	The additional post of director	Actual relations	Detail of business	Amount	Account title	Ending balance
Parent company	PI industries Ltd.	100%	0.00	Service	Market research	84,495,941 yen	Accounts receivable	14,518,686 yen

VI. Information about per share

Book value per share 240,199 yen

Net profit per share 30,991 yen