

NOTICE

Notice is hereby given that Annual General Meeting of PI Industries Limited will be held on Saturday, July 16, 2011 at 11.00 A.M. at Udaisagar Road, Udaipur - 313001 Rajasthan to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and Profit and Loss Account for the financial year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare Dividend on non-cumulative Compulsorily Convertible Preference Shares (CCPS) for the year ended 31st March, 2011.
3. To declare Dividend on Equity Shares for the year ended March 31, 2011.
4. To appoint a Director in place of Shri P.N. Shah, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Narayan K. Seshadri, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mrs. Ramni Nirula, who was appointed as an Additional Director on the Board of the Company with effect from July 28, 2010, pursuant to section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office only upto the date of the ensuing Annual General Meeting and in respect of whom the Company has received notice in writing, under section 257 of the Companies Act, 1956 from a member signifying his intention to propose her as a candidate for the office of a Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation".

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of

Section 16, 94 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act") or any other law for the time being in force (including any statutory modification or re-enactment thereof) and the provisions of the Articles of Association of the Company and subject to such approval(s), permission(s), sanction(s), confirmation(s), as may be required under any law for the time being in force, the consent of the Company be and is hereby accorded for sub-division of the existing equity shares of face value of Rs.10/- each of the Company into 2 equity shares of Rs. 5 /- each".

"RESOLVED FURTHER THAT the existing Clause 5 of the Memorandum of Association be and is hereby substituted in the manner as set out below:

The Authorized Share Capital of the Company is Rs.70,00,00,000/- (Rupees Seventy Crores only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 5/- (Rupees Five only) each; 50,00,000 (Fifty Lac) Preference Shares of Rs.100/- (Rupees Hundred only) each; with such rights, privileges and conditions attaching thereto as may for the time being be provided by the regulations of the Company. The Company shall have power to increase or reduce the capital or divide the capital for the time being into several classes; to issue any shares with special rights or privileges as to voting, dividend (including rate of dividend of preference shares), repayment of capital or otherwise, or to subject the shares to any restrictions, limitations and conditions and to vary, modify or abrogate any such rights, privileges, restrictions or conditions. The rights of the holders of any class of shares for the time being forming part of the capital of the Company may be modified, affected, varied, extended or surrendered in such manner as may for the time being be provided by the regulations of the Company".

"RESOLVED FURTHER THAT the existing share certificate(s) in relation to the equity share capital held in physical form be cancelled and new share certificate(s) be issued in respect of the equity shares held by the members of the Company consequent upon the sub-division of the equity shares as aforesaid and in case of shares held in the dematerialized form, the subdivided equity shares be credited to the

respective demat accounts of the beneficiaries in lieu of the existing shares held by them".

"RESOLVED FURTHER THAT the Board of directors of the Company ("the Board", which expression shall also include a duly constituted Committee thereof) be and is hereby authorized to do all such acts, deeds and things and to delegate all or any of the powers vested in the Board to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolution."

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST REACH TO THE COMPANY AT UDAISAGAR ROAD, UDAIPUR – 313 001 RAJASTHAN NOT LESS THAN FOURTY EIGHT HOURS BEFORE THE MEETING.**
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The register of members and the share transfer books shall remain close from July 12, 2011 to July 16, 2011 (both days inclusive).
4. The dividend, if declared at the Annual General Meeting, will be paid on or after July 16, 2011 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on July 12, 2011 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - (b) whose names appear as Members in the Register of Members of the Company on July 12, 2011 after giving effect to valid share transfers in physical form lodged with the Company / Registrar and Share Transfer Agents on or before the aforesaid date.
5. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for

the payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in the bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants of the Members.

6. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Registrars and Transfer Agent, M/s Karvy Computershare Private Limited (Unit: PI Industries Ltd.) 17 to 24, Vithalrao Nagar, Madhapur, Hyderabad-500 081. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Registrar and Share Transfer Agent. Members are also requested to register their email-id with the Company's Registrar and Transfer Agent or may alternatively send request for registering the same with the company at its **E-mail id. investor.grievance@piind.com**. It may please be noted that members who have opted to register the email id shall be forwarded the news and annual report to them thru email only and hard copy shall be provided only on receipt of specific request from them.
7. Pursuant to provisions of section 205-A and 205-C of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account, is required to be transferred to the Investor Education and Protection Fund. Members shall not be able to claim any unpaid dividend from the said fund or the Company thereafter. Members who have not encashed the dividend warrants for the year 2003-04 onwards are requested to contact the Registrars and Transfer Agent or Registered Office of the Company at the earliest.
8. Members can avail the facility of nomination in respect of shares held by them by sending their nomination in the prescribed Form No.2B duly filled in to the Company's Registrars and Transfer Agent at the address as stated in Note No. 6 above.
9. Members having the physical share certificates are advised to consider opening of a Demat Account with an authorized Depository Participant and arrange for dematerializing their Shareholdings in the Company.

10. Kindly forward all accounts related queries, so as to reach the Company atleast 10 days before the Annual General Meeting.
11. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect to business under Item Nos. 7 & 8 of the Notice are annexed hereto. The relevant details as required by Clause 49 of the Listing Agreements entered with the Stock Exchange, of persons seeking appointment / re-appointment as Directors under Item Nos. 4, 5 & 7 of the Notice are also annexed.
12. Members are requested to bring their copy of Annual Report to the Meeting.

By Order of the Board
For **PI INDUSTRIES LTD.**

Sd/-

(Rajnish Sarna)

CFO & President (IT)

Date: 14.04.2011
Registered Office
Udaisagar Road,
Udaipur – 313 001 (Raj.)

EXPLANATORY STATEMENT

The following Explanatory Statement sets out all material facts relating to the businesses mentioned under Item Nos. 7 & 8 of the accompanying Notice.

Item no. 7

Mrs Ramni Nirula was appointed as an Additional Director by the Board of Directors of the Company, with effect from July 28, 2010. In accordance with the provisions of Section 260 of the Companies Act, 1956, Mrs Ramni Nirula will hold office as a Director upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 from a member proposing her candidature for the office of Director of the Company liable to retire by rotation.

A brief profile of Mrs. Ramni Nirula alongwith required particulars is given at the end of the explanatory statement to the notice for the information of the members.

Your Directors are of the view that the Company would be immensely benefited by the wealth of experience and expert advice of Mrs Ramni Nirula and therefore recommend for approval, the Resolution contained in Item No. 7 of the Notice convening the Annual General Meeting.

None of the Directors except Mrs Ramni Nirula is concerned or interested in Item No. 7 of the Notice.

Item no. 8

The equity shares of the Company are listed and are actively traded on the Bombay Stock Exchange Limited (BSE).

The market price of the shares of the Company has witnessed significant growth over the past few years and are presently traded at above Rs. 700/-. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of directors of the Company at their meeting held on April 14, 2011, considered it desirable to sub-divide the nominal value of the equity share capital of the Company from Rs. 10/- per share to Rs. 5/- per share as proposed in the resolution.

The aforesaid sub-division would require substitution of existing Capital Clause V of the Memorandum of Association of the Company by Clause V detailed in the resolution.

Accordingly, the Board recommend the resolution as set out in item no. 8 for approval of the shareholders as an ordinary resolution. Upon approval of the shareholders for sub-division of shares, in case the shares are held in physical, the old share certificates of face value of Rs. 10/- each will be cancelled on the record date and the new share certificates will be sent to the shareholders within 10 days of the record date. In case the shares are in dematerialized form, the sub-divided shares will be directly credited to the shareholders demat account on the record date in lieu of their existing shares.

By Order of the Board
For **PI INDUSTRIES LTD.**

Sd/-

(Rajnish Sarna)

CFO & President (IT)

Date: 14.04.2011
Registered Office
Udaisagar Road,
Udaipur – 313 001 (Raj.)

Pursuant to the provisions of clause 49 of the Listing Agreement, a brief resume of the Directors, proposed for appointment/ re-appointment is given below:

Mr. P.N Shah

He is a Chartered Accountant and a partner of M/s Shah & Co., a CA firm. He is on the Board of PI Industries since 1991. He was the President of the ICAI. Currently, he is also on the Board of Indo

Count Industries Ltd., Secure Meters Ltd., Taparia Tools Ltd., Lipi Data Systems Ltd., Wolkem India Ltd. and Pranavaditya Spinning Mills Ltd.

Mr. Narayan K. Seshadri

Mr. Narayan K. Seshadri is a Chartered Accountant and is a Director on the Board of PI Industries since 2006. He started his career with Arthur Anderson in the business consultancy area. Later on, he joined KPMG and became the managing partner of the business advisory practice of the firm. He was the first and only Indian partner on Anderson's Global CEO Advisory Council. He is also the founder Chairman and CEO of Halcyon Group, an investment advisory and management services organization. He is also on the Board of Halcyon Resources and Management Pvt. Ltd., Development Credit Bank Ltd., DHFL Venture Capital India Pvt. Ltd., HGB Holdings Pvt. Ltd., Magma Fincrop Ltd., Kalpataru Power Transmission Ltd., WABCO TVS India Ltd., TranzMyoot Capital Management Pvt. Ltd., SBI Capital Markets Ltd., Radiant Life Care Pvt. Ltd.,

Halcyon Enterprises Pvt. Ltd, IRIS Business Services Ltd. and TVS Investments Ltd. Mr. Narayan K. Seshadri holds 130878 Equity Shares of the Company.

Mrs. Ramni Nirula

Mrs. Ramni Nirula holds a Bachelor's Degree in Economic and a Master's Degree in Business Administration from Delhi University. She is holding position of Vice-President in ICICI Foundation and has more than three decades of experience in the financial sector, beginning her career with the erstwhile ICICI Ltd. in 1976 in the project appraisal division and also held various leadership positions in areas of Project Financing, Strategy, Planning & Resources and Corporate Banking. Mrs. Ramni Nirula also held key position as Managing Director & CEO of ICICI Securities Ltd., and also headed the Corporate Banking Group of ICICI Bank.

Mrs. Ramni Nirula is also on the Board of Vardhaman Special Steels Ltd., Jubilant Food Works Ltd., Haldia Petrochemicals Ltd., Usha Martin Ltd. Utkarsh Microfinance Pvt. Ltd. and IKP Knowledge Park.

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to provide necessary details to company at **s.varghese@piind.com** or register the same with Karvy Computershare Private Limited at **prabhakar@karvy.com**

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Annual Report of the Company together with the Audited Accounts for the year ended March 31, 2011.

1. FINANCIAL HIGHLIGHTS

(Rs. in Crores)

Particulars	Current Year 2010-11	Previous Year 2009-10
Gross Sales	836.31	619.25
Net Sales	718.57	541.71
Other Income	0.73	1.11
Profit Before Interest, Tax, Dep. & App. (EBITDA)	123.64	87.47
Interest	18.19	18.31
Depreciation	15.62	13.15
Profit Before Tax (PBT)	89.83	56.01
Provision for Taxation		
Current Tax	20.42	13.03
Deferred Tax	5.29	2.03
Profit After Tax	64.12	40.95

Year 2010-11 has been a year of significant achievements, and witnessed excellent growth in revenues and profitability.

During the year under review, the net sales of the Company increased to Rs.719 Crore as compared to Rs. 542 Crore in previous year; an increase of 33% YoY. While all business segments of the company reported strong increase in sales, a key driver of the growth in sales was 38% YoY increase in the agri input business of the Company.

The operating profit of the Company increased to Rs. 123.64 Crore as compared to Rs. 87.47 Crore; an increase of 41% YoY. The operating profit margin increased to 17.2% in current year from 16.15% in the previous year on account of improved margins in domestic agri-input, increased revenues from custom synthesis and polymer compounding business, better capacity utilization and efficient overheads cost management.

The net profit (PAT) grew by 56.6% to Rs. 64.12 Crore for the year ended 31st March, 2011 from Rs. 40.95 Crore in the previous year. Net profit margin increased to 8.92% during the year under review from 7.56% in the previous year.

The Company's net profit on a consolidated basis increased to Rs 65.10 Crores during the year, as compared to Rs.41.90 Crores in the previous year, a growth of 55.37% YoY.

The earning per share (EPS) for the year stood at Rs. 57.73 per share an increase of 53% compared to Rs.37.85 per share for the previous year.

2. OPERATIONS

The year 2010-11 was marked by a normal monsoon with most districts receiving adequate rainfall. Total acreages under crops increased to 164.8 million hectares in 2010-11 from 156.4 million hectares in 2009-10, up by 5.08% YoY. Production of food grains and of many crops reached record highs. The commodity prices remained remunerative for most of the crops, especially for cash crops like cotton, chillies, sugarcane, fruits and vegetables, while wheat & rice farmers realized the increased Minimum Support Prices (MSP).

The year 2010-11 also witnessed volatility in crude prices and consequent upward trend in raw materials used in manufacture of crop protection products. The industry is taking a graduated approach to pass on increased product costs to the customers.

Outperforming the estimated industry growth of about 15 % for the review year, revenue of your Company's agri-input business grew by 38% YoY mainly on account of substantial growth of newly launched products, volume expansion of some of the existing products and expanding distribution network in new markets.

The revenue of the Custom Synthesis Business continues to grow as per plan. The business reported an increase of 23% YoY. Due to constant efforts made by the Japanese business development team, your company has commenced commercial production on some very promising products and revenues from these products are expected in the current year. During the year under review, many new inquiries were received in diverse areas of application leading for a diversified and balanced portfolio of products. The business has an order book

position of ~US\$ 300 mn at the end of the year and growing.

One of the key highlight in the year was the signing of an agreement with the largest electronics company of the world, M/s Sony Corporation to set up a joint research centre at Udaipur, named as PI-Sony Research Centre, it was formally inaugurated in January 2011. This R&D Centre will be engaged in developing commercially viable processes for molecules invented by Sony.

By this Agreement, M/s. Sony Corp. has recognized the abilities and commitment of your Company in research & development of next generation organic chemicals. The outcome of these researched chemicals would find use in futuristic products like flexible television, solar cells etc. It is heartening that work on several new molecules has already started.

The Polymer business also witnessed substantial growth in the current year based on traction seen in user industries like automobile, construction material, electronics, etc. However, the product margins remained under pressure due to high volatility in their raw material prices. Going by your Company's strategy to concentrate on its core businesses of Agri-inputs and Customs Synthesis business, this business has been divested to Rhodia, S.A., a French multinational speciality chemical major. The deal includes transfer of all assets, people, plant facility, R & D capabilities, customer base and logistic network in India. The deal was concluded in April, 2011.

Introduction of New Products

Striving towards excellence in building brands and bringing innovations to the farmers, your company could successfully establish **NOMINEE GOLD** as the fastest growing herbicide in India. On the back of PI Industries being one of the front runner companies in rice crop solutions, NOMINEE GOLD is expected to attain the status of the largest brand of herbicide in the coming years and will contribute significantly to the growth of your company.

As a part of its strategy to provide complete crop solutions, your company has successfully introduced an herbicide in soyabean and pulses segment. The product was introduced in association with a leading multinational company.

During the period under review, your company also filed for registration of another two new

molecule expected to be commercially launched by 2012-2013. Your company continues its quest for new molecules and has signed 4 new agreements with their patent holders to evaluate them in the herbicide / fungicide segment. These will continue to help further strengthen the Company's product portfolio.

The company has signed a distribution agreement with a leading multinational for the marketing for its new generation insecticide and acaricide, which will further strengthen its position in plantation and, field crops, vegetables and fruits.

Apart from this, in the fine chemicals business area, several new molecules were successfully synthesized in the areas of agrochemicals, pharmacueticals, imaging, printing etc. Out of these newly synthesized products, commercial production was commenced for 4 products.

3. DIVIDEND

The Board of Directors are pleased to recommend dividend of Rs.4/- per equity share of Rs.10/- each (40%) and Rs.0.01 per Compulsorily Convertible Preference Shares (CCPS) (0.01%) dividend on pro-rata basis for the financial year ended on March 31, 2011

The dividend on equity shares, if approved at the ensuing Annual General Meeting, will be paid to those shareholders whose names appear on the register of members of the Company as on July 12, 2011.

4. CONVERSION OF COMPULSORILY CONVERTIBLE PREFERENCE SHARES

During the year, the Company has partly redeemed by way of conversion of Compulsorily Convertible Preference Shares (CCPS) and issued 370826 Equity Shares of Rs.10/- each against 12,50,000 Convertible Preference Shares of Rs.100/- each allotted to M/s Standard Chartered Private Equity (Mauritius) Ltd. (185413 Equity Shares) and Standard Chartered Private Equity (Mauritius) II Ltd. (185413 Equity shares), out of total 20,60,000 CCPS. The aforesaid equity shares were also listed on the Bombay Stock Exchange Ltd. on July 9, 2010. As on 31.3.2011, following CCPS and Optionally Convertible Debentures (OCD) are outstanding for conversion / redemption on or before the due date as per their agreements:

- a. 405,000 Non Cumulative Compulsorily Convertible Preference Shares (CCPS) of face value of Rs.100/- each of Standard

Chartered Private Equity (Mauritius) Limited (SEBI Registered Foreign Institutional Investor);

- b. 405,000 Non Cumulative Compulsorily Convertible Preference Shares (CCPS) of face value of Rs.100/- each of Standard Chartered Private Equity (Mauritius) II Limited (SEBI Registered Foreign Venture Capital Investor) and;
- c. 29,40,000 Optionally Convertible Debentures (OCD) of face value of Rs.100/- each of Standard Chartered Investments and Loans (India) Limited (Non Banking Finance Company).

The CCPS and OCDs will be convertible within a period of 18 months from the date of allotment. In case of OCDs, the unconverted portion, if any, shall be redeemed at the end of 18 months or may be further extended by another 18 months, if mutually agreed, and shall be redeemed.

5. ISSUE AND ALLOTMENT OF BONUS SHARES

To reward the shareholders in the successful value creation cycle, the Committee of Directors of the Company in their meeting held on July 12, 2010 issued and allotted 3729167 bonus equity shares of Rs.10/- each in the ratio of 1:2 to the members of the Company as on July 10, 2010 (Record Date) as per the recommendation of Board of Directors in their meeting held on May 17, 2010 and as approved by the Members through Postal Ballot on June 26, 2010. The Bonus shares have been listed on Bombay Stock Exchange Limited w.e.f. July 15, 2010. Consequent to the Bonus issue and conversion of Compulsorily Convertible Preference Shares into Equity Shares as aforesaid, the paid up equity capital of the Company stood at Rs.11.19 Crores.

6. DEPOSITS

The Company has accepted deposits as per the Rules and none of the deposits which were due for payment remain unclaimed / unpaid.

7. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A and 205C of the Companies Act, 1956, the Unclaimed Dividend remaining unclaimed and unpaid for more than 7 years, have been transferred to the Investor Education and Protection Fund.

8. DIRECTORS

During the year under review, Mr. Sukh Dev Nayyar, resigned w.e.f. July 19, 2010 and Dr. Satya Prakash Vishnoi, resigned w.e.f.

September 3, 2010 from the position of Director of the Company. The Board places on record its gratitude for the valuable guidance provided by Mr. Sukh Dev Nayyar and Dr. Satya Prakash Vishnoi during their tenure as Directors of the Company.

Also, during the year, Mrs. Ramni Nirula was appointed as Additional Director on the Board with effect from July 28, 2010 and hold office till the ensuing Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 have been received from a member of the Company, for her appointment.

At the ensuing Annual General Meeting, Mr. P.N. Shah and Mr. Narayan K. Seshadri retire by rotation as Directors and being eligible, offer themselves for re-appointment in terms of provisions of Articles of Association of the Company.

The Board recommends their re-appointment for your approval.

The brief resume/details relating to the Directors who are to be appointed/re-appointed are furnished in the explanatory statements to the notice for Annual General Meeting to be held on July 16, 2011 which forms part of the Annual Report.

9. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, in relation to Directors' Responsibility Statement, your Directors confirm as under:

- (i) In the preparation of the Annual Accounts for the year ended on March 31, 2011, the applicable accounting standards have been followed by the Company;
- (ii) Appropriate accounting policies have been selected and applied consistently, and have 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, 2011 and of the profit for the year ended March 31, 2011.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The Annual Accounts are prepared on a going concern basis.

10. SUBSIDIARY COMPANIES

The Company has three wholly owned subsidiary companies as on March 31, 2011. The members may refer to the Statement under section 212 of the Companies Act, 1956 and information on the financials of subsidiaries appended to the above statement under section 212 of the Companies Act, 1956 in this Annual Report for detailed information on these subsidiary companies. The key highlights of these subsidiary companies are as under:

(1) PI Life Science Research Ltd. (PILSR):

During the year, the Company has posted a profit of Rs.73.96 Lacs, which was earned on account of various R&D activities for developing new products.

(2) PI Japan Company Ltd.

The Company posted a profit of JPY 12.69 Lacs (Approx. Rs. 7.5 Lacs) during the year.

Due to the size of operations and local laws, the annual accounts of this company are not required to be audited. The same have been certified by the Management of the Company.

(3) PILL Finance and Investments Ltd. (PILL-F):

The Company posted a profit of Rs.3.97 Lacs during the year.

11. SALE OF POLYMER COMPOUNDING BUSINESS UNDERTAKING OF THE COMPANY.

During the year, the Company has received a Binding Offer from Rhodia S.A., France for purchase of its Polymer Compounding unit as going concern on slump sale basis

As per the recommendation of the board of directors at their meeting held on 15.12.2010, the shareholders of the Company approved the sale of Polymer Compounding Business to the M/s Rhodia Polymer & Specialties India Pvt. Ltd., a wholly owned Indian Subsidiary of Rhodia S.A. by way of Postal Ballot on February 19, 2011.

The aforesaid sale transaction has been concluded on April 11, 2011.

12. AUDITORS

The Joint Statutory Auditors of the Company, M/s B.D. Gargieya & Co., Chartered Accountants and M/s S.S. Kothari Mehta & Co., Chartered Accountants; retire at the ensuing Annual

General Meeting and have confirmed their eligibility and willingness to accept office of Auditors, if reappointed. The Auditors have given a certificate that their re-appointment, if made, would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

The Audit Committee and the Board of Directors recommend appointment of M/s B.D. Gargieya & Co. and M/s S.S. Kothari Mehta & Co. as Statutory Auditors of the Company for the financial year 2011-12.

13. COST AUDITORS

Pursuant to the directives issued by the Central Government, an audit of the cost records relating to Insecticides (Technical and Formulations) manufactured by the Company is required to be conducted by an auditor with the requisite qualifications as prescribed under section 233B of the Companies Act, 1956. Your Board has proposed to appoint M/s K.G. Goyal & Co., Cost Accountants, Jaipur, as Cost Auditors based on the recommendation of the Audit Committee for the conduct of the audit of cost records of Insecticides (Technical and Formulations) for the year ending March 31, 2012 at their meeting held on 14th April, 2011 and necessary application has been filed through E-filing with Ministry of Corporate Affairs under section 233B.

14. SECRETARIAL AUDIT

As desired by Securities and Exchange Board of India (SEBI), secretarial audit is being carried out at specified period by Practicing Company Secretary. The findings of the secretarial audit were entirely satisfactory.

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

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure - A.

16. EMPLOYEES

During 2010-11, your Company continued to have excellent cordial relationships with all its employees at all units. The Company is proud to see their commitment towards their responsibilities. They have made invaluable contribution in the growth of the Company.

The company recognizes the importance of human capital and enrichment of professional

and technical skills is an ongoing process within the organization.

Total workforce of the Company stood at 1143 as on March 31, 2011.

Pursuant to the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars of Employees) Rules, 1975, the names and other particulars of the employees form part of this report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the reports and the accounts are being sent to all shareholders, excluding the statement of particulars under section 217(2A). Any shareholders, interested in obtaining a copy of this statement may write to the Company Secretary at the registered office of the Company.

17. EMPLOYEE STOCK OPTION PLAN/SCHEME

The Shareholders at their meeting held on January 21, 2011 has approved Employees Stock Option Scheme /Employees Stock Option Plan (ESOP/ESOS or the Scheme) with such number of equity shares not exceeding 5% of the paid up equity shares capital at any time, on payment of the requisite exercise price, in such manner, in one or more tranches and on such other terms and conditions as the Board may decide in accordance with the regulations or other provisions of the law as may be prevailing at the relevant time. The Board / Committee were also authorized to form a trust for allotment of equity shares to the eligible employees of the Company, which shall be done along with annual appraisal of employees.

The Company has not offered any stock option to the Employees during the year 2010-11 either under the Employee Stock Option Plan or Scheme introduced by the Company.

18. MANAGEMENT DISCUSSION AND ANALYSIS

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

19. CORPORATE GOVERNANCE

Your Company believes and is committed to in transparency and has always maintained a very high level of Corporate Governance over the years and it is a continuous and ongoing process. Your Company is committed to benchmark itself with highest standards in all areas including appropriate standards for Good Corporate Governance. Towards this end, an effective

Corporate Governance System has been put in place in the Company, to ensure compliance.

A detailed report on the Corporate Governance Code and practices of the Company along with a certificate from the auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement are given in a separate section in this Annual Report.

20. INTERNAL CONTROL SYSTEM

The Company's internal control system comprises audit and compliance by in-house internal audit team supplement by internal audit checks from Protiviti Consulting Pvt. Ltd. who were appointed as the Internal Auditors of the Company during current year. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the financial transactions and review various business processes. Independence of the audit and compliance is ensured by the direct report of internal audit division and internal auditors to the Audit Committee of the Board.

21. ACKNOWLEDGMENTS

Your Directors wish to express their grateful appreciation for the valuable support and cooperation received from bankers, business associates, lenders, financial institutions, shareholders, various departments of Governments of India, Rajasthan, Gujarat and Jammu and Kashmir, farming community and other stakeholders.

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

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

On behalf of the Board of Directors
For **PI Industries Limited**

Sd/- Sd/-
(**Salil Singhal**) (**Mayank Singhal**)

Place : Gurgaon Chairman & Managing Director
Date : 14.04.2011 Managing Director & CEO

ANNEXURE TO THE DIRECTORS' REPORT

Annexure-A

Information under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, and forming part of the Directors' Report for the year ended March 31, 2011.

FORM-A

A. Conservation of Energy

a. Energy Conservation Measures taken:

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

PI Industries Ltd. is committed to improve Energy Performance on Continual Basis by finding out new Ideas / Innovations in the field of Electrical and Thermal Energy.

For the year 2010-11, we have implemented following major energy reduction proposals as a part of our main objectives.

- Replacement of low efficiency submersible chilled water pumps by high efficiency centrifugal pumps.
- Replacement of high efficiency burner to reduce the natural gas consumption in 6 TPH boiler.
- Installation of 1.56 MW Gas Gen-set with heat recovery system, where steam is being produced from engine exhaust gases and chilled water being produced from engine Jacket water.
- Air end and after cooler were replaced with vertical air compressor to reduce power consumption.

b. For the year 2011-12, Additional Investment and Proposal is being implemented for reduction of energy consumption:

The Company has planned following measures to improve thermal and electrical energy efficiencies for their manufacturing units:

- The C Brine chilling having evaporative type U tube condenser, due to high fouling, compressors reduce efficiency, This is being replaced with shell and tube type condenser to increase the compressor efficiency.
- High steam consuming ejectors will be replaced with low steam consuming ejectors, resulting in to reduction in steam consumption.
- Installation of wind driven eco-ventilators instead of power driven exhaust fans, resulting in zero power consumption.
- Installation of 100 KL per day RO water plant for recycling of cooling water, resulting in to reduction of fresh water consumption and conservation of water.
- Replacement of old Power distribution panel having high de-rating, with new one, resulting in to reduction in electrical losses due to low de-rating.
- Installation of energy efficient design agitators in process Reactors in new plant.

c. Impact of the Measures at (a) and (b) for Reduction of Energy Consumption & consequent Impact on Cost of Production.

Measures stated above have resulted into substantial savings as above in power consumption and reduction in utility costs for technical production.

POWER AND FUEL CONSUMPTION

A. Power and Fuel

S. No.	Particulars	Current year (2010-11)	Previous year (2009-10)
1	ELECTRICITY:		
	a. Purchased:		
	Units (Lacs/Kwh.)	101.15	96.86
	Total amount (Rs. in Lacs)	613.59	571.39
	Rate / Unit (Rs.)	6.07*	5.90*
	b. Own Generation through Diesel/ LDO/Generator/Natural Gas		
	Unit (Lacs/Kwh)	225.30	184.89
	Unit Per Ltr. / HSD	2.81	2.93
	Unit / SCM	3.73	3.43
	c. Diesel Oil/Nat. Gas cost /Unit (only variable cost)	6.10	4.91
2	COAL:		
	Quantity (tones)	NA	43.16
	Total Cost (Rs. in Lacs)	NA	2.24
	Average Rate (Rs. /MT)	NA	5179.93
3	FURNACE OIL:		
	Quantity (Tonnes)	501.77	1207.47
	Total Cost (Rs. in Lacs)	129.00	240.35
	Average Rate (Rs. /Kg)	25.71	19.91
4	NATURAL GAS:		
	Quantity (Lac SCM)	104.82	53.53
	Total Cost (Rs. in Lacs)	1972.30	810.37
	Average rate (Rs. / SCM)	17.60	15.14

* Includes electricity duty.

B. Consumption Per Unit Of Production

The consumption per unit of production depends upon and varies with the product mix.

FORM-B

I. TECHNOLOGY ABSORPTION:

Research And Development (R & D)

1. Specific areas of research activities:

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

- g. Development of non Patent infringing routes of synthesis and generating and protecting intellectual property for the Company and its clients.
- h. Synthesis and characterization of working standards of final products, intermediates and related substances.
- i. Technical collaboration with a leading Japanese University to develop compounds for new areas of application
- j. Addition of sophisticated lab equipments for carrying out R&D work.

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

- a. Cost reduction along with quality improvement.
- b. Improvement in manufacturing processes for existing molecules and development of new molecules for export to the international market.
- c. Reduced Environmental hazards during operational activities.
- d. Partial and Complete replacement of hazardous and toxic reagents with less hazardous environment friendly substitutes.
- e. Generation of capability to value add and identify, develop and protect Intellectual Property for the Company and its business partners. This year we filed seven patent applications for new non patent infringing processes developed for various molecules
- f. Development of newer areas of application to provide suitable diversification from conventional areas of applications

3. Future Plan of Action

Your Company has created a state-of-the-art R & D center and pilot plant facility at Udaipur. The Company has been investing to augment its R & D capabilities and productivity through technological innovations, use of modern scientific techniques, training and development.

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

4. Expenditure on R & D

(Rs. in Lacs)

S.No.	Particulars	Current year (2010-11)	Previous year (2009-10)
a.	Capital	-	63.53
b.	Recurring	516.16	478.75
c.	Total	516.16	542.28
d.	Total R & D expenditure as percentage of total turnover	0.62	0.87

5. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

- Regular training programs for our scientists/ chemists/ technologists to equip themselves to cope with new scientific and technical challenges.
- Interaction with National Laboratories, IITs, CSIR Institutions and Universities for better up-gradation and co-ordination to develop new products and training of scientists whenever required.

- Interaction with R & D laboratories of MNCs for development of new molecules for technology transfer and at times, to improve their processes with the developments carried out at our R&D Centre.
- Extensive use of scientific search tools such as STN, SCIFINDER, CHEM-OFFICE ULTRA and other technically and scientifically useful search engines through internet to obtain latest information.
- Latest models of GC-Mass, HPLC-Mass, Preparative HPLC and ICP instruments are being used for spectral analysis and preparation of standards.
- 400 MHz NMR has been installed at R&D Centre, Udaipur.

(b) Benefits derived

- Development of indigenous technology for cost reduction, use of environmentally useful synthetic routes, conservation of foreign exchange and to meet growing demand of agrochemicals, fine chemicals and specialty chemicals.
- Quality and cost reduction for better and newer products to withstand competition both within India as well as in the international market.
- Pollution abatement and odor control, adopting to the national norms and work towards protecting environment along with other industries.
- Knowledge and capability enhancement of R & D staff.

6. Imported Technology:

The company has not imported any technology during the year.

7. PI-SONY Research Centre:

On 6th Jan., 2011, the Company entered into a path breaking collaboration with the \$ 88 billion SONY Corporation of Japan for electronic chemicals and inaugurated a state of art "PI-SONY-Research Centre", at Udaipur. In this research Centre work has already started for chemicals to be used for electronics (like Flexi TV's, Solar cells etc) in future. So, through this collaboration your company entered into basic research for electronic chemicals.

II. FOREIGN EXCHANGE EARNINGS AND OUT GO

Please refer information given in the notes to the annual accounts of the Company in Schedule XX, Notes to the accounts Item No. 23 C to F.

On behalf of the Board of Directors
For **PI Industries Limited**

Place : Gurgaon
Date : 14.04.2011

Sd/-
(Salil Singhal)
Chairman & Managing Director

Sd/-
(Mayank Singhal)
Managing Director & CEO

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS

AGRI INPUTS:

The global agrochemical market size is estimated to be USD 41bn (USD 38.5bn in 2009). Europe is the largest market with 30% share, while Asia ranks second with 25% in value terms. The industry is highly consolidated, with the top six innovator companies -- Syngenta, Bayer, BASF, Dow, Monsanto and DuPont -- together commanding 75% of sales in the global crop protection market. The Indian agrochemical industry has grown to a size of c \$ 1.5 Bn and is expected to grow at ~15% p.a. over the next few years given the strong focus on agriculture by all stakeholders.

Overall, the domestic agricultural inputs Industry in the year ended March 31, 2011 witnessed good performance due to normal monsoons and the agro-chemical industry could scale new heights. The total annual rainfall for the country during the year 2010 was 121.5 cm against the long period average (LPA) 119.7 cm. Out of 597 meteorological districts, 29% of the districts (173 districts) received excess rainfall, 40% (240 districts) received normal rainfall, 29% (173 districts) received deficient rainfall and the remaining 2% (11 districts) received scanty rainfall during the season

Supported by this well distributed monsoon, food grain area in the kharif season increased by 5.08% YoY and the total food grain production is estimated to have increased by over 10%. The past year also witnessed in a record yield of wheat and rice. Pulses also saw a dramatic increase in output. With the increased area under cultivation, supported by well-distributed rains and favourable produce prices, the farmers have also invested more in the crop protection products, resulting in a very remunerative kharif season for the agrochemical industry.

In 2010-11, the production of food grains was at record high of 232.07 million tonnes as against 218.11 million tonnes during 2009-10. The industry was also aided by the easing of food inflation from a record high of 20.2% in Feb 2010 to 9.3% in Feb 2011.

The second crop season (Rabi) was characterized by low pest and disease occurrence in key crops (especially in rice in the Southern & Eastern parts of India), potato in the North, pulses in the Central and Southern parts). Erratic rainfall in parts of southern and eastern states affected crops like tea and chilly respectively. These factors reduced the demand for agrochemicals in winters (rabi) somewhat dampening the strong growth of the kharif season.

While India ranks high in production of various commodities such as milk, wheat, rice, fruits and vegetables, the agriculture sector is at cross roads with rising demand for food items on the one hand, but inadequate supplies in many commodities on the other, resulting in frequent spikes in food inflation. Increasing agriculture production and productivity is absolutely necessary, necessary not only for ensuring national food security, livelihood security, and nutritional security but also for sustaining the high levels of economic growth envisaged by India. India's agricultural productivity per hectare is very low and virtually half of China's. While we may be the highest producers in certain crops in tonnage terms, but the productivity per hectare is nowhere near the potential for production.

This can be gauged from the following table :

Average Yield (Kg/ha)

Crop/Country	China	Japan	INDIA	Pakistan	USA	World average
Paddy	6556	6488	3370	3520	7672	4309
Wheat	4762	NA#	2802	2451	3018	3086
Maize	5556	NA#	2324	3611	9658	5109

NA – Not Available

To increase the productivity, yields and sustain this over a long period of time, India needs to adopt a holistic approach, working on agricultural research, development, dissemination of technology, and work on optimum use of various agricultural inputs such as quality seeds, fertilizers, pesticides, mechanization, and irrigation to achieve the critical levels of production. For instance India uses only ~500 grams per hectare of crop protection chemicals whereas Japan uses 11kg/ha, Korea 6.6 kg/ha, USA 2.25 kg/ha, France 4.6 kg/ha Germany 2.5 kg/ha and even Pakistan uses 1.3 kg/ha of pesticides. This results in the massive losses of up to 30% of crops due to the ravages of insects, diseases and weeds estimated at over US\$ 50 Bn per annum.

There is now an increasing realization that India needs to double its crop output to meet the growing demand not only due to the increasing population, but also the rising middle class and its increasing spending power resulting in the increasing demand for higher quality food and fruits, vegetables, milk, meat and poultry and this would require the enhanced use of various inputs such as crop protection chemicals which provide the insurance against pests

The Govt. of India in the past few years has initiated several steps to strengthen the supply side of food, though a lot more agricultural reforms need to come.

- The budget for 2010-11 had reiterated its four pronged strategy to spur farm production, which includes increase in agricultural production, reduction in wastage of farm produce, credit support to farmers and thrust to the food processing sector. Accordingly, allocations for these schemes under the ongoing Rashtriya Krishi Vikas Yojana (RKYY) have been increased from Rs. 6,755 cr. to Rs. 7,860 cr. in Budget 2011-12. This scheme focuses on productivity increases which includes proper and adequate use of agri inputs such as plant nutrients, pesticides, seeds etc.
- The government has initiated a special program on pulses under the Integrated Development of 60,000 pulses villages in rainfed area.
- Interest subvention proposed to be enhanced from 2 per cent to 3 per cent for providing short-term crop loans to farmers who repay their crop loans on time.
- The National Horticulture Mission is now firmly in place under which special emphasis is being laid to increase the production and quality of horticultural crops.

The multi segment agricultural input Industry therefore has a significant role and responsibility for enhancing agricultural productivity and yields both for inclusive growth and sound economic prosperity of our country.

CUSTOM SYNTHESIS & MANUFACTURING

With increased competition and regulatory demands, global chemical companies have a growing, strategic need to reduce costs and improve their process efficiencies. Since both the research to market and product life cycles are shrinking, outsourcing has become an important part of most large companies as a part of their development strategy. Globally innovators are keen to make their operations more streamlined for benefits in cost-savings. Moreover, the western chemical majors are liable to face capacity constraints given the burgeoning demand from emerging and developing countries. This, combined with the low cost economy advantage, augurs well for the Indian chemical majors, provided they are able to deliver the stringent requirements of these innovators for quality, timely delivery and reliability.

The Indian Government has also been supporting the growth of this industry with friendly policies for encouraging exports and increasing domestic production by setting up SEZs (Special Economic Zones) as well as PCPIRs (Petroleum, Chemicals and Petrochemicals Investment Regions). India is expected to be amongst the top chemical producing and consuming nations by 2015.

Increased competition resulting from globalization is driving the chemical industry towards efficiencies in terms of cost reduction, moving manufacturing bases closer to raw material sources, cheaper energy sources, lower tax regimes, increased use of information technology (IT) and intensification of R&D activities. At the same time the industry is also responding to the increased focus on environment protection, and by innovations. This efficiency drive has become imperative as the industry seeks economies of scale in manufacturing, logistics, and R&D. The impact has been seen in the improvement in geographical reach and entry into new markets. Cost reduction is being aggressively attempted through improved operating norms, financial restructuring and tapping of cheaper labour costs in India and China.

Currently, India continues to be a favoured outsourcing hub among companies globally as it offers compelling natural advantages which include the deep understanding of the science of chemistry, competitive labour costs that are both low-cost and qualified, and respect for IPR, a strong legal and regulatory framework and quality telecom and IT infrastructure. PI is capitalizing on these factors and is one of the preferred outsourcing destinations for requirements in agro-chemical and fine chemical business.

Your company is present in both the key fields of Agri Inputs & Fine Chemicals – 1) marketing & distribution in India and 2) custom synthesis and manufacturing of the newly discovered molecules for MNCs. This provides us with the opportunity to tap the increasing demand for agri inputs and other fine chemicals products having application in the area of electronics, pharmaceuticals, imaging, printing, etc.

The Company with decades long presence in the rural area has built up a strong distribution network duly supported by a dedicated, knowledgeable and large field force which continues to provide the needed extension to build brands and markets.

The pursuit of operational excellence, relationship approach to business, spirit of innovation and a philosophy of respect for IPR have enabled the Company to develop a leadership role in the business of custom synthesis and manufacturing business.

2. REVIEW OF OPERATIONS

Domestic Agri Input Business

This business unit of the company provides inputs and solutions to the farmer in the areas of agrochemicals (namely insecticides, fungicides & herbicides), plant nutrients, specialty fertilizers and hybrid seeds.

The crop protection product prices more or less remained unchanged for most of them. Due to the leadership position of most of the brands in their respective segments, your company was able to maintain strong

margins in most of the products, whilst focusing on building future brands like NOMINEE GOLD and BIOVITA. Striving towards excellence in building brands and bringing innovations to the farmers, your company could successfully establish NOMINEE GOLD as one of the fastest growing herbicide in India. Being one of the front running products in rice crop solutions, NOMINEE GOLD is expected to attain the status of the largest herbicide brand in the coming years and will contribute significantly to the growth of your company.

The "Save Water" campaign run by your company to promote Direct Sowing of Rice (DSR) with the help of NOMINEE GOLD has been well supported by some of the leading State Agricultural Universities (SAU), Non-Governmental Organisations (NGO) and corporates. This product stewardship program run by your company gives us immense satisfaction especially when it accomplishes the task of conserving the precious natural resource- water, thus providing innovative solutions to both – farmers & society.

During the year under review, the company's business grew by 38% YoY spear-headed by the robust performance of some of the newly launched products, volume expansion of some of the existing products and expanding distribution network in new markets. The major growth came from the Eastern and Northern states, where the brand was handpicked by some of the most reputed fertilizer companies to distribute these brands.

PI has also filed for the registration of 3 new molecules and these are expected to be commercially launched by 2012-2013. The company continues its quest for new molecules and has signed 4 new agreements with the respective patent holders to evaluate these products in India, especially in the herbicide and the fungicide segments.

The company has also signed a distribution agreement with a leading multinational for the marketing of its new generation insecticide /miticide, which will further strengthen PI's portfolio in the segments of plantations, field crops, vegetables and fruits crops.

Outlook

The rural sector will continue to remain the backbone of the Indian economy, where the majority of our population reside and therefore agriculture will continue to remain under sharp focus for years to come given the demand-supply mismatch, and the ever increasing demand both by the rising middle class and for inclusive growth of our rural population.

The Company's agri-input division is well geared to meet the increasing demand for its products as also introduce newer crop protection solutions for the benefit of Indian farmers.

Partnering with Non Governmental Organisations (NGO), State Agriculture Universities (SAU), agri-business focused corporates, and working with the motto of "Bringing Innovation to the Farmers" your company will continue with its extension based marketing approach to help millions of farmers to create and realize extra value.

With the extensive distribution, exemplary marketing approach and continuous introduction of new products, PI is well positioned to tap the upcoming opportunities in the agriculture sector.

International Custom Synthesis & Manufacturing Business

This business unit of the Company is engaged in custom synthesis and contract manufacturing of fine chemicals which find application in agriculture, pharmaceutical, electronics, imaging, Printing, etc.

The company has built a very strong customer base comprising of leading chemical companies in Europe & Japan, and based on its strong reputation, the customer base is steadily enlarging. This is backed by world class R&D and Manufacturing facilities to service its customers.

The year under review saw the commencement of manufacturing and supply to our customers of some newly patented active ingredients and key intermediates.

With its commitment to achieve growth inspired by science and innovation, your Company has signed an agreement with the world's largest electronics company, M/s Sony Corporation, to set up a joint research centre at Udaipur. The PI-Sony Research Centre was formally inaugurated in January 2011 for carrying out research in the area of synthetic organic chemicals for applications in the electronics industry. This laboratory is part of P I's Research & Development Centre at Udaipur where P I will conduct joint research in partnership with SONY Corporation and support of Hokkaido University, Japan. It is for the first time that M/s SONY Corporation has agreed to partner in such a research centre outside Japan.

This Centre is recognition of the Company's capabilities in a new area of fine chemicals and has the potential for good growth in the future.

Your Company also organized a seminar on the "Future of Chemistry" at IIT, Delhi under their golden jubilee program. Leading the discussion was Dr. Ei-ichi Negishi, Nobel Laureate 2010 in Chemistry for developing palladium-catalyzed cross-coupling in the mid-1970s. This program was really well received by the scientific community, industry and students.

The revenue of the Custom Synthesis Business continues to demonstrate strong growth. The business has

reported an increase of 23% over the previous year. Due to constant efforts made by the Japanese business development team, your company has also commenced commercial production on a few promising products and revenues from these products are expected in the current year.

Some of the other Key Performance Highlights of this business during 2010-11 are:

- New inquiries received in various areas of application that would help in building a diversified and balanced portfolio of products
- Scale up and commercial production commenced for a new generation herbicide
- Successful development and scale up of products based on new chemistry / process technology

Outlook

The Company's new manufacturing site located at the SEZ of Jambusar is presently under construction and will get commissioned in the last quarter of FY12. The commissioning of this additional capacity will help in catering to the additional demand and achieving the business growth in the coming years.

Custom synthesis will remain a key growth driver for the Company. The business has demonstrated robust growth with high margins. With the commissioning of the new manufacturing facility at Jambusar, the multiyear contracts and sound order book position, it is expected to continue to contribute significantly to revenues and earnings of the Company.

With consistent performance in terms of timely product supply, quality and services, your Company has established strong credibility with its customers thereby getting an opportunity to work on newly patented products, which offer better opportunities of growth and long term prospects for the company.

Polymer Compounding

The Polymer business witnessed substantial growth in the current year on the back of increased demand from the sectors of automobile, construction material, electronics, etc. But, the product margins remained under pressure due to high volatility in their raw material prices, as the same could not be passed to customers.

Going by your Company's strategy to concentrate on core business areas of Agri-input and Customs Synthesis business and investing in these high growth areas, Polymer Compounding business of your Company has been divested to Rhodia, S.A, a French multinational specialty chemical major. The deal includes transfer of all assets, people, plant facility, its dedicated R&D facilities, customer base and logistic network in India. The deal was concluded in April 2011.

3. CORPORATE SOCIAL RESPONSIBILITIES (CSR)

The Company stands committed to its responsibility towards society and has initiated several programs in this direction.

Now in its 4th year, the Co. is actively engaged in working very closely with the farmers of India's poorest district Dungarpur in Rajasthan. The Co. is actively engaged in helping the farmers to raise their farm yields and hence their incomes. Over 3,000 farmers have now adopted good agronomical practices where yields of corn and wheat have shot up anywhere between 45 to 75%.

Special farmer training programmes have been conducted in the neighbouring villages of the Co.'s factory in Gujarat where not only have they been trained in good agricultural practices, but have been helped to travel to Agri University and to Maharashtra to see and learn from their good practices.

The Co. undertakes regular medical check-ups, medicine dispensation, and distribution of books / stationery to the needy children in these villages.

- PI is funding a school for deaf and dumb, and has assisted in the setting up of a school where children of the economically weaker sections of the society are taught.
- PI also regularly donates to Foundations supporting activities in the area of health care and medicines, environment, sports education and cultural activities.
- Through regular donation to Ankleshwar Industrial Development Society the Company supports welfare facilities like Schools, sports complex etc. in Ankleshwar.
- Providing Industrial training in disciplines of Management, Engineering, Safety and Environment and organizing group visits of students are conducted to ensure skills development.

4. RISKS AND CONCERNS

In the course of the business, PI like all businesses, is exposed to variety of market and other risks. These include the effects of demand dynamics by weather and other conditions, currency exchange rates, interest rates, hazards and specific assets risk. Macroeconomic factors like slowdown, unforeseen political and social unrest, natural calamities, changing regulations and related compliance may also affect the Company's performance.

The Company continues to adopt best risk management practices. Monsoon plays a crucial role in the agri-input business. Any significant changes in rainfall, deficit or excess will affect the performance of the

business. The weather can also affect the presence of pest infestations and the demand for crop protection products as also mix of such products.

Raw material availability and price also poses a risk. The rising crude oil prices pose significant challenges in the management of input and logistics cost. The fine chemical business faces the risk of rising prices of crude oil in terms of raw material costs.

PI's risk management process is intended to ensure that risks are taken with due diligence. We have created an integrated risk management framework to identify, assess, prioritize, manage, monitor and communicate risks across the Company. Our risk management structure comprises of the Audit Committee at Board level, heads of businesses, and heads of support functions, unit heads, executive directors and CFO.

5. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Internal control systems adopted by the Company are considered adequate and appropriate for its operations. The system has been designed to ensure that assets are safeguarded and protected against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly and adequately which is ensured with proper checks and balances.

The Company runs all business processes on SAP system. This helps in ensuring internal control over various functions and various locations. The processes are regularly reviewed and updated in order to mitigate risks, and improve efficiencies.

The Company's internal controls are supplemented by an extensive program of risk based internal audits, frequent review by the management and implementation of sound policies, guidelines and procedures. A firm of internal auditors is appointed by the Company, which reviews the various units, branches, offices and their report is placed before the Audit Committee and the Board Members.

A qualified and independent Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them.

6. INFORMATION TECHNOLOGY

Another key pillar for the internal systems and processes of any company is its IT systems and network. Your Company believes that Information Technology is a source of competitive advantage and has therefore continued to invest in the same. Information technology in the area of sales and customer development has been one of the key thrusts. All company branches, Consignment Agents and most of the company's customers are on a common transaction system fully integrated with Company's SAP systems, which significantly improve field execution and customer services.

The system provides capability for supply chain optimization across a large and complex manufacturing and distribution network. Additionally, it supports a comprehensive data warehouse with real-time information across all our operations. The end-to-end SAP capability will be the platform for further business process innovation and increased speed of response.

We have leveraged the expanded telecom footprint in the country to provide high bandwidth terrestrial links to all operating units. Video conferencing is extensively used to communicate across locations while reducing travel costs.

Information Security and reliable disaster recovery management continue to be a critical focus area – especially as most business processes become fully IT-enabled. We carry out regular exercises to continually assess and ensure the same.

7. HUMAN RESOURCES

The key to the success of any company is its people. At PI, we deeply value our human resource base. Development is focused and aligned to business needs towards improved performance and business results through the HR roadmap evolved over the years. The key components of the roadmap are - Employee engagement, Resourcing, Performance & Compensation management, Competency based development, Career & succession planning and Organization building.

The company continues to induct young people in the organization in order to groom them to strengthen the talent pool. Apart from this, various initiatives are taken up in area of 'Employee Engagement' and 'Learning and Development' for employee development.

As on 31st March 2011, the employee strength of PI was 1143.

8. CAUTIONARY STATEMENT

Statements in this Report on "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectation or predictions may have "forward looking statements" within the meaning of applicable securities laws and regulations. Actual performance may differ substantially and materially, from those expressed or implied. Many factors may affect the actual results, which could be different from what the Directors' envisage in terms of future performance and outlook.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company is committed to achieve and adopt best governance practices, their adherence in true spirit and conduct its affairs in a manner, which is transparent, clear and evident to those having dealings with or having a stake in the Company. All major corporate decisions are taken by the Company's professional Board in conjunction with a competent management team, keeping in view the best interest of all its stakeholders.

1. BOARD OF DIRECTORS

The Company is managed and controlled by a professional Board comprising a blend of Executives and Non-executive professional Directors. At present, the Board of Directors consists of ten directors including Chairman & Managing Director, Managing Director & CEO, Whole time Director and seven Non-executive Independent Directors.

The names and categories of the Directors on the Board along with their attendance at the Board meetings held during the year ended March 31, 2011 and at the last Annual General Meeting, and the number of other Directorship and Chairmanship / Membership of Committees held by them, is given below:

Name of Directors	Category of Directorship	Meetings held during the tenure of Directors	No. of Board Meetings attended (Out of total 4 meetings)	Attendance at the last AGM held on 19.07.2010	Directorships in Companies Incorporated in India Including PI Ind. Ltd. (excluding Private Companies)	No. of other Board Committees of which Member / Chairman**
Mr. Salil Singhal	Chairman and Managing Director	4	4	No	6	3 (Member)
Mr. Mayank Singhal	Managing Director & CEO	4	4	No	3	1 (Member)
Mr. Anurag Surana	Whole time Director	4	4	Yes	4	2 (Member)
Mr. P.N. Shah	Non Executive Independent	4	2	No	7	5 includes 3 chairmanships
Mr. Narayan K. Seshadri	Non-Executive and Independent	4	2	No	8	6 includes 4 Chairmanship
Mr. Raj Kaul	Non-Executive and Non-Independent	4	3	No	1	Nil
Mr. Rahul Raisurana	Non-Executive and Non-Independent (Investor Director)	4	3#	No	3	3 (Member)
Mr. Pravin K. Laheri	Non-Executive and Independent	4	3	No	3	2 (Member)
Mr. Bimal Kishore Raizada	Non-Executive and Independent	4	3	No	4	1 (Member)
Mrs. Ramni Nirula *	Non-Executive and Independent Director	3	3	No	5	2 Chairman-ships
Mr. Sukhdev Nayyar @	Non-Executive and Independent	1	0	No	N.A.	N.A.
Dr. S.P. Vishnoi \$	Non-Executive and Independent	1	1	N.A.	N.A.	N.A.

Mr. Namit Arora will be the Observer on behalf of Standard Chartered Investments and Loans (India) Ltd. as per the Subscription Agreement dated 23.10.2009.

joined the Board Meeting held on 30/3/2011 via tele-conference.

\$ Dr. S.P. Vishnoi resigned from the Directorship of the Company w.e.f. September 3rd, 2010

@ Mr. Sukhdev Nayyar resigned from the Directorship of the Company w.e.f. July 19, 2010

* Mrs. Ramni Nirula was appointed as Additional Director w.e.f. July 28, 2010.

** Committees for this purpose include Audit Committee and Shareholders'/Investors' Grievance Committee only. Committees of PI Industries Ltd are also included except private companies and foreign companies.

2. BOARD MEETINGS

The Board meets at regular interval to review the performance of the company. During the year under review, besides meeting of Committee of Directors, 4(Four) Board Meetings were held on May 17, 2010, September 11, 2010, December 15, 2010, March 30, 2011.

3. DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

At the ensuing Annual General Meeting Mr. P.N. Shah and Mr. Narayan K. Seshadri retire by rotation and being eligible offer themselves for re-appointment in terms of provisions of Articles of Association of the Company.

Mrs. Ramni Nirula was appointed as Additional Director w.e.f. 28.07.2010 and seek your approval for being appointed as Director of the Company at the ensuing Annual General Meeting.

For detailed particulars on the Directors seeking appointment/re-appointment, please refer to Explanatory statement to the Notice of the Annual General Meeting to be held on July 16, 2011.

4. COMMITTEES OF THE BOARD OF DIRECTORS

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

- Audit Committee
- Investors' /Shareholders' Grievance cum Share Transfer Committee
- Remuneration Committee
- Administrative Committee
- Insider Trading Committee
- Management Committee
- ESOP Committee

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

i) AUDIT COMMITTEE

The Audit Committee *inter alia*, supports the Board to ensure an effective internal control environment

Terms of reference

- (a) Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, adequate and credible;
- (b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fee;
- (c) Approval of payment to statutory Auditors for services rendered by the statutory Auditors.
- (d) Recommending to the Board, the appointment and fixation of remuneration of Cost Auditors.
- (e) Reviewing with the management the Annual financial statements before submission to the Board for approval.
- (f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of internal control system.
- (g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, reporting structure coverage and frequency of internal audit.
- (h) Reviewing reports of internal audit and discussion with internal auditors on any significant findings of any internal investigations by the internal auditors and the executive management's response on matters and follow-up thereon;
- (i) Reviewing the company's financial and risk management policies;
- (j) Looking into the reasons for substantial defaults, if any, in payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;
- (k) Reviewing the Management discussion and analysis of financial condition and results of operation.
- (l) Reviewing the Statement of significant related party transactions (as defined by the audit committee).
- (m) Reviewing the Management letters / letters of internal control weaknesses issued by the statutory auditors.

Composition and attendance of the members of the Audit committee

As on 31st March 2011, the Audit Committee comprises of Mr. P.N. Shah, as Chairman, Mr. Narayan K. Seshadri, Mr. Anurag Surana, Mr. Bimal K. Raizada and Mr. Rahul Raisurana, as members.

The Audit Committee consists of independent Directors / Non independent Directors and all the members of the Audit Committee have accounting or financial management expertise.

The Audit Committee meets at least four times in a year and not more than four months elapse between two meetings. Accordingly, the Audit Committee during the FY 2010-11, met four times on May 14, 2010, September 10, 2010, October 13, 2010 & December 15, 2010.

The composition and attendance record of the members of the Audit Committee for the FY 2010-11 is as follows:

Name	Category	Meetings held	Meetings attended
Mr. P.N. Shah	Chairman	4	3
Mr. Narayan K. Seshadri	Member	4	3
Mr. Bimal K. Raizada*	Member	3	3
Mr. Anurag Surana	Member	4	4
Mr. Rahul Raisurana	Member	4	3
Mr. Sukh Dev Nayyar**	Member	1	0

* Mr. Bimal K. Raizada appointed w.e.f. July 29, 2010.

** Ceased to be a member w.e.f. July 19, 2010

Mr. Mayank Singhal, Managing Director & CEO, Mr. Rajnish Sarna, CFO & President (IT), Mr. K. Narasa Reddy, Audit Head of the Company and the Internal Auditors are permanent invitees. The statutory auditors / Cost Auditors were also attending the meeting whenever required. Mr. Namit Arora acts as Observer on behalf of Standard Chartered Investments and Loans (India) Ltd. as per the Agreement dated 23.10.2009.

The Company Secretary / CFO & President (IT) acts as the Secretary to the Committee.

ii) SHAREHOLDERS'/INVESTORS' GRIEVANCE CUM SHARE TRANSFER COMMITTEE

The Investors' Grievance Committee aims at redressal of shareholder complaints and overseeing investor services. The Committee looks into the process of share transfers and attends to share transfer formalities at least once in a fortnight.

Terms of reference

The Committee is entrusted with the powers related to transfers, transmissions, consolidation, splitting, issue of share certificates in exchange of sub-divided/consolidated etc. and overseeing the performance of Registrar & Transfer Agents.

The Committee focusses on the following:

- Reviewing and redressing Shareholders and Investors complaints/ grievances.
- Replying to the queries received from the investors
- Review of the corporate actions related work.
- Recommending measures for overall improvement in the quality of services being provided to the shareholders/investors.
- All the matter related to Share transfer/ transmission etc.

Composition and attendance of the members of the Investors'/ Shareholders' Grievance cum Share Transfer Committee.

The Committee comprises at present has four members, Mrs. Ramni Nirula as Chairperson, Mr. Salil Singhal, Mr. Mayank Singhal and Mr. Anurag Surana, as members. The Committee has met 18 times

during the year on 15.04.2010, 15.05.2010, 31.05.2010, 15.06.2010, 21.06.2010, 30.06.2010, 8.07.2010, 30.07.2010, 30.08.2010, 15.09.2010, 30.09.2010, 15.10.2010, 30.10.2010, 15.11.2010, 15.1.2011, 31.1.2011, 15.03.2011 & 30.3.2011. The composition and attendance record of the present members of the committee are as follows:

Name	Category	Meetings held	Meetings Attended
Mrs. Ramni Nirula*	Chairperson	9	8
Mr. Salil Singhal	Member	18	13
Mr. Mayank Singhal	Member	18	18
Mr. Anurag Surana*	Member	9	8

* Appointed w.e.f. September 11, 2010

During the year Dr. S.P. Vishnoi resigned as member of the committee and he has not attended any meeting during the year.

The CFO & President (IT) / Company Secretary acts as the Secretary to the Committee.

During the year, the Company has received 30 Complaints like Non receipt of Dividend Warrants / Share Certificates etc. and 110 queries/requests for purposes like change of address, correction in the name, issue of duplicate certificates / deletion of joint name due to death etc. were received which were duly attended and no case is pending as on 31.3.2011.

iii) REMUNERATION COMMITTEE

The Remuneration Committee recommends to the Board the compensation terms of executive Directors in accordance with the guidelines laid out by the statute, and the listing agreement with the Stock Exchanges.

Composition and attendance of the members of the Remuneration Committee

As on 31st March, 2011, the Committee consists of four members, all of them being Non-Executive and Independent Directors. The Remuneration Committee comprises of Mr. Bimal K. Raizada as Chairman, Mr. Narayan K. Seshadri, Mr. Rahul Raisurana and Mrs. Ramni Nirula, as members.

The committee has met once during the year on May 17, 2010. The composition and attendance record of the present members of the committee are as follows:

Name	Category	Meetings held	Meetings Attended
Dr. S.P. Vishnoi	Chairman*	1	1
Mr. Bimal K. Raizada #	Chairman	0	0
Mr. P.N. Shah**	Member	1	1
Mr. Narayan K. Seshadri	Member	1	1
Mrs Ramni Nirula #	Member	0	0
Mr. Rahul Raisurana	Member	1	1
Mr. Raj Kaul **	Member	1	0

* Dr. S.P. Vishnoi ceased to be a member upon resigned from the Board w.e.f. September 3rd, 2010.

** Committee re-constituted and ceased to be member w.e.f. September 11, 2010.

Appointed as members w.e.f. September 11, 2010.

Mr. Namit Arora is the Observer on behalf of Standard Chartered Investments and Loans (India) Ltd.

iv) ADMINISTRATIVE COMMITTEE:

This Committee facilitates the day to day functioning of the Company where approvals/ permissions are required on routine basis. This Committee is also entrusted with the power to approve the un-audited quarterly results under clause 41 of the Listing Agreement as per amendment in clause 41 of the Listing agreement vide their circular no.DCS/Comp/ Cir/ 662/2007 dated 01.08.2007.

Terms of Reference

- a. To approve the un-audited quarterly results under clause 41 of the Listing Agreement except for the last quarter.
- b. To open / close current/cash credit/overdraft/ no-lien/ fixed deposit or other account(s) with any scheduled bank and authorize the official to operate the same.
- c. To create charge(s) with respect to various loans sanctioned to the Company by Banks/ Financial Institutions against current and fixed assets of the Company, as may be authorized by the Board of Directors.
- d. To authorize the officials to sign and submit tenders/rate contracts to various Governmental/ Semi Governmental authorities and Corporations.
- e. To authorize officials to sign any papers, documents, letters and correspondence on behalf of the Company relating to Central Excise/ Customs/ Import & Export/ Reserve Bank of India/ Sales Tax (Central & State) Registrar of Companies/Insecticides act & other applicable regulations/ law etc.
- f. To execute agreements under common seal of the Company with the Government Authorities, Corporation etc, to authorize the officials of the Company on that behalf.
- g. To exercise borrowing powers up to Rs.250 Crores at any one time, subject to the overall limit fixed by the Board of Directors.
- h. To invest funds of the company up to Rs.2 crores at any one time, subject to the overall limits fixed by the Board of Directors.
- i. To constitute the trust for superannuation, gratuity and like funds of the Company or to reconstitute the same.
- j. To lay down terms of employment of the employees including their remuneration.

Composition and attendance of the members of the Administrative Committee

The Administrative Committee comprises at present four members, Mr. Bimal K. Raizada as Chairman, Mr. Salil Singhal, Mr. Mayank Singhal and Mr. Anurag Surana, as members.

The committee has met 14 times during the year on April 20, 2010, May 17, 2010, June 1, 2010, June 2, 2010, July 1, 2010, July 14, 2010, August 4, 2010, August 16, 2010, October 8, 2010, November 9, 2010, November 15, 2010, November 29, 2010, January 25, 2011, February 7, 2011.

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

Name	Category	Meetings held	Meetings Attended
Mr. Bimal K. Raizada	Chairman**	8	7
Mr. Salil Singhal	Member	14	10
Mr. Mayank Singhal	Member	14	14
Mr. Anurag Surana	Member	14	12
Dr. S.P. Vishnoi*	Chairman	8	2

* Dr. S.P. Vishnoi resigned from the Directorship of the Company w.e.f. September 3rd, 2010

** Mr. Bimal K. Raizada was appointed as Chairman w.e.f. September 11th, 2010

The CFO & President (IT) / Company Secretary acts as the Secretary to the Committee.

v) INSIDER TRADING COMMITTEE

In compliance with the SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.

Composition and attendance of the members of the Insider Trading Committee

The Insider Trading Committee comprises at present three members, Mr. Salil Singhal, Mr. Mayank Singhal and Mr. Anurag Surana. The committee has met once during the year on February 7, 2011. Dr. S.P. Vishnoi, Chairman of the Committee ceased to be member of committee w.e.f. September 3, 2010.

The Company Secretary / CFO & President (IT) acts as the Secretary to the Committee.

vi) MANAGEMENT COMMITTEE

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

Terms of reference

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

Composition and attendance of members of Management Committee

The Management Committee comprises at present six members, Mr. Salil Singhal as Chairman, Mr. Narayan K Seshadri, Mr. Mayank Singhal, Mr. Raj Kaul, Mr. Bimal K. Raizada and Mr. Anurag Surana, as members.

The committee has met three times during the year on September 10, 2010, December 16, 2010 and March 29, 2011. The composition and attendance record of the present members of the committee are as follows:

Name	Category	Meetings held	Meetings Attended
Mr. Salil Singhal	Chairman	3	2
Mr. Mayank Singhal	Member	3	3
Mr. Narayan K. Seshadri	Member	3	1
Mr. Raj Kaul	Member	3	3
Mr. Anurag Surana	Member	3	3
Mr. Bimal K. Raizada	Member	3	3

Mr. Rajnish Sarna, CFO and President (IT) acts as the convener of the Committee.

vii) ESOP COMMITTEE

The Committee was formed on 17th May, 2010. It was formed for the purpose of finalisation of ESOP Scheme/Plan, fixation of time lines & the implementation of the scheme. The committee comprises of Mr. Bimal K. Raizada, Chairman and Mr. Narayan K. Seshadri, Mr. Rahul Raisurana, as Members. During the year, no committee meeting was held as company has not granted any stock options during the year.

5. DIRECTOR'S REMUNERATION

i. Remuneration paid to Managing Director / Whole time Directors (Executive Directors).

The Remuneration Committee recommends the remuneration for the Executive Directors to the Board for approval. The remuneration of Executive Directors is then approved by the shareholders.

The details of remuneration paid to the Directors during the financial year 2010-11 are given below:

(Rs. in Lacs)

Remuneration	Mr. Salil Singhal*	Mr. Mayank Singhal *	Mr. Anurag Surana
Remuneration Package	154.44	127.84	78.76

* Remuneration package includes Salary, Commission, Benefits and Pension etc.

ii. Remuneration to Non-Executive Directors

Sitting fees is paid to Non-executive Directors for attending Board / Audit Committee/ Management Committee Meetings. They are also entitled to reimbursement of actual travel expenses, boarding and lodging, conveyance expenses incurred for attending such meetings. The details of sitting fees paid and commission paid/ payable to the Non-Executive Directors for year ended March 31, 2011 and No. of equity shares held by them as on 31.3.2011 are as under:

Directors	Sitting Fees (Rs.)	Commission (Rs.)	No. of Equity shares
Mr. P.N. Shah	80,000	3,00,000	Nil
Dr. S.P. Vishnoi *	10,000	0	N.A.
Mr. Narayan K Seshadri	1,00,000	3,00,000	130878
Mr. Raj Kaul	90,000	3,00,000	Nil
Mr. Bimal K. Raizada	1,30,000	3,00,000	Nil
Mr. Rahul Raisurana	1,10,000	0	Nil
Mr. Pravin K. Laheri	30,000	3,00,000	Nil
Mrs. Ramni Nirula	30,000	3,00,000	Nil

* Dr. S.P. Vishnoi resigned from the Directorship of the Company w.e.f. September 3rd, 2010.

6. CODE OF CONDUCT

Code of Conduct under Corporate Governance for all the Directors and the Senior Management Personnel of your Company has been framed and adopted by the Board of Directors. A copy of said Code of Conduct has also been posted on the company's website i.e. www.piindustries.com. The Code has been circulated to all Board members and senior management personnel and compliance of the same is affirmed annually.

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

7. PROHIBITION OF INSIDER TRADING

The Company formulated & implemented a Code of Conduct for Prevention of Insider Trading in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended till date. The code of conduct for prevention of insider trading, inter alia, prohibits purchase/sale of shares of the Company by employees while in possession of unpublished price sensitive information in relation to the company. The necessary procedures have been laid down for employees, connected persons and persons deemed to be connected for trading in the securities of the Company.

Mr. Rajnish Sarna, CFO & President (IT), as the Compliance Officer under the said Insider Code responsible for complying with the procedures, monitoring adherence to the Code for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board of Directors.

The said Code of Conduct is available on the Company's website.

8. DISCLOSURES

- There were no transactions of material nature with its promoters, the Directors or the Management, their subsidiaries or relatives etc. that may have potential conflict of interest with the company. Further, details of the related party transactions are given in the Balance Sheet.

(ii) To the best of the Company's knowledge there were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to the capital market during the last three years.

(iii) **Disclosure of Accounting Treatment**

The financial statements have been prepared in accordance with the applicable Accounting Standards and relevant provisions of the Companies Act, 1956 and are based on historical cost convention (except for certain fixed assets which have been revalued) on accrual basis.

(iv) **Risk Management**

The Company has formulated risk management in its procedures itself. It regularly analyses the risks and takes corrective action for managing/mitigating the same.

(v) **Management Discussion and Analysis**

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

9. GENERAL BODY MEETINGS

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

Date	Venue	Time	Type of meeting
July 19, 2010	Udaisagar Road, Udaipur-313 001	11.00 A.M.	Annual
July 31, 2009	Udaisagar Road, Udaipur-313 001	11.00 A.M.	Annual
July 21, 2008	Udaisagar Road, Udaipur-313 001	11.00 A.M.	Annual

ii. **Special resolutions passed during last 3 AGMs**

Date of AGM	Subject matter of Special Resolutions Passed
July 19, 2010	<ul style="list-style-type: none"> - Re- appointment of Mr. Salil Singhal as Chairman and Managing Director and fixation of remuneration. - Re-appointment of Mr. Anurag Surana as Whole-time Director and fixation of remuneration. - Payment of Commission to Non Executive Directors of the Company.
July 31, 2009	<ul style="list-style-type: none"> - Mortgage and/or first pari-passu charge on the fixed assets of the company in favour of Export Import Bank of India and Second charge on fixed assets for the working capital limits of consortium bankers namely State Bank of Bikaner & Jaipur, State Bank of India & Axis Bank Ltd.
July 21, 2008	<ul style="list-style-type: none"> - Increase in authorized share capital from Rs.10 Crores to Rs.23 Crores and alteration of Clause 5 of the Memorandum of Association. - Alteration of the Articles of Association with respect to increase in authorized share capital of the Company. - Issue of Right equity shares in the ratio of 1:1 shares. - Shifting of records. - Mortgage and/or first pari-passu charge on the fixed assets of the company in favour of State Bank of Bikaner & Jaipur, IDBI Bank Ltd. and Housing Development Finance Corporation Ltd.

iii. **Date and Venue of last three Extra Ordinary General Meetings were held as under:**

Date	Venue	Time	Type of Meeting
January 21, 2011	Udaisagar Road, Udaipur-313001	11.00 A.M.	Extraordinary
November 30, 2009	Udaisagar Road, Udaipur-313 001	11.00 A.M.	Extraordinary
October 12, 2009	Udaisagar Road, Udaipur-313 001	11.00 A.M.	Extraordinary

None of the items transacted at the said meetings were required to be passed by postal ballot. Further, there is no item on the agenda requiring postal ballot at the forthcoming Annual General Meeting.

10. POSTAL BALLOT

During the year 2010-11, pursuant to Section 192A of the Companies Act, 1956 ("the Act") the Company had conducted postal ballot exercise following the provisions and rules framed under the Act for conducting Postal Ballot.

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

Date of notice of Postal Ballot	Date of scrutinizer's report	Description	Result
24.5.2010	26.6.2010	- Declaration and approval to the issue of Bonus Shares in the ratio of 1 (one) new fully paid up Equity Shares of Rs.10/- each for every 2(Two) Fully paid equity Shares of Rs.10/- each.	Carried with requisite majority. Number of votes cast in favour : 5382034 and Number of votes cast against: 0
12.1.2011	17.2.2011	- Resolution pursuant to Section 293(1) (a), 192A of the Companies Act, 1956: dispose of the Company's Polymer Unit situated adjacent to Plot No.237, GIDC, Panoli (Gujarat) together all the employees as well as assets and liabilities. - Resolution pursuant to Section 293(1) (a): To create second charge on working capital facilities.	Carried with requisite majority. Number of votes cast in favour : 9845611 each (for both the resolutions) and Number of votes cast against: 0

The Postal Ballot exercise, under Section 192A of the Act, was conducted by Mr. Rajiv K. Adlakha, a Company Secretary in Whole time practice, scrutinizer appointed for this purpose and necessary forms were filed with the Office of Registrar of Companies, Rajasthan through Electronic form.

11. MEANS OF COMMUNICATIONS

Half yearly report sent to each household shareholders	The Company publishes the results in one National and Regional Newspapers apart from putting same on company's website.
Quarterly results are normally Published in	The quarterly results are published in one National and Regional Newspapers.
Any web-site, where displayed Results are uploaded	Results are sent to the stock exchange where the shares of the company are listed for uploading on their web-site. The results are also uploaded on Company's web-site i.e. www.piindustries.com
Whether it also displays official news releases and the presentations made to Institutional Investors or to the analysts	Not Applicable. Press release, if any are uploaded on company's website.
Whether Management Discussion & Analysis report is a part of Annual Report or Not	Yes
Whether Shareholder Information Section forms part of the Annual Report	Yes

12. COMPLIANCE REPORT ON NON-MANDATORY REQUIREMENTS UNDER CLAUSE 49

All mandatory requirements laid down under Clause 49 of the Listing Agreement have been complied with by the Company. The status of adoption/ compliance with the non-mandatory requirements is provided below:

(a) The Board

The Chairman of the Board of Directors of the Company is an Executive Director. Accordingly, a separate Chairman's office is not required to be maintained. Further, the Company ensures that the persons appointed as Independent Directors possess requisite qualifications and experience.

The Independent Directors are usually appointed/ reappointed for a period of 3 to 5 years. No maximum tenure for the Independent Directors has been specifically determined by the Board.

(b) Remuneration Committee

The Board of Directors of the Company has constituted a Remuneration Committee, the details of which have been discussed in earlier section of this report.

(c) Shareholders' Rights

The quarterly, half yearly and annual financial results of the Company are published in the newspapers and are also posted on the Company's website. The shareholders are kept informed of all events in the Company.

(d) Audit Qualifications

During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

(e) Training of Board Members

No specific training programme was arranged for Board members during the period under review. However, the Board members are continuously briefed by the Chairman and Managing Director on the developments and performance of the Company to enable them to monitor the same at regular intervals and give suggestions for improvements.

(f) Mechanism for evaluation of Non-Executive Directors

Presently, there is no formal mechanism for performance evaluation of the Non-Executive Directors. The Board has so far evaluated the performance of the Directors collectively to reinforce the principle of collective responsibility.

(e) Whistle Blower Policy

The Company promotes ethical business behavior in all its business activities. Though the Company has not adopted any 'Whistle Blower Policy', but it encourages friendly environment where employees can forward any instance of unethical behaviour to the attention of the immediate reporting authority, who is required to report the same to the head of the Human Resources Department.

13. ADDITIONAL SHAREHOLDER'S INFORMATION

i) CONTACT INFORMATION

Registered Office	Corporate Office
Udaisagar Road, Udaipur - 313 001 Rajasthan (India)	403, Millennium Plaza Tower-A, Sector 27 Gurgaon -122 009, Haryana (India) Ph. No. 0124-6790000, E-mail ID: s.varghese@piind.com

Manufacturing Facilities		
Udaisagar Road, Udaipur - 313 001 Rajasthan (India)	Plot No.237, GIDC, Panoli, Ankleshwar, Gujarat (India)	Lane No.IV Bari Brahmana Jammu, J&K

ii) Representing Officer

Correspondence to the Compliance Officer may be addressed at the Registered and Corporate office of the Company.

iii) Annual General Meeting

Date	16th July, 2011
Time	11.00 A.M.
Venue	Udaisagar Road, Udaipur - 313 001 Rajasthan (India)

iv) Financial Calendar (Tentative)

The tentative calendar for declaration of financial results in financial year 2011-12 is as follows:

Financial Reporting for the quarter ending June, 2011 (un-audited).	on or before Aug., 14, 2011
Financial Reporting for the quarter ending September, 2011 (un-audited).	on or before Nov., 14, 2011
Financial Reporting for the quarter ending December, 2011 (un-audited).	on or before Feb., 14, 2012
Audited Annual Results the year ending March, 2012.	Before the end of May, 2012
Annual General Meeting for the year.	Before the end of Sept., 2012

v) Book Closure Date

The dates of book closure are from July 12, 2011 to July 16, 2011 (both days inclusive)

vii) Dividend

The Board has proposed a dividend of Rs. 4/- per equity share of Rs. 10/- each (40 per cent) for the financial year 2010 -11, subject to approval by the shareholders at the Annual General Meeting.

Dividend will be paid by account payee / non-negotiable instruments or through the electronic clearing service (ECS), as notified by the SEBI through the stock exchanges. Shareholders are advised to refer to the notice of the annual general meeting for details of action required to be taken by them in this regard.

vii) Stock Exchange Listing

The company's equity shares are listed at Bombay Stock Exchange Limited

• **Stock Code** : 523642

Listing fee have been paid for the year April 1, 2011 to March 31, 2012.

• **Demat ISIN for** : INE 603J01014

NSDL & CDSL Custodial Fees have been paid for the year April 1, 2011 to March 31, 2012.

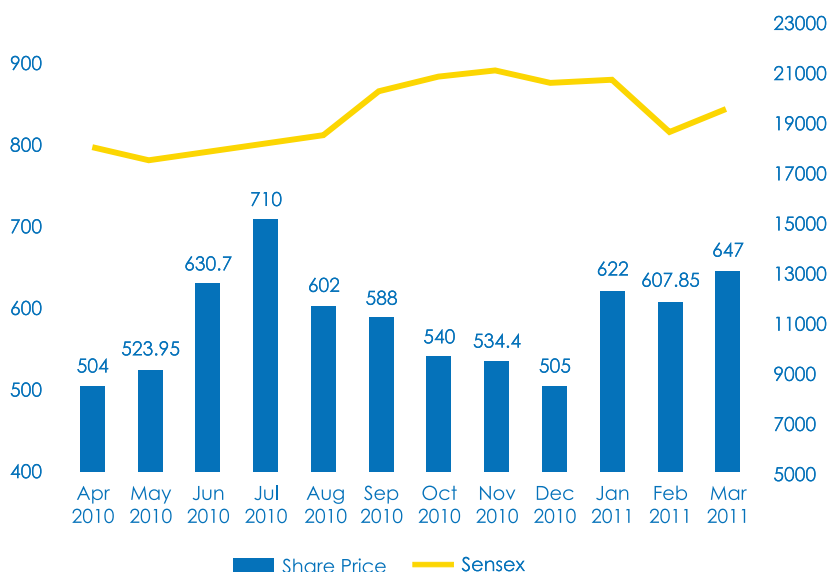
The Company has also made an application for listing of its equity shares at National Stock Exchange (NSE) and expects the equity shares to be listed and traded at NSE by May/June 2011.

viii) Stock Market Price data

The monthly high and low of the market price of the equity shares of the Company for the year ended March 31, 2011 at Bombay Stock Exchange Ltd. were:

(Amount in Rs./share)

Month	BSE	
	High	Low
April, 2010	504.00	410.00
May, 2010	523.95	383.00
June, 2010	630.70	475.10
July, 2010	710.00	418.05
August, 2010	602.00	480.10
September, 2010	588.00	463.05
October, 2010	540.00	390.00
November, 2010	534.40	451.00
December, 2010	505.00	388.00
January, 2011	622.00	475.00
February, 2011	607.85	500.00
March, 2011	647.00	530.00



ix) Registrar and Transfer Agents

Karvy Computershare Private Limited

Unit: PI Industries Ltd.

17 to 24, Vithalrao Nagar,

Madhapur, Hyderabad - 500 081.

Tel: 040 23428412, 040 23420815 -20

Fax: 040 23420814

E-mail: prabhakar@karvy.com

Contact Person: Mr. S.D. Prabhakar

x) Share Transfer System

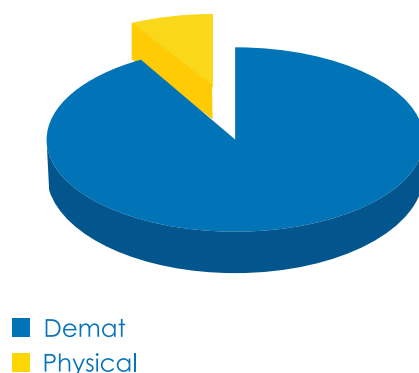
All transfers received and processed and approved by the Share Transfer Committee which normally meets twice a month or more depending upon the volume of transfers.

xi) Distribution of Shareholdings (As on March 31, 2011)

Shareholding of Nominal value of	Shareholders		Share amount	
	No.	% to total	In Rs.	% to total
Upto 5000	898	77.61	1348740	1.21
5001 - 10000	132	11.41	921480	0.82
10001 - 20000	47	4.06	669260	0.60
20001 - 30000	15	1.30	379870	0.34
30001 - 40000	6	0.52	208640	0.19
40001 - 50000	7	0.61	329000	0.29
50001 - 100000	19	1.64	1467060	1.31
100001 & above	33	2.85	106550960	95.24
	1157	100	111875010	100.00

xii) Demat Status (As on March 31, 2011)

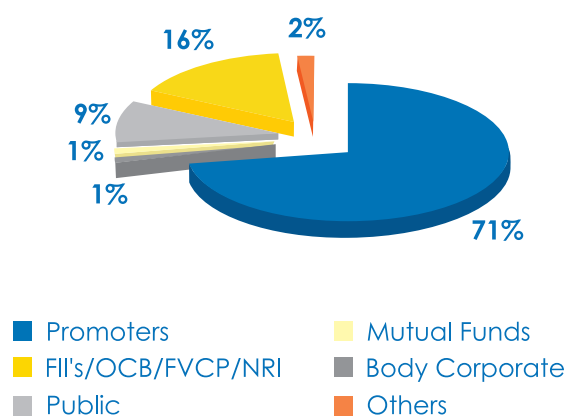
Mode	No. of shareholders	No. of shares	%
Demat	680	10230300	91.44
Physical	477	957201	8.56
Total	1157	11187501	100.00



xiii) Categories Of Shareholders (As on March 31, 2011)

S. No.	Category	No. of share-holder	No. of shares held	Voting strength (%)
1	Promoters	9	7972737	71.26%
2	Mutual Funds	3	83430	0.75%
3	Indian Bodies Corporate	69	126271	1.13%
4	FII's/FVCP/NRI/Foreign Bodies	12	1764130	15.77%
5	Indian Public	1053	1052315	9.41%
6	Others (incl. clearing members etc.)	11	188618	1.69%
Total		1157	11187501	100
* Pursuant to the definitions assigned under clause 2(h) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997				

Shareholding Pattern as on 31.03.2011



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

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

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

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

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

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

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

14. MANAGING DIRECTOR & CEO AND CHIEF FINANCIAL OFFICER CERTIFICATION

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

In compliance with Clause 49(V) of the Listing Agreement, a declaration by the Managing Director & CEO and the Chief Financial Officer & President (IT), has been attached is Annexed hereinafter which inter-alia certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

15. CERTIFICATION BY AUDITORS

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

On behalf of the Board of Directors
For **PI Industries Limited**

Sd/-

(Salil Singhal)

Chairman & Managing Director

Place : Gurgaon

Date : 14.04.2011

CERTIFICATES UNDER CORPORATE GOVERNANCE

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

The Board of Directors
PI Industries Limited
Udaipur

This is to certify that as per the revised clause 49 of the Listing Agreement, the Code of Conduct has been laid down for all the Board Members and Senior Management of the Company. The Board Members and Senior Management personnel have affirmed compliance with the Company's code of conduct for the year ended March 31, 2011.

Place : Gurgaon
Date : 14.4.2011

Sd/-
(Mayank Singhal)
Managing Director & CEO

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

The Board of Directors
PI Industries Limited
Udaipur

Sub: Certificates by the Managing Director & CEO and Chief Financial Officer.

This is to certify that for the financial year 2010-11, we have reviewed the financial statements and the cash flow statement and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2010-11 which are fraudulent, illegal or violate the Company's code of conduct.
4. We accept responsibilities for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies.
5. We further certify that:
 - there have been no significant changes in internal control during this year.
 - there have been no significant changes in accounting policies during the year.
 - there have been no instances of significant fraud of which, we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Place : Gurgaon
Date : 14.4.2011

Sd/-
(Mayank Singhal)
Managing Director & CEO

Sd/-
(Rajnish Sarna)
CFO & President (IT)

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members,
PI Industries Limited,
Gurgaon

We have examined the compliance of conditions of Corporate Governance by PI Industries Limited for the year ended March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **B. D. GARGIEYA & Co.**
Chartered Accountants
Firm Reg. No. 001072C

Sd/-
(CA ASHOK MANGAL)
Partner
Membership No. 71714

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

Sd/-
(CA NAVEEN AGGARWAL)
Partner
Membership No. 094380

Place : Gurgaon
Date : 14th April 2011

AUDITORS' REPORT

TO THE MEMBERS OF PI INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **PI INDUSTRIES LIMITED**, as at 31st March, 2011, and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - (b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **B.D. GARGIEYA & CO.**
Chartered Accountants
Firm Reg. No. 001072C

Sd/-
(CA ASHOK MANGAL)
Partner
Membership No. 71714

Place: Gurgaon

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

Sd/-
(CA NAVEEN AGGARWAL)
Partner
Membership No. 094380

Date: 14.4.2011

Re: PI Industries Limited

Referred to in paragraph 3 of our report of even date,

- (i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a phased programme of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
 - (c) In our opinion and according to the information and explanations given to us, no substantial part of fixed assets has been disposed off by the Company during the year. However, on 11th April 2011 (subsequent to the balance sheet date), the Company has sold off its Polymer Business division as slump sale. (Refer Note No. 22 of Schedule XX)
- (ii)
 - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion, the Company is maintaining proper records of inventory. As far as we could ascertain and according to the information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- (iii)
 - (a) As per the information & explanations given to us, the company has granted unsecured loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 75.00 lacs and the year-end balance of loan granted to such party was Rs. Nil.
 - (b) In our opinion and according to the information & explanation given to us, the rate of interest and other terms and conditions of such loan is not, prima facie, prejudicial to the interest of the company.
 - (c) The loan was repaid during the year. Accordingly, clauses 4(iii) (c) & (d) of the Order are not applicable.
 - (d) The Company has taken unsecured loans from four parties covered in the register maintained under section 301 of the Companies Act 1956. In respect of the said loans, the maximum amount outstanding at any time during the year is Rs. 250.00 Lacs and the year-end balance is Rs 250.00 Lacs.
 - (e) In our opinion and according to the information & explanation given to us, the rate of interest and other terms and conditions of such loans, secured or unsecured, are not prima facie prejudicial to the interest of the company; and
 - (f) In respect of loan taken, repayment of the principal amount and interest are also regular as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of a major weakness in the aforesaid internal control systems.
- (v)
 - (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section

301 of the Companies Act, 1956 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, in respect of the manufacture of insecticides, formulations and technical grade insecticides and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete. The Company is not required to maintain any cost records under section 209(1)(d) of the Companies Act, 1956, in respect of any other product manufactured by the Company.
- (ix) (a) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Wealth tax, Customs duty, Excise duty, Cess and any other material statutory dues applicable to it.
- (b) According to the records of the Company examined by us and the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Wealth tax, Sales tax, Service tax, Customs duty Excise duty and Cess were outstanding, as at 31st March, 2011 for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, service tax, wealth tax, excise duty and cess which have not been deposited on account of any dispute, other than the following:-

Nature of Statute	Nature of Dues	Period (F.Y.)	Amount (Rs. Lacs) *	Forum where pending
Gujarat General Sales Tax Act, 1969.	Sales Tax	2001-02	5.67	Joint Commissioner of Sales Tax(Appeal), Vadodara.
Gujarat General Sales Tax, 1969	Sales Tax	1995-96	2.15	Assessing Authority-Bharuch
Gujarat General Sales Tax, 1969	Sales Tax	1996-97	1.65	Assessing Authority-Bharuch
Gujarat General Sales Tax, 1969.	Sales Tax	2003-04	3.14	Dy. Commissioner of Commercial Tax (Appeal), Vadodara.
Central Sales Tax (Gujarat) Rules, 1970.	Sales Tax	2003-04	10.67	Joint Commissioner of Commercial Tax (Appeal), Vadodara
Andhara Pradesh General Sales Tax Act	Sales Tax	2001-02	8.62	Andhra Pradesh Tribunal
Andhara Pradesh General Sales Tax Act	Sales Tax	2003-04	10.02	Andhra Pradesh Tribunal
West Bengal Sales Tax Act	Sales Tax	2003-04	15.93	Joint Commissioner (Appeal) Kolkatta
West Bengal Sales Tax Act	Sales Tax	2003-04	2.24	West Bengal Tribunal
Assam Value Added Tax Act	VAT	2007-08	1.12	Joint Commissioner Guwahati
Central Excise Act	Excise Duty	1987-88	44.92	** Hon'ble Supreme Court of India.

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

** Fixed deposit receipt lodged with Rajasthan Excise Department.

- (x) The Company does not have accumulated losses as at the end of the financial year. There are no cash losses during the financial year under report and in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or bank during the year.
- (xii) In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the CARO, 2003 are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanation given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the CARO, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given a counter guarantee of Rs.32.85 lacs in favour of Gujarat Industrial Development Corporation Limited (GIDC) in relation to the corporate guarantee provided by GIDC for avilment of term loans by Bharuch Eco-Aqua Infrastructure Limited, the terms and conditions whereof are not, prima facie, prejudicial to the interest of the Company.
- (xvi) According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the term loans taken by the Company have been applied for the purpose for which they were obtained.
- (xvii) According to the information and explanations given to us and as per books and records examined by us, on the basis of an overall examination of the Balance Sheet of the Company, the funds raised by the Company on short-term basis, have not been applied for long-term purposes.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the Company has not issued any debentures. Therefore, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
- (xx) The Company has not raised any money by means of public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For **B.D. GARGIYA & CO.**
Chartered Accountants
Firm Reg. No. 001072C

Sd/-
(CA ASHOK MANGAL)
Partner
Membership No.71714

Place: Gurgaon

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

Sd/-
(CA NAVEEN AGGARWAL)
Partner
Membership No. 094380

Date: 14.04.2011

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	Schedule No.	Amount (Rs in Lacs)			
		As at 31st March 2011		As at 31st March 2010	
SOURCES OF FUNDS					
1 Shareholders' Funds					
Share Capital	I	1,928.75		2,768.75	
Reserves and Surplus	II	19,134.68	21,063.43	12,469.16	15,237.91
2 Loan Funds					
Secured Loans	III	15,598.20		10,532.29	
Unsecured Loans	IV	9,242.13	24,840.33	4,504.58	15,036.87
3 Deferred Tax Liability (Net)			3,228.98		2,699.71
(Refer note no. 21 of Schedule XX B)					
TOTAL			49,132.74		32,974.49
APPLICATION OF FUNDS					
1 Fixed Assets	V				
Gross Block		35,911.76		29,122.24	
Less : Depreciation/Amortisation		10,729.95		9,203.60	
Net Block		25,181.81		19,918.64	
Capital Work-in-Progress		3,207.03	28,388.83	863.54	20,782.18
2 Investments	VI		196.77		196.77
3 Current Assets, Loans & Advances					
Inventories	VII	14,098.00		10,281.08	
Sundry Debtors	VIII	17,625.96		10,307.57	
Cash and Bank Balances	IX	816.21		493.24	
Loans and Advances	X	5,020.87		3,449.16	
Sub-total (A)		37,561.04		24,531.05	
Less : Current Liabilities and Provisions					
Current Liabilities	XI	15,671.28		12,017.18	
Provisions	XII	1,342.63		518.33	
Sub-total (B)		17,013.91		12,535.51	
Net Current Assets (A)-(B)			20,547.13		11,995.54
TOTAL			49,132.74		32,974.49
Significant Accounting Policies and Notes to Accounts	XX				

The Schedules referred to above and notes thereon form an integral part of the Balance Sheet.

As per our separate report of even date attached

For B. D. Gargieya & Co
Chartered Accountants
Firm Reg. No. 001072C

Sd/-
Ashok Mangal
Partner
M. No.: 71714

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

Sd/-
Naveen Aggarwal
Partner
M. No.: 94380

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	Schedule No.	Amount (Rs in Lacs)			
		For the year ended 31st March 2011		For the year ended 31st March 2010	
INCOME					
Sales (Gross)		83,631.30		61,924.76	
Less: Rebates & Discounts		7,155.18		5,276.13	
Less: Excise Duty		4,619.19		2,477.60	
Net Sales			71,856.93		54,171.03
Other Income	XIII		73.44		111.16
TOTAL			71,930.37		54,282.19
EXPENDITURE					
Purchase of Traded Good			2,050.86		1,356.67
Cost of Material			42,937.23		30,247.45
(Increase) / Decrease in Stock	XIV		(2,950.75)		225.27
Operating Expenses	XV		4,866.06		3,615.88
Personnel Expenses	XVI		5,510.03		4,324.71
Administrative, Selling and Other Expenses	XVII		6,638.85		5,289.61
Research and Development Expenses	XVIII		554.05		514.79
Interest & Other Financial Charges	XIX		1,819.31		1,830.73
Depreciation / Amortisation	V		1,523.91		1,278.81
Less: Transferred from Revaluation Reserve			(2.74)		(3.10)
TOTAL			62,946.81		48,680.82
Prior period adjustments (Net)			8,983.56		5,601.37
			(0.28)		(0.31)
PROFIT BEFORE TAXATION			8,983.28		5,601.06
Profit from continuing operations		8,431.60		5,185.72	
Less: Provision for Taxation - Current Year		(1,841.76)		(1,160.04)	
(Refer note no. 13 of Schedule XX B)					
Provision for Taxation - Deferred Tax		(529.27)		(203.03)	
Provision for Income Tax for earlier years		5.27		19.98	
Profit from continuing operations after Tax			6,065.84		3,842.63
Profit from Discontinuing operations		551.68		415.34	
Less: Provision for Tax		(205.85)		(163.46)	
Profit from Discontinuing operations after tax			345.83		251.88
PROFIT AFTER TAX			6,411.67		4,094.51
Add : Balance brought forward from previous year			8,137.89		4,525.11
PROFIT AVAILABLE FOR APPROPRIATION			14,549.56		8,619.62
APPROPRIATIONS					
Transfer To General Reserve			(641.17)		(307.10)
Dividend					
- Equity Shares - Proposed			(500.24)		(149.17)
- Preference Shares - Proposed			(0.08)		(0.09)
- Dividend Distribution Tax			(83.09)		(25.37)
Balance carried forward to Balance Sheet			13,324.99		8,137.89
Earning per Share					
Basic Earnings per Share (in Rs.)			57.73		37.85
Diluted Earnings per Share (in Rs.)			51.27		35.28
Earning per Share Rs. - Continuing Business					
Basic Earnings per Share (in Rs.)			54.62		35.52
Diluted Earnings per Share (in Rs.)			48.50		33.11
Earning per Share Rs. - Discontinuing Business					
Basic Earnings per Share (in Rs.)			3.11		2.33
Diluted Earnings per Share (in Rs.)			2.77		2.17
Face value per Share (in Rs.)			10.00		10.00
Significant Accounting Policies and Notes to Accounts XX					

The Schedules referred to above and notes thereon form an integral part of the Profit & Loss Account.

As per our separate report of even date attached

For B. D. Gargieya & Co
Chartered Accountants
Firm Reg. No. 001072C

Sd/-
Ashok Mangal
Partner
M. No.: 71714

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

Sd/-
Naveen Aggarwal
Partner
M. No.: 94380

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
A. Cash Flow from Operating Activities				
Net Operating Profit before Tax & Extraordinary Items		8,983.28		5,601.06
Adjustments for:				
Depreciation	1,559.06		1,311.75	
Interest Expenses	1,819.31		1,830.75	
Provision for Doubtful Debts and Advances	169.31		142.35	
Interest Income	(58.16)		(48.08)	
Dividend Income	(0.02)		(0.02)	
(Profit)/Loss on sale of Fixed Assets (Net)	3.97		17.70	
Bad Debts written off	0.68		50.92	
Miscellaneous Liability Written back	-		(24.55)	
Foreign Exchange Loss/(Gain) (Net)	(165.95)		(13.89)	
Deferred Revenue Expenditure written off during the year	-		36.98	
		3,328.20		3,303.91
Operating Profit before Working Capital changes		12,311.48		8,904.97
(Increase) / Decrease in Trade and Other Receivables	(9,007.34)		(1,723.41)	
(Increase)/Decrease in Inventories	(3,816.92)		141.25	
Increase / (Decrease) in Trade Payables/ Provisions	3,929.09	(8,895.17)	2,516.74	934.58
Cash generated from Operations		3,416.31		9,839.55
Net Direct Taxes paid		1,776.37		1,144.09
Net cash from Operating Activities		1,639.94		8,695.46
B. Cash flow from Investing Activities				
Purchase of Fixed Assets	(9,193.98)		(3,619.22)	
Investment in Shares of Joint Venture / Subsidiary Companies	(-)		(15.55)	
Sale of Fixed Assets	21.54		14.46	
Interest Received	58.16		48.08	
Dividend Received	0.02		0.02	
Net cash used in investing activities		(9,114.26)		(3,572.21)
Net cash from Operating and Investing Activities		(7,474.32)		5,123.25

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
C. Cash flow from Financing Activities				
(Repayment)/Issue of Preference Share Capital	-		2,060.00	
(Repayment)/Issue of Debentures	-		2,940.00	
Short Term Borrowings (Net)	6,478.12		(6,257.47)	
Long Term Borrowings (Net of Repayments)	3,267.37		(1,998.43)	
Interest paid (Net)	(1,800.03)		(1,792.72)	
Dividend & Tax on Dividend Distribution	(148.17)		(0.11)	
Net Cash from Financing activities		7,797.29		(5,048.73)
Net Cash from Operating, Investing & Financing Activities		322.97		74.52
Net increase in Cash & Cash equivalent		322.97		74.52
Opening balance of Cash & Cash equivalent		493.24		418.72
Closing balance of Cash & Cash equivalent		816.21		493.24
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-				
i) Cash Balance on Hand		8.53		4.99
ii) Balance with Scheduled Banks :				
a) In Current Accounts		388.58		143.52
b) In Unpaid Dividend Accounts		2.07		0.98
c) In Fixed Deposits		417.03		343.75
Total		816.21		493.24

As per our separate report of even date attached

For B. D. Gargieya & Co
Chartered Accountants
Firm Reg. No. 001072C

Sd/-
Ashok Mangal
Partner
M. No.: 71714

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

Sd/-
Naveen Aggarwal
Partner
M. No.: 94380

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE I - SHARE CAPITAL		
Authorised		
200,00,000 (Previous Year 200,00,000) Equity Shares of Rs.10/- each	2,000.00	2,000.00
50,00,000 (Previous Year 50,00,000) Preference Shares of Rs.100/- each	5,000.00	5,000.00
	7,000.00	7,000.00
Issued		
112,05,158.5 (Previous Year 71,05,165.5) Equity Shares of Rs.10/- each *	1,120.52	710.52
Subscribed & Paid up		
111,87,501 (Previous Year 70,87,508) Equity Shares of Rs.10/- each *	1,118.75	708.75
Notes: 9,34,810 Equity Shares of Rs 10/- each fully paid up were allotted as Bonus Shares by capitalisation of reserves in earlier years. 35,43,754 Equity Shares of Rs. 10/- each fully paid up were allotted as Bonus Shares during the last year by capitalising Rs. 175.00 lacs from Capital Redemption Reserve and Rs. 179.37 lacs from General Reserve. 37,29,164 Equity Shares of Rs 10/- each fully paid up were allotted as Bonus shares during the year by capitalising Share Premium Account. 8,10,000 (Previous Year 20,60,000) Non-Cumulative compulsorily Convertible Preference shares of Rs. 100 each **	810.00	2,060.00
TOTAL	1,928.75	2,768.75

* Includes 18 fractional shares allotted in the name of the employee of the Company (in the capacity of nominee/ trustee of shareholder entitled to these fractional shares) for sale thereof at prevailing market prices through recognised Stock Exchange on the terms & condition specified by the Board of Directors and reimburse the sale proceeds to the account of Shareholders entitled to these fractional shares.

** Pursuant to the Special Resolution passed at the Extra Ordinary General Meeting of Shareholders on 12th October 2009, the Company, on October 24, 2009, has allotted 10,30,000 Non-Cumulative compulsorily Convertible Preference Shares (CCPS) each, at a face value Rs.100 per CCPS on preferential basis to Standard Chartered Private Equity Mauritius Limited and Standard Chartered Private Equity Mauritius II Limited, aggregating to 20,60,000 CCPS. The CCPS carry a coupon rate of 0.01% p.a. The CCPS has lock in period of one year from the date of allotment. The CCPS is mandatorily convertible into equity shares within the period of 18 months from the date of allotment. As per the terms of issue 1250000 CCPS were converted into 370826 equity shares of Rs. 10 each at a premium of Rs. 327.085 per share during the year.

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)			
	As at 31st March 2011		As at 31st March 2010	
SCHEDULE II - RESERVES AND SURPLUS				
Capital Reserve				
Balance at the beginning and end of the year		147.51		147.51
Capital Redemption Reserve				
Balance at the beginning of the year	-		175.00	
Less: Capitalised for Bonus Shares	-	-	(175.00)	-
Revaluation Reserve				
Balance at the beginning of the year	204.57		207.67	
Less: Depreciation on revalued amount adjusted	(2.74)	201.83	(3.10)	204.57
General Reserve				
Balance at the beginning of the year	3,979.19		3,851.46	
Less: Capitalised for Bonus Shares	-		(179.37)	
Add: Transferred during the year	641.17	4,620.36	307.10	3,979.19
Securities Premium Account				
Balance at the Beginning of the period	-		-	
Addition during the period	1212.92		-	
Less: Capitalised for Bonus Shares	(372.92)	840.00	-	-
Surplus in Profit & Loss Account				
Balance at the beginning of the year	8,137.89		4,525.11	
Addition during the period	6,411.67		4,094.51	
Less: Proposed Dividend on Preference Shares and Tax thereon	(0.09)		(0.11)	
Less: Proposed Dividend on Equity Shares and Tax thereon	(583.32)		(174.52)	
Less: Transfer to General Reserves	(641.17)	13,324.98	(307.10)	8,137.89
TOTAL		19,134.68		12,469.16

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE III - SECURED LOANS		
Term Loan from Financial Institutions / Banks	4,778.73	6,246.55
(See Note 4 of Schedule XX B)		
Working Capital Loans from Banks	10,819.47	4,285.74
TOTAL	15,598.20	10,532.29

Notes :

- Term loans are secured by way of first charge on pari passu basis by joint equitable mortgage through deposit of title deeds on all the immovable properties of the Company and second charge ranking pari passu by way of hypothecation of movable properties, present and future.
Term Loans from Financial Institutions & Banks includes Rs. Nil (Previous Year Rs. 172.42 lacs) Foreign Currency Loan.
- Working capital loans are secured by way of first charge on pari passu basis by hypothecation of stocks of raw materials, finished and semi finished goods, stores and spares not related to plant and machinery, bills receivable, book debts and all other movable properties and additionally secured by way of second charge on all the immovable properties of the Company in favour of the consortium bankers.
Working Capital Loan includes Rs. 986.98 lacs (Previous Year Rs. 1,187.02 lacs) Packing Credit Foreign Currency Loan and Rs. 126.56 lacs (Previous Year Nil) Buyers Credit.
All the above loans are collaterally secured by personal guarantees by one or two directors of the Company as specified in the respective agreements.

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE IV - UNSECURED LOANS		
Loans		
Interest-free Sales Tax Loan	23.50	47.01
Zero Coupon Optionally Convertible Debentures*	2,940.00	2,940.00
Packing Credit Foreign Currency Loan	4,458.24	-
Inter Corporate Deposits		
From wholly owned subsidiary of the Company	60.00	60.00
From others	190.00	120.00
Deposits		
Directors	154.23	140.58
Shareholders	139.09	118.95
Dealers Security Deposits	886.66	729.62
Others	390.41	348.42
TOTAL	9,242.13	4,504.58

Note:

* Pursuant to the Special Resolution passed at the Extra Ordinary General Meeting of Shareholders on 12th October 2009, the Company has issued 29,40,000 Optionally Convertible Debentures (OCD) of Rs.100/- each to Standard Chartered Investments and Loans (India) Ltd., on preferential basis on October 24, 2009. The OCD has lock in period of one year from the date of allotment. The OCD is optionally convertible into equity shares within the period of 18 months from the date of allotment. The unconverted portion of OCD, if any, shall be redeemed at the end of 18 months or may be further extended by another 18 months, if mutually agreed.

SCHEDULE V - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 1st April 2010	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2011	As at 1st April 2010	For the year	Deductions/ Adjustments during the year	As at 31st March 2011	As at 31st March 2010
Land ^									
- Freehold	235.53	-	-	235.53	-	-	-	235.53	235.53
- Leasehold	661.48	-	-	661.48	3.29	0.42	-	657.77	658.19
Buildings ^	2,329.67	630.37	-	2,960.04	612.05	54.51	-	2,293.48	1,717.62
Plant and Machinery * ^	24,776.53	6,146.26	36.73	30,886.06	7,835.29	1,426.17	14.62	21,639.22	16,941.24
Furniture & Fixtures and Office Equipments	520.29	28.32	0.65	547.96	348.78	28.01	0.57	171.74	171.51
Vehicles	234.97	4.09	23.58	215.48	180.96	14.57	20.26	40.21	54.01
Library	98.32	1.84	-	100.16	71.49	2.86	-	25.81	26.83
Tools and Equipments	2.66	-	-	2.66	-	-	-	2.66	2.66
Intangible Assets -Software	262.79	39.60	-	302.39	151.74	35.26	-	115.39	111.05
Total	29,122.24	6,850.48	60.96	35,911.76	9,203.60	1,561.80	35.45	25,181.81	19,918.64
Capital Work in Progress **	863.54	8,515.02	6,171.53	3,207.03	-	-	-	3,207.03	863.54
Grand Total	29,985.78	15,365.51	6,232.49	39,118.79	9,203.60	1,561.80	35.45	28,388.83	20,782.18
Previous Year	26,523.14	6,793.61	3,330.38	29,985.78	7,960.82	1,314.85	72.07	20,782.18	

Note

^ Gross Block includes Rs. 179.67 lacs for Land, Rs. 198.95 lacs for Buildings and Rs. 433.75 lacs for Plant & Machinery due to revaluation as on 30.06.1988 and Net Block includes Rs. 179.67 lacs for land, Rs. 18.12 lacs for Buildings and Rs. 4.04 lacs for Plant & Machinery .

* Deductions/ Adjustments to Plant & Machinery includes foreign exchange gain/ (loss) of Rs. Nil. (Previous Year net exchange gain of Rs. 52.35 lacs)

* Depreciation for the year includes depreciation amounting to Rs. 37.89 lacs (Previous year Rs. 36.04 lacs) on assets used for Research and Development. During the year company incurred Rs. Nil (Previous year Rs. 63.53 lacs) towards capital expenditure for Research & Development. (Refer note no. 15 of Schedule XX B).

** Capital Work in Progress includes Rs. 70 .77 lacs (Previous Year Nil) expenditure on Product being developed.

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)			
	As at 31st March 2011		As at 31st March 2010	
SCHEDULE VI - INVESTMENTS				
Long Term Investments (At cost) : Non Trade Unquoted Shares (Equity)				
1) a) Panoli Enviro Technology Ltd. 30,000 (Previous Year 30,000) Equity Shares of Rs.10/- each	3.00		3.00	
b) Bharuch Enviro Infrastructure Ltd. 2,100 (Previous Year 2,100) Equity Shares of Rs.10/- each	0.21		0.21	
c) Bharuch Eco-Aqua Infrastructure Ltd. 4,44,339 (Previous Year 4,44,339) Equity Shares of Rs.10/- each	44.43		44.43	
d) Angan Apartment Co-opt Hsg. Society Ltd (Services) Bharuch 5 (Previous Year 5) Equity Shares of Rs.50/- each fully paid up	0.01		0.01	
e) Abhilasha Tower Co-operative Service Housing Society Ltd. 10 (Previous Year 10) Equity Shares of Rs. 250/- each	0.02		0.02	
		47.67		47.67
2) Investment in wholly-owned subsidiary				
PILL Finance & Investment Limited 3,60,000 (Previous Year 3,60,000) Equity Shares of Rs. 10/- each	36.00		36.00	
PI Life Science Research Limited 945,000 (Previous Year 945,000) Equity Shares of Rs.10/- each	94.50		94.50	
PI Japan Company Limited 100 (Previous Year - 100) Equity Shares of Rs.18600/- each - (JPY 50,000/- each)	18.60		18.60	
		149.10		149.10
TOTAL		196.77		196.77
Aggregate book value of Quoted Investments		NIL		NIL
Aggregate book value of Un-Quoted Investments		196.77		196.77
Investments Purchased and Sold during the Year		Nil		15.55
(Previous Year 155480 Equity shares of Rs. 10 Each of Bharuch Eco-Aqua Infrastructure Ltd. purchased)				

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE VII - INVENTORIES (As valued and certified by the Management)		
i) Raw Materials and Packing Materials (includes Stock-in-Transit Rs. 87.13 lacs)	5,209.13	4,385.63
ii) Finished Goods, including By - products.	4,806.41	3,162.68
iii) Work in Progress	3,085.28	1,778.26
iv) Stores & Spares, Laboratory Chemicals & Apparatus	997.18	954.51
TOTAL	14,098.00	10,281.08

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE VIII - SUNDRY DEBTORS (Unsecured, Considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months {including Rs. 193.48 lacs considered doubtful (Previous Year 139.57 lacs)}	665.06	685.26
Others Debts {including Rs. 10.92 lacs considered doubtful (Previous Year Rs. 2.78 lacs)}	17,165.30	9,764.66
Less: Provision for Doubtful Debts	(204.40)	(142.35)
TOTAL	17,625.96	10,307.57

PARTICULARS	Amount (Rs in Lacs)			
	As at 31st March 2011		As at 31st March 2010	
SCHEDULE IX - CASH & BANK BALANCES				
i) Cash balance in hand		8.53		4.99
ii) Balance with scheduled banks				
a) In Current Accounts	388.58		143.52	
b) In Deposit Accounts*	417.03		343.75	
c) In Unpaid Dividend Accounts **	2.07	807.68	0.98	488.25
TOTAL		816.21		493.24

* Deposit account includes Rs.277.75 Lacs (Previous Year Rs.205.28 lacs) towards margin money pledged with banks for Bank Guarantees and Letter of Credit and Rs.139.28 lacs (Previous Year Rs. 138.47 lacs) towards security deposit lodged with the Rajasthan excise department.

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

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE X - LOANS & ADVANCES (Unsecured, Considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received		
- To wholly owned subsidiaries of the Company	14.26	-
- To others {including Rs. 38.50 lacs considered doubtful (Previous Year Nil)}	3,910.17	2,928.23
Less: Provision for Doubtful advances	(38.50)	-
Advance Fringe Benefit Tax (Net of Provision for Tax Rs. Nil (Previous Year Rs. Nil))	7.39	7.39
Balance with Central Excise Authorities, Customs etc.	748.56	156.97
Deposits with Government & Others*	378.99	356.57
TOTAL	5,020.87	3,449.16

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

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE XI - CURRENT LIABILITIES		
i) Acceptances	1,546.96	2,893.36
ii) Sundry Creditors		
a) Dues to Micro & Small Enterprises	322.77	539.29
b) Dues to other than Micro & Small Enterprises*	11,311.34	6,084.90
iii) Advances from Customers	1,319.57	1,551.88
iv) Project Vendors	539.73	463.55
v) Unclaimed dividend **	2.07	0.98
vii) Other Liabilities	607.37	478.67
vi) Interest accrued but not due on Loans	21.47	4.55
TOTAL	15,671.28	12,017.18

* Includes amount due to Subsidiary Companies Rs. 31.04 lacs (Previous Year Rs. 127.05 lacs)

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

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE XII - PROVISIONS		
i) Provision for Income Tax {Net of Advance Tax of Rs. 3,433.68 lacs (Previous Year Rs. 1,104.11 lacs)}	508.77	217.44
ii) Provision for Gratuity & Leave Encashment	250.44	126.26
iii) Provision for Proposed Dividend on Equity Shares	500.24	149.17
iv) Provision for Proposed Dividend on Preference Shares	0.08	0.09
v) Provision for Dividend Distribution Tax	83.10	25.37
TOTAL	1,342.63	518.33

PARTICULARS	Amount (Rs in Lacs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE XIII - OTHER INCOME		
Dividend	0.02	0.02
Interest received (on bank FDR's etc.)		
- From Banks on FDR	16.75	22.18
- From Others	41.41	48.08
{Tax Deducted at Source Rs. 4.83 lacs (Previous year Rs. 6.92 lacs)}		
Miscellaneous Income	15.26	40.88
TOTAL	73.44	111.16

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
SCHEDULE XIV - (INCREASE) / DECREASE IN INVENTORIES				
Closing Stock :				
Finished Goods / Traded Goods	4,806.41		3,162.68	
Work in Process	3,085.28	7,891.69	1,778.26	4,940.94
Less: Opening Stock :				
Finished Goods / Traded Goods	3,162.68		2,998.98	
Work in Process	1,778.26	4,940.94	2,167.23	5,166.21
TOTAL		(2,950.75)		225.27

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
SCHEDULE XV - OPERATING EXPENSES				
Power, Fuel & Water		2,663.13		2,072.36
Stores & Spares Consumed		508.39		640.45
Repairs & Maintenance to :				
Buildings	42.39		26.15	
Plant & Machinery	168.22	210.61	155.26	181.41
Environment & Pollution Control expenses		2,025.73		869.24
Laboratory & Testing Charges		193.33		219.66
Exchange Difference (Net)		(735.13)		(367.24)
TOTAL		4,866.06		3,615.88

PARTICULARS	Amount (Rs in Lacs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE XVI - PERSONNEL EXPENSES		
Salaries, Wages & Bonus	4,463.91	3,587.26
Contribution to Provident & other funds	397.16	256.42
Employees Welfare Expenses	241.12	177.49
Managerial Remuneration	407.84	303.54
TOTAL	5,510.03	4,324.71

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE XVII - ADMINISTRATIVE , SELLING & OTHER EXPENSES		
Commission on Sales	75.77	109.10
Freight & Cartage	1,744.27	1,315.68
Other Repairs	181.06	178.94
Advertisement & Sales Promotion	1,555.09	996.39
Travelling & Conveyance	1,400.34	1,141.81
Rent	280.39	264.32
Rates, Taxes & Fees	118.04	177.52
Insurance	104.31	97.34
Donation	6.48	14.75
Deferred revenue expenditure written off	-	36.98
Loss On Sale of Fixed Assets (Net)	3.97	17.70
Printing & Stationery	60.15	50.72
Auditor's Remuneration	16.21	8.45
Communication Expenses	145.52	111.28
Bad debts written off (Net)	0.68	50.92
Provision for Bad and Doubtful debts & Advances	169.31	142.35
Legal & Professional Expenses	306.20	221.45
Electricity and Water charges	20.06	18.81
Miscellaneous Expenses	451.00	335.10
TOTAL	6,638.85	5,289.61

SCHEDULES TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE XVIII - RESEARCH & DEVELOPMENT		
Raw & Packing Materials Consumed	123.39	141.73
Power, Fuel & Water	9.42	14.15
Stores & Spares Consumed	23.76	41.07
Testing & Analysis	2.80	9.90
Salaries, Wages & Bonus	283.55	229.18
Contributions to Provident & other funds	28.07	23.14
Employee Welfare Expenses	5.22	1.45
Meeting & Conference	0.05	0.32
Travelling & Conveyance	25.96	11.78
Rates, Taxes & Fees	1.53	1.27
Printing & Stationery	0.59	0.06
Bank Charges	-	0.02
Depreciation	37.89	36.04
Miscellaneous Expenses	11.82	4.68
TOTAL	554.05	514.79

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
SCHEDULE XIX - INTEREST & OTHER FINANCIAL CHARGES				
Interest				
On Fixed Loans		687.29		845.50
On Working Capital	1,083.02		911.24	
Less: Interest on Overdue debts	(218.11)	864.91	(153.93)	757.31
Bank & Other Financial Charges		267.11		227.92
TOTAL		1,819.31		1,830.73

SCHEDULE XX-SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards pursuant to the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company.

2 USE OF ESTIMATES

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

3 REVENUE RECOGNITION

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

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

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

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

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

4 EXPENDITURE

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

5 FIXED ASSETS AND DEPRECIATION

a) Fixed Assets are stated at cost or as revalued, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of 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.

Pursuant to the notification dated March 31, 2009 issued by the Ministry of Corporate Affairs, Govt of India, in the year ended 31st March 2009, the Company had exercised the option available under the newly inserted paragraph 46 to the Accounting Standard AS-11, in respect of accounting periods commencing on or after 7th December, 2006 and exchange differences arising on reporting of the long term foreign currency monetary items at rates different from those at which they were initially recorded during the period are added to or deducted from the cost of the assets and are depreciated over the balance life of the assets, if these monetary items pertain to the acquisition of depreciable fixed assets.

b) Depreciation on Building, Plant & Machinery and R&D Equipments of Pesticides Division at Udaipur (in respect of fixed assets commissioned on or after July 1, 1988), Pesticides Division at Panoli & Jammu and Polymer Division at Panoli is provided on Straight Line method and depreciation on all other fixed assets is provided on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.

c) Leasehold land is being amortised over the lease period.

d) Revaluation of Fixed assets: Depreciation on the increased amount of assets due to revaluation is computed on the basis of the residual life of the assets as estimated by the valuers on straight-line method.

6 INTANGIBLE ASSETS

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

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

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

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

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

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

7 IMPAIRMENT OF ASSETS

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

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

8 INVENTORIES

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

9 EMPLOYEE BENEFITS

- a) Defined Contribution Plan :

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

- b) Defined Benefit Plan :

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

- c) Actuarial gains/losses, if any, are immediately recognised in the Profit & Loss Account.

10 DEFERRED REVENUE EXPENDITURE

Expenditure incurred towards the Voluntary Retirement Scheme of the Company is treated as Deferred Revenue Expenditure and charged to the Profit & Loss Account over a period of five years.

11 FOREIGN CURRENCY TRANSACTIONS

- a) Initial Recognition

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

- b) Conversion

Foreign currency monetary items are reported using the closing rate.

- c) Exchange Difference

Any gain or loss on account of exchange difference arising either on the settlement or on reinstatement of foreign currency monetary items is recognised in the Profit & Loss account, except exchange difference arising on long term foreign currency monetary items relating to acquisition of depreciable fixed assets, which is adjusted to the carrying amount of such assets.

An asset shall be designated as a long term foreign currency monetary item, if the asset or liability is expressed in foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

12 RESEARCH AND DEVELOPMENT

Capital Expenditure incurred for Research and Development is capitalised when commissioned and included in the gross block of fixed assets. Revenue expenditure on research and development is charged to the Profit & Loss account in the period in which it is incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale. Product development expenditure which do not meet these criteria are expensed when incurred.

13 PRIOR PERIOD ADJUSTMENTS

Earlier year items, adjustment/claims, arisen / settled / noted during the year, if material in nature, are debited / credited to prior period Expenses/Income or respective heads of account, if not material in nature.

14 INVESTMENTS

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

15 BORROWING COST

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

16 TAXATION

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

17 LEASES

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

18 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

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

19 SEGMENT REPORTING

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

Primary Segment:

Business Segment: The Company's operating business is organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The identified segments are Chemicals and Others.

Secondary Segment:

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

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

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

20 CASH FLOW STATEMENTS

Cash-flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3) notified under the Companies (Accounting Standards) Rules, 2006. The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

21 EARNING PER SHARE

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

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

22 DERIVATIVE INSTRUMENTS

As per the announcement of the Institute of Chartered Accountants of India, accounting for derivatives contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the Profit and Loss Account. Net Gain is ignored.

B. NOTES TO ACCOUNTS

PARTICULARS	Amount Rs. in Lacs	
	31.03.2011	31.03.2010
1 Contingent Liabilities in respect of:		
Bills discounted	-	-
Disputed Taxation demands not acknowledged as debts:		
- Sales Tax	162.81	140.01
- Excise Duty	84.99	84.99
Counter Guarantee to GIDC	32.85	32.85
2 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	1,456.19	746.65
3 Auditors' Remuneration		
Statutory Auditors		
Audit Fees	10.00	5.00
Tax Audit Fees	1.50	1.00
Certificates & other matters	1.18	0.07
Out of Pocket expenses	3.53	2.38
TOTAL	16.21	8.45
4 Long Term Loans Repayable within Twelve Months	2,031.94	2,362.36
5 a) Computation of net profits in accordance with section 198 read with section 309(5) of the Companies Act, 1956 and maximum amount permissible for managerial remuneration.		
Profit/ (Loss) as per Profit & Loss account (Before taxes and extraordinary items)	8,983.28	5,601.06
Add: Loss / (Profit) on sale of fixed assets	3.97	17.70
Add: Managerial Remuneration	407.84	303.54
Add: Provision for Doubtful Debts & Advances	169.31	142.35
Net Profit / (Loss) under section 198 of the Companies Act, 1956	9,564.40	6,064.65
Maximum amount permissible under section 309 of the Act for payment to Managing/ Whole time Directors	956.44	606.47
Maximum amount permissible under section 309 of the Act for payment to Non-Whole time Directors	95.64	60.65
Total allowable to Managing/ Whole time and Non-Whole time Directors	1,052.08	667.12

PARTICULARS	Amount Rs. in Lacs	
	31.03.2011	31.03.2010
b) Directors Remuneration (Actual)		
Managing/ Whole time Directors		
Salary and Allowances	225.45	193.36
Contribution to Provident Fund & Superannuation fund	55.13	38.18
Commission on Profit	65.00	42.00
Perquisites	38.46	11.80
Total	384.04	285.34
Note: As the future liability for Gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining the executive directors is not separately ascertainable and therefore to not included above.		
Non-Executive Directors		
Sitting Fees	5.80	6.20
Commission	18.00	12.00
Total	23.80	18.20
Grand Total	407.84	303.54
6 Travelling Expenses of Directors	114.51	111.95
7 The Company is a lessee under various operating leases. Total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
Payable within one year	408.87	225.51
Later than one year and not later than five years	887.13	184.08
Later than five years	-	-
Lease payments recognised in P&L account	355.13	281.29
8 Earning per share (EPS) :		
a) Net Profit for Basic & Diluted EPS	6,411.67	4,094.51
b) Number of Equity Shares at the beginning of the year	7,087,508	3,543,754
Add: Bonus shares issued during the year 2009-10	3,543,754	-
Add: Bonus Shares issued during the period ended 31st March 2011	3,729,167	3,729,167
Add: Partial conversion of Compulsorily Convertible Preference Shares into Equity Shares	370,826	-
Total Number of shares outstanding at the end of the year	11,187,501	10,816,675
Weighted average number of Equity Shares outstanding during the year - Basic	11,105,208	10,816,675
Weighted average number of Equity shares arising out of outstanding Compulsorily Convertible Preference Shares and Optionally Convertible Debentures that have dilutive effect on EPS	1,318,395	788,964
Weighted average number of Equity Shares outstanding during the year - Diluted	12,505,896	11,605,639
Earning Per Share - Basic (Rs.)	57.73	37.85
Earning per share - Diluted (Rs.)	51.27	35.28
Face value per share (Rs.)	10	10
Note: In accordance with Accounting Standard 20 (AS-20), the Earning Per Share for current and comparative period has been computed after adjusting for the Bonus shares allotted on 10th July 2010		

PARTICULARS	Amount Rs. in Lacs	
	31.03.2011	31.03.2010
9 Pre-operative expenditure capitalised as a part of Fixed Assets and carried forward is as under:		
A. Brought forward from the earlier year	200.51	96.88
B. Expenditure incurred during the year:		
Staff Costs	239.37	90.87
Administrative expenses	178.53	170.21
Interest and commitment charges	119.78	161.24
Stores Consumption	302.86	10.12
Rates & Taxes	-	(13.00)
	840.54	419.44
C. Capitalised as part of :		
Plant & Machinery	307.96	256.69
Building	26.66	54.87
Furniture, Fixtures & Office equipments	-	4.25
	334.62	315.81
D. Carried forward as part of capital work in progress	706.43	200.51

- 10** Donation includes an amount of Rs. Nil (Previous Year Rs. 5 lacs paid to Rajasthan Pradesh Congress Committee), paid to any recognised political party.
- 11** Sales include export incentives of Rs. 189.98 lacs (Previous Year Rs. 134.35 lacs) and insurance claims of Rs. 23.85 lacs (Previous Year Rs. 9.75 lacs)
- 12** In the opinion of the management and to the best of their knowledge and belief, the value on realisation of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet and provision has been made for all known liabilities.
- 13** During the current year, the Company has recognised MAT credit entitlement of Rs. Nil (Previous Year Rs.76.54 lacs) related to earlier year. Current tax is net of this MAT credit entitlement.
- 14** Consequent to the announcement issued by the Institute of Chartered Accountants of India in March, 2008 on Accounting for Derivatives, the Company, has recognized marked to market foreign currency loss of Rs. 22.44 lacs (Previous Year Gain of Rs. 58.71 lacs, not recognised , as a matter of prudence) on the outstanding forward contracts as at 31st March 2011.
- 15** Details of additions to Fixed Assets for Department of Scientific & Industrial Research recognised Research & Development facilities/ division of the Company for the year ended 31st March 2011 are as follows:

Description	As at April 1, 2010 Gross	Addition During the year	Amount (in Rs. Lacs)
			As at March 31, 2011 (Gross)
Buildings	18.12	-	18.12
Equipments & Others	834.05	-	834.05
Total	852.17	-	852.17

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

a) Defined Contribution Plans:-

The Company has recognised an expense of Rs. 375.91 Lacs (Previous Year Rs. 289.44 lacs) towards the defined contribution plan.

b) Defined benefits plans - as per actuarial valuation

Particulars	2010-11		2009-10	
	Gratuity Funded Rs./Lacs	Leave Non-Funded Rs./Lacs	Gratuity Funded Rs./Lacs	Leave Non-Funded Rs./Lacs
I Change in present value of obligation during the year				
1 Present value of obligation at the beginning of the year	324.81	147.95	289.50	108.15
2 Current Service Cost	49.32	36.10	39.89	30.52
3 Interest Cost	25.98	11.83	21.71	8.11
4 Past Service Cost	51.78	-	-	-
5 Net Actuarial (Gain)/Loss	10.72	(1.55)	(7.70)	17.93
6 Benefits Paid	(56.99)	(27.09)	(18.59)	(16.76)
7 Present Value of obligation as at year-end	405.62	167.24	324.81	147.95
II Change in Fair Value of Plan Assets during the year				
1 Plan assets at the beginning of the year	346.50	-	242.56	-
2 Expected return on plan assets	27.72	-	20.62	-
3 Actuarial Gain/(Loss) on plan assets	5.19	-	4.97	-
4 Employer's contribution	-	-	96.94	-
5 Benefits paid	(56.99)	-	(18.59)	-
6 Plan assets at the end of the year	322.42	-	346.50	-
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1 Present Value of obligation as at year-end	405.62	167.24	324.81	147.95
2 Fair value of plan assets at year-end	322.42	-	346.50	-
3 Funded status (Surplus/Deficit)	(83.20)	(167.24)	21.69	(147.95)
4 Net Asset/(Liability)	(83.20)	(167.24)	21.69	(147.95)
IV Expenses recognised in the Profit and Loss Account				
1 Current Service Cost	49.32	36.10	39.89	30.52
2 Interest Cost	25.98	11.83	21.71	8.11
3 Past service Cost	51.78	-	-	-
4 Expected return on plan assets	(27.72)	-	(20.62)	-
5 Net Actuarial (Gain)/Loss	5.53	(1.55)	(12.67)	17.93
6 Total Expense	104.89	46.38	28.31	56.56
V Actuarial Assumptions				
1 Discount Rate	8.00%	8.00%	7.50%	7.50%
2 Expected rate of return on plan assets	8.00%	0.00%	8.00%	0.00%
3 Mortality Table	LIC (1994-96) modified	LIC (1994-96) duly modified	LIC (1994-96) modified	LIC (1994-96) duly modified
4 Salary Escalation	5.50%	5.50%	5.00%	5.00%

17 Segment Information

a) Primary Segment Information (Business Segments)

Particulars	Amount (Rs. in Lacs)		
	Chemicals	Others	Total
1 Revenue			
External Revenue (Gross)	75,521.91 (56,443.61)	8,124.67 (5,522.05)	83,646.58 (61,965.66)
Inter Segment Revenue	-	-	-
	-	-	-
Segment Revenue Total	75,521.91 (56,443.61)	8,124.67 (5,522.05)	83,646.58 (61,965.66)
2 Segment Result	10,075.86 (6,878.17)	668.55 (483.34)	10,744.41 (7,361.51)
Segment Result Total	10,075.86 (6,878.17)	668.55 (483.34)	10,744.41 (7,361.51)
Profit before Interest, etc, and taxation			
Less: Interest			1,819.31 (1,830.73)
Add: Interest Income			58.16 (70.26)
Add: Dividend Income			0.02 (0.02)
Profit / (Loss) before Tax			8,983.28 (5,601.06)
3 Segment Assets	61,678.47 (39,994.21)	4,468.18 (5,515.78)	66,146.65 (45,509.99)
4 Segment Liabilities	15,775.24 (10,392.87)	1,238.68 (2,142.64)	17,013.91 (12,535.51)
5 Capital Expenditure			
Total Cost incurred during the year to acquire segment assets	15,281.15 (6,791.79)	84.36 (1.82)	15,365.51 (6,793.61)
6 Depreciation			
Segment Depreciation	1,491.04 (1,246.19)	68.02 (65.56)	1,559.06 (1,311.75)
7 Non Cash Expenses			
Segment non-cash expenses other than depreciation/ amortisation	173.24 (188.91)	0.72 (22.06)	173.96 (210.97)
Unallocable Non-cash expenses			22.44 (36.98)
Total Non-cash expenses			196.40 (247.95)
(Previous Year figures are given in bracket)			

b) Secondary Segment information (Geographical Segments)

Particulars	Year ended 31st March 2011	Year ended 31st March 2010
1 Segment Revenue		
- Within India	57,995.66	41,413.76
- Outside India	25,650.92	20,551.90
Total Revenue	83,646.58	61,965.66
2 Segment Assets*		
- Within India	56,922.32	41,862.52
- Outside India	9,224.33	3,647.47
Total Assets	66,146.65	45,509.99

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

18 Derivatives Instruments and Hedged/ Unhedged Foreign Currency Exposure

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

(in Lacs)				
Currency	Amount Outstanding as at 31st March, 2011	Amount Outstanding as at 31st March' 10	Buy / Sell	Purpose
USD	200	125	Sell	Hedging
Euro	80	-	Sell	Hedging

iii) Particulars for Hedged Foreign Currency Exposure

(in Lacs)					
Particulars	Currency	Amount as at 31st March' 11 (in Foreign Currency)	Amount as at 31st March' 11 (in INR)	Amount as at 31st March' 10 (in Foreign Currency)	Amount as at 31st March' 10 (in INR)
Export Debtors	USD	64.31	3,026.72	47.52	2,184.70
	EURO	4.38	269.95	-	-

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

(in Lacs)					
Particulars	Currency	Amount as at 31st March' 11 (in Foreign Currency)	Amount as at 31st March' 11 (in INR)	Amount as at 31st March' 10 (in Foreign Currency)	Amount as at 31st March' 10 (in INR)
1 ECB Term loan	USD	-	-	3.83	172.42
2 PCFC Loan	USD	121.87	5,445.22	26.39	1,187.02
3 Buyers Credit	USD	2.83	126.56	-	-
4 EEFC Account	USD	0.66	29.55	0.01	0.26
5 Import Creditors	USD	67.70	3,024.80	27.67	1,250.40
(Net)	EURO	0.57	35.89	5.92	359.61
	GBH	(0.03)	(2.51)	-	-
	CHF	(0.20)	(9.29)	(0.01)	(0.31)
	JPY	480.82	254.83	1.28	0.62
6 Export Debtors	USD	131.49	5,873.67	28.75	1,291.35
	EURO	-	-	0.08	4.72
	JPY	100.00	53.99	348.32	166.70

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

a) List of Related Parties

i Where control exists during the year:

Subsidiaries - PILL Finance and Investments Ltd, PI Life Science Research Ltd. and PI Japan Co.Ltd.

ii Enterprises in respect of which reporting enterprise is an associate:

Lucrative Leasing Finance and Investment Company Ltd; Parteek Finance and Investment Company Ltd;

iii Key Managerial Personnel (KMP):

Mr. Salil Singhal	Chairman & Managing Director
Mr. Mayank Singhal	Managing Director & CEO
Mr. Anurag Surana	Whole time Director

Relatives of Key Managerial Personnel:-

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

- iv Enterprises over which KMP and their relatives are able to exercise significant influence :-
Samaya Investment and Trading Pvt. Ltd; Hycron Electronics; PI Apparels Pvt. Ltd. ; Wolkem India Ltd.; Secure Meters Ltd., Salil Singhal (HUF) and Singhal Foundation.
- v The following transactions were carried out with related parties in the ordinary course of business:

(Rs. in Lacs)

Particulars	Type of relation	Transactions during the period		Balance outstanding as on 31.03.2011
		Recd/Pur.	Paid/Sales	
Purchase/Sales of goods and services	a (iv)	354.71 (307.37)	117.15 (59.93)	(28.08) (102.85)
Remuneration to directors	a (iii)	- (-)	384.04 (285.34)	65.00 (-)
Interest	a (i), (ii), (iii) & (iv)	33.63 (42.27)	84.50 (81.72)	- (-)
Rent	a (i), (iii) & (iv)	4.73 (4.43)	117.61 (110.95)	3.14 (18.97)
Deposits Received and Paid	a (iii)	95.34 (52.50)	87.99 (128.69)	619.10 (570.33)
Security Deposits	a(i), a (iii)	- (-)	5.27 (25.79)	31.56 (26.29)
Recovery of Dues on account of expenses incurred	a(i), a(iv)	52.98 (42.26)	- (-)	- (19.89)
Reimbursement on account of expenses	a(iv)	- (-)	- (0.12)	- (0.15)
Advance to Subsidiary	a(i)	- (-)	13.42 (-)	13.42 (-)
Loans Granted	a(i), a(iv)	1,075.00 (2,500.00)	1,075.00 (2,500.00)	- (-)
Inter Corporate Deposit	a (i), a(ii) , a(iv)	70.00 (10.00)	- (-)	250.00 (180.00)
Donation	a(iv)	- (-)	5.00 (5.00)	- (-)

Note: Figures in bracket represents previous year figures

20 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 (as certified by the management)

(Rs. in Lacs)		
Particulars	Principal Amount	Interest Amount
Principal amount and Interest due thereon remaining unpaid	322.77	-
to any supplier as on 31st March 2011	(539.29)	-
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	2,208.57 (2,304.50)	58.69 (61.87)
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.	- (-)	- (-)

(Figures in brackets pertains to Previous Year)

21 DEFERRED TAX

Rs. In lacs		
Particulars	31.03.2011	31.03.2010
Deferred Tax assets/liabilities are attributable to the following items:		
Deferred Tax Assets		
Effect of Expenditure debited to P&L account in the current year but allowed for tax purposes in the following year	208.09	376.06
Sub Total (a)	208.09	376.06
Deferred Tax Liabilities		
Difference in depreciation and amortization in block of fixed assets as per Income Tax Act and books of accounts & Others	3,437.07	3,075.77
Sub Total (b)	3,437.07	3,075.77
Net Deferred Tax Liability (a)- (b)	3,228.98	2,699.71

- 22** The Company has entered into a Business Transfer Agreement on 20th December, 2010 for selling its polymer division as a going concern on slump sale basis. This transaction is concluded on 11th April 2011. Since the date of sale is subsequent to the Balance Sheet date, the accounting treatment of the aforesaid transaction will be reflected in the subsequent year.

The Additional Disclosure as per AS-24, issued pursuant to the Companies(Accounting Standards) Rules 2006,is set out below:

The division is included in the segment "Others" in Segmental Reporting as per AS-17, issued pursuant to the Companies (Accounting Standard) Rules, 2006. As at 31st March 2011, the carrying amount of assets to be disposed off of the polymer division is Rs. 4,470.88 lacs (Previous year Rs. 3,436.37 lacs) and its liabilities to be disposed off is Rs. 1,045.38 lacs (Previous Year Rs. 590.11 lacs)

The following statement shows the revenue and expenses of continuing and discontinuing operations for the year ended 31st March 2011 and 2010 respectively

Particulars	Continuing operations		Discontinuing Operations	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Gross Sales	75,580.07	56,513.87	8,124.67	5,522.05
Operating Expenses	65,445.88	49,649.14	7,456.27	4,954.99
Pre-Tax profit (loss) from operating activities	10,134.19	6,864.73	668.40	567.06
Interest Expense	1,702.59	1,679.01	116.72	151.72
Profit (loss) before Tax	8,431.60	5,185.72	551.68	415.34
Income Tax expense				
- Provision for tax	1,836.49	1,140.06	205.85	163.46
- Deferred Tax	529.27	203.03	-	-
Profit/ (loss) after Tax	6,065.84	3,842.63	345.83	251.88

Cash Flow Disclosure related to Discontinuing Operation

Particulars	31.03.2011	31.03.2010
Cash Flow from operations	736.42	632.62
Net Working Capital Changes	(528.73)	(422.15)
Net Cash flow from Operating Activities	207.69	210.47
Net Cash flow from Investing Activities	(20.88)	(26.09)
Net Cash flow from Financing Activities	(116.72)	(151.72)
Net Cash inflow/ outflow	70.09	32.66

23 Additional information pursuant to the provisions of Paragraphs 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956

A. PARTICULARS OF LICENCED CAPACITY, INSTALLED CAPACITY

S.No.	Product	Licensed Capacity In Tonnes		Installed Capacity In Tonnes	
		2010-11	2009-10	2010-11	2009-10
1	Organo Phosphorous Compounds / Industrial Chemicals	11,260	11,260	10,090	9,140
2	Pesticides & Other Formulation	5,597 (in terms of Technical)	5,597	53,200 (in terms of Formulation)	53,200
3	Polyurethane & Others	7,500	7,500	6,400	6,400

B. ACTUAL PRODUCTION, PURCHASES, SALES AND STOCK OF GOODS MANUFACTURED/TRADED :

S.No.	Product	Opening	Production Stock	Purchases	Sales	Closing Stock
(I)	QUANTITY (IN TONNES)					
	Current Year					
	a) Chemicals including by-product/ Traded Goods	4,216	47,683	390	47,473	4,816
	b) Polymer	803	6,232	-	6,486	549
	Total	5,019	53,915	390	53,959	5,365
	Previous Year					
	a) Chemicals including by-product/ Traded Goods	(4,678)	(41,640)	(307)	(42,409)	(4,216)
	b) Polymer	(702)	(5,005)	-	(4,904)	(803)
	Total	(5,380)	(46,645)	(307)	(47,313)	(5,019)

S.No.	Product	Opening	Production Stock	Purchases	Sales	Closing Stock
(II)	IN VALUE (Rs. in Lacs)					
	Current Year					
	a) Chemicals including by-product/ Traded Goods	4,500.06	-	2,050.86	75,506.63	7,404.11
	b) Polymer	440.88	-	-	8,124.67	487.58
	Total	4,940.94	-	2,050.86	83,631.30	7,891.69
	Previous Year					
	a) Chemicals including by-product/ Traded Goods	(4,752.49)	-	(1,356.67)	(56,822.53)	(4,500.06)
	b) Polymer	(413.72)	-	-	(5,102.23)	(440.88)
	Total	(5,166.21)	-	(1,356.67)	(61,924.76)	(4,940.94)

C. VALUE OF IMPORTED / INDIGENOUS RAW MATERIAL, PACKING MATERIALS AND OTHER COMPONENTS CONSUMED

PARTICULARS	2010-11		2009-10	
	QTY(Tonnes)	Rs.in Lacs	QTY(Tonnes)	Rs.in Lacs
i Technical Pesticides	442	1,552.47	446	1,558.27
ii Inert Carriers & Adjuvants	161406	32,362.31	107920	23,370.13
iii Polymers	6030	5,065.42	5002	3,601.45
iv Others	-	4,080.42	-	1,859.33
Total	167878	43,060.62	113368	30,389.18
PARTICULARS	2010-11		2009-10	
	%	Rs. in Lacs	%	Rs.in Lacs
i Raw Material				
Imported	36	14,154.24	48	13,264.27
Indigenous	64	24,951.46	52	14,452.77
ii Packing Material				
Imported	3	114.15	-	-
Indigenous	97	3,840.77	100	2,672.14
D. VALUE OF IMPORTS CALCULATED ON CIF BASIS				
Raw Materials		16,696.69		11,395.46
Spare Parts & Components		168.56		34.21
Capital Goods		258.61		95.76
E. EARNINGS IN FOREIGN CURRENCY				
Export of Goods on FOB Basis		24,709.53		20,100.95
F. EXPENDITURE IN FOREIGN CURRENCY				
Professional		59.32		31.39
Consultancy		2.59		12.88
Interest		64.67		12.12
Travelling		11.54		3.71
Salary		42.47		26.96
Others		338.84		213.95

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

Signatures to Schedules I to XX inclusive

As per our separate report of even date attached

For B. D. Gargieya & Co
Chartered Accountants
Firm Reg. No. 001072C
Sd/-

Ashok Mangal
Partner
M. No.: 71714

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

Naveen Aggarwal
Partner
M. No.: 94380

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director
Sd/-
Mayank Singhal
Managing Director & CEO
Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

Balance Sheet Abstract and Company's General Business profile

I Registration Details	
Registration No	: L24211RJ1946PLC000469
State Code	: 17
Balance Sheet dated	: 31.03.2011
II Capital raised during the year (Amount in Rs Thousands)	
Public Issue	: NIL
Right Issue	: NIL
Bonus Issue	: 37292
Private Placement	: 3708
III Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)	
Total Liabilities	6,614,665
Total Assets	6,614,665
Source of Funds	
Paid-up Capital	192,875
Reserves And Surplus	1,913,468
Secured Loans	1,559,820
Unsecured Loans	924,213
Deferred Tax	322,898
Application of Funds	
Net Fixed Assets	2,838,883
Investments	19,677
Net Current Assets	2,054,713
Deferred Revenue Expenditure	-
Accumulated Losses	NIL
IV Performance of the Company (Amount in Rs.Thousands)	
Turnover	7,193,037
Total Expenditure	6,294,709
Profit/(Loss) before Tax	898,328
Profit/(Loss) after Tax	641,167
Earnings Per Share- Basic	57.73
Earnings Per Share- Diluted	51.27
Dividend Rate (%) - Equity	40
V Generic Names of Three Principal Products/Services of the Company (As per Monetary Terms)	
Item Code no (ITC Code)	Product Description
380810.00	Insecticides
902830.00	Metering and Allied Products
390210.00	Polypropylene

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

(Pursuant to Section 212(3) of the Companies Act, 1956)

1	Name of the Subsidiary Companies	PILL Finance & Investments Limited	PI Life Science Research Limited	PI Japan Company Limited
2.	The financial year of the subsidiary Company ended on	March 31, 2011	March 31, 2011	March 31, 2011
3.	Holding Company's interest: Number of Equity Shares Percentage Holding	3,60,000 Equity shares of Rs.10/- each 100%	9,45,000 Equity shares of Rs.10/- each 100%	100 Equity shares of JPY 50,000 each 100%
4.	(a) Net aggregate amount of subsidiary's Profit /(loss) not dealt within the Holding Company's accounts. (i) For the subsidiary's Financial year ended March 31, 2011 (ii) For the previous financial year.	 Rs. 3,97,284/- Rs. 3,72,296/-	 Rs. 73,96,112/- Rs. 88,76,810/-	 JPY 1269272 (Rs. 7.5 Lacs) JPY 975864 (Rs. 5.02 Lacs)
	(b) Net aggregate amount of subsidiary's Profit/ (loss) dealt within the Holding Company's accounts: (i) For the subsidiary's financial year ended on March 31, 2011 (ii) For the previous financial year	 Nil Nil	 Nil Nil	 Nil Nil

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF PI INDUSTRIES LIMITED

We have audited the attached consolidated Balance Sheet of PI Industries Limited and its subsidiaries (collectively referred to as 'PI Industries Group') as at 31st March, 2011, the consolidated Profit and Loss account for the year ended on that date annexed thereto and the consolidated Cash Flow Statement for the year ended on that date. These consolidated financial statements are the responsibility of the PI Industries Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiaries whose financial statement reflect total assets (net) of Rs. 438.34 lacs as at March 31, 2011. Total revenue of Rs. 244.59 lacs and net cash outflows amounting to Rs.7.12 lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose report have been furnished to us, and our opinion is based solely on the report of other auditors.

The financial statement of subsidiary namely PI Japan Co. Ltd which reflect total assets (net) of Rs. 67.48 lacs as at March 31, 2011, total revenue of Rs. 217.99 lacs and net cash outflows amounting to Rs. 20.10 lacs for the year ended March 31, 2011 have not been audited by us or any other auditor and has been certified by their Directors whose certificate has been furnished to us and converted by the management as per the requirement of Indian GAAP. Our opinion, in so far as it relates to the amount included in respect of PI Japan Co. Ltd., is based solely on certificate of the Directors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, prescribed by the Companies (Accounting Standards) Rules, 2006.

In our opinion and to best of our information and according to the explanations given to us, the consolidated financial statements together with the notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Consolidated Balance Sheet, of the state of affairs of PI Industries Group as at 31st March, 2011;
- in the case of the Consolidated Profit and Loss account, of the profits for the year ended on that date; and
- in the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

For **B.D. GARGIEYA & CO.**
Chartered Accountants
Firm Reg. No. 001072C

Sd/-
(CA ASHOK MANGAL)
Partner
Membership No.71714

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

Sd/-
(CA NAVEEN AGGARWAL)
Partner
Membership No. 094380

Place : Gurgaon
Date : 14.04.2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	Schedule No.	Amount (Rs in Lacs)			
		As at 31st March 2011		As at 31st March 2010	
SOURCES OF FUNDS					
1 Shareholders' Funds					
Share Capital	I	1,928.75		2,768.75	
Reserves and Surplus	II	19,444.29	21,373.04	12,689.66	15,458.41
2 Loan Funds					
Secured Loans	III	15,598.20		10,532.29	
Unsecured Loans	IV	9,182.13	24,780.33	4,444.58	14,976.87
3 Deferred Tax Liability (Net)			3,257.69		2,699.71
(Refer note no. 21 of Schedule XX B)					
Total			49,411.06		33,134.99
APPLICATION OF FUNDS					
1 Fixed Assets	V				
Gross Block		36,169.49		29,238.49	
Less : Depreciation/Amortisation		10,764.24		9,228.01	
Net Block		25,405.25		20,010.48	
Capital Work-in-Progress		3,345.89	28,751.13	863.54	20,874.02
2 Investments	VI		51.81		51.81
3 Current Assets, Loans & Advances					
Inventories	VII	14,098.00		10,281.08	
Sundry Debtors	VIII	17,659.11		10,340.86	
Cash and Bank Balances	IX	839.64		543.90	
Loans and Advances	X	5,029.31		3,468.59	
Sub-total (A)		37,626.06		24,634.43	
Less : Current Liabilities and Provisions					
Current Liabilities	XI	15,675.84		11,913.95	
Provisions	XII	1,342.11		511.32	
Sub-total (B)		17,017.95		12,425.27	
Net Current Assets (A)-(B)			20,608.11		12,209.16
Total			49,411.06		33,134.99
Significant Accounting Policies and Notes to Accounts	XX				

The Schedules referred to above and notes thereon form an integral part of the Balance Sheet.

As per our separate report of even date attached

For B. D. Gargieya & Co
Chartered Accountants
Firm Reg. No. 001072C
Sd/-

Ashok Mangal
Partner
M. No.: 71714

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

Naveen Aggarwal
Partner
M. No.: 94380

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2011

PARTICULARS	Schedule No.	Amount (Rs in Lacs)			
		For the year ended 31st March 2011		For the year ended 31st March 2010	
INCOME					
Sales (Gross)		83,799.18		62,007.89	
Less: Rebates & Discounts		7,155.18		5,276.13	
Less: Excise Duty		4,619.19		2,477.60	
Net Sales			72,024.81		54,254.16
Other Income	XIII		73.03		112.02
TOTAL			72,097.84		54,366.18
EXPENDITURE					
Purchase of Traded Goods			2,050.86		1,358.62
Cost of Material			42,939.85		30,247.45
Increase / Decrease in Stock	XIV		(2,950.75)		225.27
Operating Expenses	XV		4,834.72		3,540.66
Personnel Expenses	XVI		5,658.09		4,451.42
Administrative, Selling and Other Expenses	XVII		6,526.18		5,201.53
Research and Development Expenses	XVIII		554.05		514.79
Interest & Other Financial Charges	XIX		1,813.78		1,825.02
Depreciation / Amortisation	V		1,533.78		1,285.03
Less: Transferred from Revaluation Reserve			(2.74)		(3.10)
TOTAL			62,957.82		48,646.69
Prior period adjustments (Net)			9,140.02		5,719.49
			(0.41)		(0.31)
PROFIT BEFORE TAXATION			9,139.61		5,719.18
Profit from continuing operations		8,587.93		5,303.84	
Less: Provision for Taxation - Current Year (Refer note no. 13 of Schedule XX B)		(1,872.39)		(1,183.02)	
Provision for Taxation - Deferred Tax		(557.97)		(203.03)	
Provision for Income Tax for earlier years		6.99		20.50	
Profit from Continuing Business after tax			6,164.56		3,938.29
Profit from Discontinuing operations		551.68		415.34	
Less: Provision for Tax		(205.85)		(163.46)	
Profit from Discontinuing operations after tax			345.83		251.88
PROFIT AFTER CURRENT TAX			6,510.39		4,190.17
Add : Balance brought forward from previous year			8,309.97		4,601.53
PROFIT AVAILABLE FOR APPROPRIATION			14,820.36		8,791.70
APPROPRIATIONS					
Transfer To General Reserve			(641.17)		(307.10)
Dividend					
- Equity Shares - Proposed			(500.23)		(149.17)
- Preference Shares - Proposed			(0.08)		(0.09)
- Dividend Distribution Tax			(83.09)		(25.37)
Balance carried forward to Balance Sheet			13,595.79		8,309.97
Earning per Share					
Basic Earnings per Share (in Rs.)			58.62		38.74
Diluted Earnings per Share (in Rs.)			52.06		36.17
Earning per Share Rs. - Continuing Business					
Basic Earnings per Share (in Rs.)			55.51		36.41
Diluted Earnings per Share (in Rs.)			49.29		34.00
Earning per Share Rs. - Discontinuing Business					
Basic Earnings per Share (in Rs.)			3.11		2.33
Diluted Earnings per Share (in Rs.)			2.77		2.17
Face value per Share (in Rs.)			10.00		10.00
Significant Accounting Policies and Notes to Accounts		XX			

The Schedules referred to above and notes thereon form an integral part of the Profit & Loss Account.

As per our separate report of even date attached

For B. D. Gargieya & Co
Chartered Accountants
Firm Reg. No. 001072C
Sd/-

Ashok Mangal
Partner
M. No.: 71714

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

Naveen Aggarwal
Partner
M. No.: 94380

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
A. Cash Flow from Operating Activities				
Net Operating Profit before Tax & Extraordinary Items		9,139.61		5,719.18
Adjustments for:				
Depreciation	1,568.93		1,317.97	
Interest Expenses	1,813.78		1,825.04	
Provision for Doubtful Debts	169.31		142.35	
Interest Income	(56.30)		(70.27)	
Dividend Income	(0.29)		(0.27)	
(Profit)/Loss on sale of Fixed Assets (Net)	3.97		17.79	
Bad Debts written off	0.68		52.08	
Miscellaneous Liabilities written back	-		(25.14)	
Foreign Exchange Loss/ (Gain) (Net)	(165.76)		(364.98)	
Deferred Revenue Expenditure written off during the year	-		36.98	
Foreign Currency Transition Reserve	(9.62)		(2.29)	
		3,324.70		2,929.26
Operating Profit before Working Capital changes		12,464.31		8,648.44
(Increase) / Decrease in Trade and Other Receivables	(8,996.40)		(1,626.28)	
(Increase)/Decrease in Inventories	(3,816.92)		141.25	
Increase / (Decrease) in Trade Payables/ Provisions	4,387.26	(8,426.06)	2,792.13	1,307.10
Cash generated from Operations		4,038.25		9,955.54
Net Direct Taxes paid		1,798.11		1,183.12
Net cash from Operating Activities		2,240.14		8,772.42
B. Cash flow from Investing Activities				
Purchase of Fixed Assets	(9,474.31)		(3,619.22)	
Investment in Shares of Joint Venture/ Subsidiary Companies	-		(15.55)	
Sale of Fixed Assets	21.54		14.85	
Interest Received	56.30		70.27	
Dividend Received	0.29		0.27	
Net cash used in investing activities		(9,396.17)		(3,549.38)
Net cash from Operating and Investing Activities		(7,156.04)		5,223.04

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
C. Cash flow from Financing Activities				
(Repayment)/Issue of Preference Share Capital	-		2,060.00	
(Repayment)/Issue of Debentures	-		2,940.00	
Net increase / (Decrease) in Working Capital Borrowings	6,478.12		(6,257.47)	
Long Term Borrowings raised	3,326.61		(1,998.42)	
Interest paid (Net)	(1,853.73)		(1,787.01)	
Dividend & Tax on Dividend Distribution	(499.22)		(149.27)	
Net Cash from Financing activities		7,451.78		(5,192.17)
Net Cash from Operating, Investing & Financing Activities		295.74		30.87
Net increase in Cash & Cash equivalent		295.74		30.87
Opening balance of Cash & Cash equivalent		543.90		513.03
Closing balance of Cash & Cash equivalent		839.64		543.90
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following:-				
i) Cash Balance on Hand		8.58		5.01
ii) Balance with Scheduled Banks :				
a) In Current Accounts		406.08		162.98
b) In Unpaid Dividend Accounts		2.07		0.98
c) In Fixed Deposits		417.03		348.95
iii) Balance with Non-Scheduled Bank		5.88		25.98
Total		839.64		543.90

As per our separate report of even date attached

For B. D. Gargieya & Co
Chartered Accountants
Firm Reg. No. 001072C
Sd/-
Ashok Mangal
Partner
M. No.: 71714

For S. S. Kothari Mehta & Co
Chartered Accountants
Firm Reg. No. 000756N
Sd/-
Naveen Aggarwal
Partner
M. No.: 94380

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE I - SHARE CAPITAL		
Authorised		
200,00,000 (Previous Year 200,00,000) Equity Shares of Rs.10/- each	2,000.00	2,000.00
50,00,000 (Previous Year 50,00,000) Preference Shares of Rs.100/- each	5,000.00	5,000.00
	7,000.00	7,000.00
Issued		
112,05,158.5 (Previous Year 71,05,165.5) Equity Shares of Rs.10/- each	1,120.52	710.52
Subscribed & Paid up		
111,87,501 (Previous Year 70,87,508) Equity Shares of Rs.10/- each *	1,118.75	708.75
Notes: 9,34,810 Equity Shares of Rs 10/- each fully paid up were allotted as Bonus Shares by capitalisation of reserves in earlier years. 35,43,754 Equity Shares of Rs. 10/- each fully paid up were allotted as Bonus Shares during the last year by capitalising Rs. 175.00 lacs from Capital Redemption Reserve and Rs. 179.37 lacs from General Reserve. 37,29,164 Equity Shares of Rs 10/- each fully paid up were allotted as Bonus shares during the year by capitalising Share Premium Account.		
8,10,000 (Previous Year 20,60,000) Non-Cumulative compulsorily Convertible Preference shares of Rs. 100 each **	810.00	2,060.00
TOTAL	1,928.75	2,768.75

* Includes 18 fractional shares allotted in the name of the employee of the Company (in the capacity of nominee/ trustee of shareholder entitled to these fractional shares) for sale thereof at prevailing market prices through recognised Stock Exchange on the terms & condition specified by the Board of Directors and reimbursed the sale proceeds to the account of Shareholders entitled to these fractional shares.

* Pursuant to the Special Resolution passed at the Extra Ordinary General Meeting of Shareholders on 12th October 2009, the Company, on October 24, 2009, has allotted 10,30,000 Non-Cumulative compulsorily Convertible Preference Shares (CCPS) each, at a face value Rs.100 per CCPS on preferential basis to Standard Chartered Private Equity Mauritius Limited and Standard Chartered Private Equity Mauritius II Limited, aggregating to 20,60,000 CCPS. The CCPS carry a coupon rate of 0.01% p.a. The CCPS has lock in period of one year from the date of allotment. The CCPS is mandatorily convertible into equity shares within the period of 18 months from the date of allotment.

As per the terms of issue 12,50,000 CCPS were converted into 370826 equity shares of Rs. 10 each at a premium of Rs. 327.085 per share during the year.

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)			
	As at 31st March 2011		As at 31st March 2010	
SCHEDULE II - RESERVES AND SURPLUS				
Capital Reserve				
Balance at the beginning and end of the year		147.51		147.51
Capital Redemption Reserve				
Balance at the beginning of the year	35.00		210.00	
Less: Capitalised for Bonus Shares	-	35.00	(175.00)	-
Revaluation Reserve				
Balance at the beginning of the year	204.57		207.67	
Less: Depreciation on revalued amount adjusted	(2.74)	201.83	(3.10)	204.57
General Reserve				
Balance at the beginning of the year	3,979.19		3,851.46	
Less: Capitalised for Bonus Shares			(179.37)	
Add: Transferred during the year	641.17	4,620.36	307.10	3,979.19
Foreign Currency Translation Reserve				
Balance at the beginning of the year	13.42		15.71	
Add: Exchange difference transferred	(9.62)	3.80	(2.29)	13.42
Securities Premium Account				
Balance at the beginning of the period	-		-	
Addition during the year	1,212.92		-	
Less: Capitalised for Bonus Shares	(372.92)	840.00	-	-
Surplus in Profit & Loss Account				
Balance at the beginning of the year	8,309.97		4,601.53	
Addition during the year	6,510.39		4,190.17	
Less: Proposed Dividend on Preference Shares and Tax thereon	(0.08)		(0.11)	
Less: Proposed Dividend on Equity Shares and Tax thereon	(583.32)		(174.52)	
Less: Transfer to General Reserve	(641.17)	13,595.79	(307.10)	8,309.97
		19,444.29		12,689.66

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE III - SECURED LOANS		
Term Loan from Financial Institutions / Banks	4,778.73	6,246.55
(See Note 4 of Schedule XX B)		
Working Capital Loans from Banks	10,819.47	4,285.74
TOTAL	15,598.20	10,532.29

Notes :

- Term loans are secured by way of first charge on pari passu basis by joint equitable mortgage through deposit of title deeds on all the immovable properties of the company and second charge ranking pari passu by way of hypothecation of movable properties, present and future.
Term Loans from Financial Institutions & Banks includes Rs. Nil (Previous Year Rs. 172.42 lacs) Foreign Currency Loan.
- Working capital loans are secured by way of first charge on pari passu basis by hypothecation of stocks of raw materials, finished and semi finished goods, stores and spares not related to plant and machinery, bills receivable, book debts and all other movable properties and additionally secured by way of second charge on all the immovable properties of the company in favour of the consortium bankers.
Working Capital Loan includes Rs. 986.98 lacs (Previous Year Rs. 1,187.02 lacs) Packing Credit Foreign Currency Loan and Rs. 126.56 lacs (Previous Year Nil) Buyers Credit.
All the above loans are collaterally secured by personal guarantees by one or two directors of the Company as specified in the respective agreements.

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE IV - UNSECURED LOANS		
Loans		
Interest-free Sales Tax Loan	23.50	47.01
Zero Coupon Optionally Convertible Debentures*	2,940.00	2,940.00
Packing Credit Foreign Currency Loan	4,458.24	-
Inter Corporate Deposits		
From others	190.00	120.00
Deposits		
Directors	154.23	140.58
Shareholders	139.09	118.95
Dealers Security Deposits	886.66	729.62
Others	390.41	348.42
TOTAL	9,182.13	4,444.58

Note:

* Pursuant to the Special Resolution passed at the Extra Ordinary General Meeting of Shareholders on 12th October 2009, the Company has issued 29,40,000 Optionally Convertible Debentures (OCD) of Rs.100/- each to Standard Chartered Investments and Loans (India) Ltd., on preferential basis on October 24, 2009. The OCD has lock in period of one year from the date of allotment. The OCD is optionally convertible into equity shares within the period of 18 months from the date of allotment. The unconverted portion of OCD, if any, shall be redeemed at the end of 18 months or may be further extended by another 18 months, if mutually agreed.

SCHEDULE V - FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 1st April 2010	Additions during the year	Deductions/ Adjustments during the year	As at 31st March 2011	As at 1st April 2010	For the Period	Deductions/ Adjustments during the year	As at 31st March 2011	As at 31st March 2010
Land ^									
- Freehold	254.63	-	-	254.63	-	-	-	254.63	254.63
- Leasehold	661.48	-	-	661.48	3.29	0.42	-	657.77	658.19
LeaseHold Improvements	1.94		-	1.94	0.95	0.27	-	0.72	0.99
Buildings ^	2,329.67	630.37	-	2,960.04	612.05	54.51	-	2,293.48	1,717.62
Plant and Machinery * ^	24,858.57	6,278.48	36.73	31,100.32	7,851.74	1,433.68	14.62	21,829.52	17,006.83
Furniture & Fixtures and Office Equipments	533.46	37.58	0.65	570.39	355.79	30.11	0.57	185.06	177.67
Vehicles	234.97	4.09	23.58	215.48	180.96	14.57	20.26	40.21	54.01
Library	98.32	1.84	-	100.16	71.49	2.86	-	25.81	26.83
Tools and Equipments	2.66	-	-	2.66	-	-	-	2.66	2.66
Intangible Assets -Software	262.79	39.60	-	302.39	151.74	35.26	-	115.39	111.05
Total	29,238.49	6,991.96	60.96	36,169.49	9,228.01	1,571.68	35.45	25,405.25	20,010.48
Capital Work in Progress	863.54	8,653.87	6,171.53	3,345.89	-	-	-	3,345.89	863.54
Grand Total	30,102.03	15,645.84	6,232.49	39,515.38	9,228.01	1,571.68	35.45	28,751.13	20,874.02
Previous Year	26,639.87	6,793.61	3,331.45	30,102.03	7,979.01	1,321.07	72.07	20,874.02	

Note

^ Gross Block includes Rs. 179.67 lacs for Land, Rs. 198.95 lacs for Buildings and Rs. 433.75 lacs for Plant & Machinery due to revaluation as on 30.06.1988 and Net Block includes Rs. 179.67 lacs for land, Rs. 18.12 lacs for Buildings and Rs. 4.04 lacs for Plant & Machinery .

* Deductions/ Adjustments to Plant & Machinery includes foreign exchange gain/ (loss) of Rs. Nil. (Previous Year net exchange gain of Rs. 52.35 lacs)

** Depreciation for the year includes depreciation amounting to Rs. 37.89 lacs (Previous year Rs. 36.04 lacs) on assets used for Research and Development. During the year company incurred Rs. Nil (Previous year Rs. 63.53 lacs) towards capital expenditure for Research & Development. (Refer note no. 15 of Schedule XX B).

*** Capital Work in Progress includes Rs. 70.77 lacs (Previous Year Nil) expenditure on Product being developed.

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

	31.03.2011			31.03.2010	
	Face Value (Rs.)	No.	Rs. In Lacs	No.	Rs. In Lacs
SCHEDULE VI - INVESTMENTS					
Investments (At cost) : Non-Trade					
1 Quoted Shares					
United Credit Ltd.	10	700	0.21	700	0.21
Ciba CKD Biochem Ltd.	10	100	0.05	100	0.05
* Akzo Nobel India Ltd.	10	50	0.05	50	0.05
BASF India Ltd.	10	976	0.46	904	0.46
Sudershan Chemical Industries Ltd.	10	90	0.04	90	0.04
** Rallis India Ltd.	10	207	0.12	138	0.12
Bayers Crop Science Ltd.	10	66	0.19	66	0.19
Punjab Chemicals & Crop Protection Ltd.	10	248	0.09	248	0.09
Wyeth Ltd.	10	42	0.15	42	0.15
Aventis Pharma Ltd.	10	100	0.03	100	0.03
L.M.L.Ltd.	10	150	0.02	150	0.02
United Sprit Ltd.	10	188	0.05	188	0.05
RPG Life Sciences Ltd.	10	360	0.23	360	0.23
Brabourne Enterprises Ltd.	10	360	-	360	-
Voltas Ltd.	10	100	0.01	100	0.01
ICICI Bank Ltd.	10	460	2.42	460	2.42
TOTAL			4.12		4.12
2) Unquoted Shares (Equity)					
a) Panoli Enviro Technology Ltd. 300,000 (Previous Year 300,000) Equity Shares of Rs.10 each			3.00		3.00
b) Bharuch Enviro Infrastructure Ltd. 2,100 (Previous Year 2,100) Equity Shares of Rs.10 each			0.21		0.21
c) Bharuch Eco-Aqua Infrastructure Ltd. 4,44,339 Equity Shares (Previous Year 2,88,859) of Rs.10 each			44.43		44.43
d) Angan Apartment Co-opt Hsg. Society Ltd (Services) Bharuch 5 Equity Shares (Previous Year 5) of Rs.50 each fully paid up			0.01		0.01
e) Abhilasha Tower Co-operative Service Housing Society Ltd. 10 Equity Shares (Previous Year NIL) of Rs. 250 each			0.02		0.02
f) Sygenta India Ltd. *** 160 (Previous Year 160) of Rs. 10 each			0.02		0.02
			47.69		47.69
GRAND TOTAL			51.81		51.81
Aggregate book value of Quoted Investments			4.12		4.12
Aggregate book value of Un-Quoted Investments		-	47.69	-	47.69
Aggregate market value of Quoted Investments			20.72		16.35
Investments Purchased and Sold during the Year					
1,55,480 Equity shares of Rs. 10 Each of Bharuch Eco-Aqua Infrastructure Ltd.					15.55

* The Company held fifty (50) Shares in the name of ICI India Ltd. The name of ICI India Ltd. has changed to Akzo Nobel India Ltd..

** Company received Bonus share in the ratio of 1:2 on 16.06.2010.

*** Composite Scheme of arrangement, between Summit Securities Limited and Brabourne Enterprises Ltd. one equity share of Summit Securities Ltd. is allotted for every twenty eight (28) shares of Brabourne Enterprises Ltd. of Rs. 10/- each held in Brabourne Enterprises Ltd.

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE VII - INVENTORIES (As valued and certified by the Management)		
i) Raw Materials and Packing Materials (includes Stock-in-Transit Rs. 87.13 lacs)	5,209.13	4,385.63
ii Finished Goods, including By - products.	4,806.41	3,162.68
iii) Work in Progress	3,085.28	1,778.26
iv) Stores & Spares, Laboratory Chemicals & Apparatus	997.18	954.51
TOTAL	14,098.00	10,281.08

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE VIII - SUNDRY DEBTORS (Unsecured, Considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months {including Rs. 193.48 lacs considered doubtful (Previous Year 139.57 lacs)}	665.06	685.26
Others Debts {including Rs. 10.92 lacs considered doubtful (Previous Year Rs. 2.78 lacs)}	17,198.45	9,797.95
Less: Provision for Doubtful Debts	(204.40)	(142.35)
TOTAL	17,659.11	10,340.86

PARTICULARS	Amount (Rs in Lacs)			
	As at 31st March 2011		As at 31st March 2010	
SCHEDULE IX - CASH & BANK BALANCES				
i) Cash balance in hand		8.58		5.01
ii) Balance with scheduled banks				
a) In Current Accounts	406.08		162.98	
b) In Deposit Accounts*	417.03		348.95	
c) In Unpaid Dividend Accounts **	2.07	807.18	0.98	512.91
iii) Balance with Non-Scheduled Banks				
Mitsubishi Bank Account-Japan		5.88		25.98
		839.64		543.90

* Deposit account includes Rs.277.75 Lacs (Previous Year Rs.205.28 lacs) towards margin money pledged with banks for Bank Guarantees and Letter of Credit and Rs.139.28 lacs (Previous Year Rs. 138.47 lacs) towards security deposit lodged with the Rajasthan excise department.

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

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE X - LOANS & ADVANCES (Unsecured, Considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received {including Rs. 38.50 lacs considered doubtful (Previous Year Nil)}	3,913.06	2,932.50
Less: Provision for Doubtful advances	(38.50)	-
Advance Fringe Benefit Tax (Net of Provision for Tax Rs. Nil (Previous Year Rs. Nil))	7.39	7.39
Balance with Central Excise Authorities, Customs etc.	754.04	159.43
Deposits with Government & Others	393.32	369.27
TOTAL	5,029.31	3,468.59

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE XI - CURRENT LIABILITIES		
i) Acceptances	1,546.96	2,893.36
ii) Sundry Creditors		
a) Dues to Micro & Small Enterprises	322.77	539.29
b) Dues to other than Micro & Small Enterprises	11,312.36	5,980.43
iii) Advances from Customers	1,319.57	1,551.88
iv) Project Vendors	539.73	463.55
v) Unclaimed dividend *	2.07	0.98
vii) Other Liabilities	610.91	479.91
vi) Interest accrued but not due on Loans	21.47	4.55
TOTAL	15,675.84	11,913.95

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

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE XII - PROVISIONS		
i) Provision for Income Tax {Net of Advance Tax of Rs. 3,499.30 lacs (Previous Year Rs. 1,130.79 lacs)}	505.84	207.33
ii) Provision for Gratuity & Leave Encashment	252.85	126.36
iii) Provision for Proposed Dividend on Equity Shares	500.24	149.17
iv) Provision for Preference Shares Dividend	0.08	0.09
v) Provision for Dividend Distribution Tax	83.10	25.37
TOTAL	1,342.11	511.32

PARTICULARS	Amount (Rs in Lacs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE XIII - OTHER INCOME		
Dividend	0.29	0.27
Interest received (on bank FDR's etc.)		
- From Banks on FDR	16.78	22.18
- From Others	39.52	48.09
{Tax Deducted at Source Rs. 5.43 lacs (Previous year Rs. 7.52 lacs)}		
Miscellaneous Income	16.44	41.48
TOTAL	73.03	112.02

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
SCHEDULE XIV - (INCREASE) / DECREASE IN STOCK				
Closing Stock :				
Finished Goods / Traded Goods	4,806.41		3,162.68	
Work in Process	3,085.28	7,891.69	1,778.26	4,940.94
Less: Opening Stock :				
Finished Goods / Traded Goods	3,162.68		2,998.98	
Work in Process	1,778.26	4,940.94	2,167.23	5,166.21
TOTAL		(2,950.75)		225.27

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
SCHEDULE XV - OPERATING EXPENSES				
Power, Fuel & Water		2,667.89		2,074.62
Stores & Spares Consumed		508.39		640.45
Repairs & Maintenance to :				
Buildings	42.39		26.15	
Plant & Machinery	169.74	212.13	155.26	188.18
Environment & Pollution Control expenses		2,025.73		869.24
Laboratory & Testing Charges		150.01		133.15
Exchange Difference (Net)		(729.43)		(364.98)
TOTAL		4,834.72		3,540.66

PARTICULARS	Amount (Rs in Lacs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE XVI - PERSONNEL EXPENSES		
Salaries, Wages & Bonus	4,533.63	3,639.25
Contribution to Provident & other funds	397.25	257.35
Employees Welfare Expenses	249.85	182.85
Managerial Remuneration	477.36	371.97
TOTAL	5,658.09	4,451.42

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE XVII - ADMINISTRATIVE , SELLING & OTHER EXPENSES		
Commission on Sales	75.77	109.10
Freight & Cartage	1,745.22	1,315.76
Other Repairs	181.06	178.94
Advertisement & Sales Promotion	1,572.01	1,006.75
Travelling & Conveyance	1,440.27	1,156.73
Rent	305.67	288.49
Rates, Taxes & Fees	118.11	177.64
Insurance	104.31	97.35
Donation	6.48	14.75
Deferred revenue expenditure written off	-	36.98
Loss on Sale of Fixed Assets (Net)	3.97	17.79
Printing & Stationery	61.49	50.72
Auditor's Remuneration	17.36	8.69
Communication Expenses	150.71	115.06
Bad debts written off (Net)	0.68	52.08
Provision for Bad and Doubtful debts/ advances	169.31	142.35
Legal & Professional Expenses	335.14	234.55
Electricity and Water charges	20.06	20.08
Miscellaneous Expenses	218.56	177.72
TOTAL	6,526.18	5,201.53

PARTICULARS	Amount (Rs in Lacs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE XVIII - RESEARCH & DEVELOPMENT		
Raw & Packing Materials Consumed	123.39	141.73
Power, Fuel & Water	9.42	14.15
Stores & Spares Consumed	23.76	41.07
Testing & Analysis	2.80	9.90
Salaries, Wages & Bonus	283.55	229.18
Contributions to Provident & Other funds	28.07	23.14
Employee Welfare Expenses	5.22	1.45
Meeting & Conference	0.05	0.32
Travelling & Conveyance	25.96	11.78
Rates, Taxes & Fees	1.53	1.27
Printing & Stationery	0.59	0.06
Bank Charges	-	0.02
Depreciation	37.89	36.04
Miscellaneous Expenses	11.82	4.68
TOTAL	554.05	514.79

SCHEDULES TO CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

PARTICULARS	Amount (Rs in Lacs)			
	For the year ended 31st March 2011		For the year ended 31st March 2010	
SCHEDULE XIX - INTEREST & OTHER FINANCIAL CHARGES				
Interest				
On Fixed Loans		687.29		845.50
On Working Capital	1,077.02		905.24	
Less: Interest on Overdue debts	(218.11)	858.91	(153.93)	751.31
Bank & Other Financial Charges		267.58		228.21
TOTAL		1,813.78		1,825.02

SCHEDULE XX-SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1 BASIS OF PREPARATION

The financial statements have been prepared to comply in all material respects with the Notified Accounting Standards pursuant to the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company.

2 USE OF ESTIMATES

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

3 REVENUE RECOGNITION

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

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

Revenue from services- Revenue is recognised as the service is performed by the completed service method and no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

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

Lease rent Income: Lease income is recognised on straight line basis over the lease term.

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

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

4 EXPENDITURE

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

5 FIXED ASSETS AND DEPRECIATION

- Fixed Assets are stated at cost or as revalued, less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working

condition for its intended use. Borrowing costs relating to acquisition of 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.

Pursuant to the notification dated March 31, 2009 issued by the Ministry of Corporate Affairs, Govt of India, in the previous year, the Company had exercised the option available under the newly inserted paragraph 46 to the Accounting Standard AS-11, in respect of accounting periods commencing on or after 7th December, 2006 and exchange differences arising on reporting of the long term foreign currency monetary items at rates different from those at which they were initially recorded during the period are added to or deducted from the cost of the assets and are depreciated over the balance life of the assets, if these monetary items pertain to the acquisition of depreciable fixed assets.

- b) Depreciation on Building, Plant & Machinery and R&D Equipments of Pesticides Division at Udaipur and PI Life Science Research Ltd. (in respect of fixed assets commissioned on or after July 1, 1988) , Pesticides Division at Panoli & Jammu and Polymer Division at Panoli is provided on Straight Line method and depreciation on all other fixed assets is provided on Written Down Value method at the rates specified in Schedule XIV to the Companies Act, 1956.
- c) Leasehold land is being amortised over the lease period.
- d) Revaluation of Fixed assets: Depreciation on the increased amount of assets due to revaluation is computed on the basis of the residual life of the assets as estimated by the valuers on straight-line method.
- e) Fixed assets of its subsidiary PI Japan Co. Ltd. is amortised as follows:
 - Leasehold Improvements are amortised over its useful life of 15 years on Declining Balance method.
 - Equipments over 200000 yen are depreciated on Declining Balance method over its useful life of 3 years.
 - Equipments (100000-200000 yen) are depreciated on straight line basis over its useful life of 3 years.

6 INTANGIBLE ASSETS

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

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

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

Amortisation:-

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

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

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

7 IMPAIRMENT OF ASSETS

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

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

8 INVENTORIES

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

9 EMPLOYEE BENEFITS

- a) Defined Contribution Plan :

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme,

Superannuation Fund and Employees State Insurance is a defined contribution scheme and contributions are charged to the Profit & Loss Account of the year when the contribution to the respective fund is due.

b) Defined Benefit Plan :

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

c) Actuarial gains/losses, if any, are immediately recognised in the Profit & Loss Account.

10 DEFERRED REVENUE EXPENDITURE

Expenditure incurred towards the Voluntary Retirement Scheme of the Company is treated as Deferred Revenue Expenditure and charged to the Profit & Loss Account over a period of five years.

11 FOREIGN CURRENCY TRANSACTIONS

a) Initial Recognition

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

b) Conversion

Foreign currency monetary items are reported using the closing rate.

c) Exchange Difference

Any gain or loss on account of exchange difference arising either on the settlement or on reinstatement of foreign currency monetary items is recognised in the Profit & Loss account, except exchange difference arising on long term foreign currency monetary items relating to acquisition of depreciable fixed assets, which is adjusted to the carrying amount of such assets.

An asset shall be designated as a long term foreign currency monetary item, if the asset or liability is expressed in foreign currency and has a term of 12 months or more at the date of origination of the asset or liability.

d) Translation of non integral foreign operations: In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non monetary of the non-integral foreign operation are translated at the closing rate; income and expenses items of the non-integral foreign operations are translated at the average rate prevailing during the year; and all resulting exchange differences are accumulated in the foreign currency translation reserve until the disposal of net investment.

12 RESEARCH AND DEVELOPMENT

Capital Expenditure incurred for Research and Development is capitalised when commissioned and included in the gross block of fixed assets. Revenue expenditure on research and development is charged to the Profit & Loss account in the period in which it is incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale. Product development expenditure which do not meet these criteria are expensed when incurred.

13 PRIOR PERIOD ADJUSTMENTS

Earlier year items, adjustment/claims, arisen / settled / noted during the year, if material in nature are debited / credited to prior period Expenses/Income or respective heads of account, if not material in nature.

14 INVESTMENTS

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

15 BORROWING COST

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

16 TAXATION

a) Provision for Current Tax is made after considering benefits, exemptions and deductions available under the Income Tax Act, 1961.

- b) Deferred tax is recognised subject to consideration of prudence, on timing differences, representing the difference between the taxable income/(loss) and accounting income/(loss) that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

17 LEASES

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

18 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

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

19 SEGMENT REPORTING

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

Primary Segment:

Business Segment: The Company's operating business is organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products. The identified segments are Chemicals and Others.

Secondary Segment:

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

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

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

20 CASH FLOW STATEMENTS

Cash-flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3) notified under the Companies (Accounting Standards) Rules, 2006. The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

21 EARNING PER SHARE

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

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

22 DERIVATIVE INSTRUMENTS

As per the announcement of the Institute of Chartered Accountants of India, accounting for derivatives contracts, other than those covered under AS-11, are marked to market on a portfolio basis, and the net loss after considering the offsetting effect on the underlying hedge item is charged to the Profit and Loss Account. Net Gain is ignored.

23 PRINCIPLES OF CONSOLIDATION

- (i) The consolidated financial statements relate to PI Industries Ltd. and its wholly owned subsidiary companies.

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The consolidated financial statements have been prepared using uniform accounting policies for the transactions and other events in similar circumstances and are prepared to the extent possible in the same manner as the Company 's separate financial statements.

- (ii) The subsidiary companies considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% voting power held as at 31st March, 2011
PILL Finance & Investment Limited	India	100%
PI Life Science Research Limited	India	100%
PI Japan Co. Ltd.	Japan	100%

B. NOTES TO ACCOUNTS

PARTICULARS	Amount Rs. in Lacs	
	31.03.2011	31.03.2010
1 Contingent Liabilities in respect of:		
Bills discounted	-	-
Disputed Taxation demands not acknowledged as debts:		
- Sales Tax	162.81	140.01
- Excise Duty	84.99	84.99
Counter Guarantee to GIDC	32.85	32.85
2 Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	1,456.19	746.65
3 Auditors' Remuneration		
Statutory Auditors		
Audit Fees	10.26	5.18
Tax Audit Fees	1.50	1.00
Certificates & other matters	2.07	0.18
Out of Pocket expenses	3.53	2.38
TOTAL	17.36	8.69
4 Long Term Loans Repayable within Twelve Months	2,031.94	2,362.36
5 a) Computation of net profits in accordance with section 198 read with section 309(5) of the Companies Act, 1956 and maximum amount permissible for managerial remuneration.		
Profit/ (Loss) as per Profit & Loss account (Before taxes and extraordinary items)	9,139.61	5,719.18
Add: Loss / (Profit) on sale of fixed assets	3.97	17.79
Add: Managerial Remuneration	477.36	371.97
Add: Provision for Doubtful Debts & Advances	169.31	142.35
Net Profit / (Loss) under section 198 of the Companies Act, 1956	9,790.25	6,251.29
Maximum amount permissible under section 309 of the Act for payment to Managing/ Whole time Directors	979.03	625.13
Maximum amount permissible under section 309 of the Act for payment to Non-Whole time Directors	97.90	62.51
Total allowable to Managing/ Whole time and Non-Whole time Directors	1,076.93	687.64

PARTICULARS	Amount Rs. in Lacs	
	31.03.2011	31.03.2010
b) Directors Remuneration (Actual)		
Managing/ Whole time Directors		
Salary and Allowances	294.97	261.79
Contribution to Provident Fund & Superannuation fund	55.13	38.18
Commission on Profit	65.00	42.00
Perquisites	38.46	11.80
Total	453.56	353.77
Note: As the future liability for Gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining the executive directors is not separately ascertainable and therefore to not included above.		
Non-Executive Directors		
Sitting Fees	5.80	6.20
Commission	18.00	12.00
Total	23.80	18.20
Grand Total	477.36	371.97
6 Travelling Expenses of Directors	114.51	111.95
7 The Company is a lessee under various operating leases. Total of future minimum lease payments under non-cancellable operating leases for each of the following periods:		
Payable within one year	408.87	225.51
Later than one year and not later than five years	887.13	184.08
Later than five years	-	-
Lease payments recognised in P&L account	355.13	281.29
8 Earning per share (EPS) :		
a) Net Profit for Basic & Diluted EPS	6,510.29	4,190.06
b) Number of Equity Shares at the beginning of the year	7,087,508	3,543,754
Add: Bonus shares issued during the year 2009-10	-	3,543,754
Add: Bonus Shares issued during the period ended 31st March 2011	3,729,167	3,729,167
Add: Partial conversion of Compulsorily Convertible Preference Shares into Equity Shares	370,826	-
Total Number of shares outstanding at the end of the year	11,187,501	10,816,675
Weighted average number of Equity Shares outstanding during the year - Basic	11,105,208	10,816,675
Add: Weighted average number of Equity shares arising out of outstanding Compulsorily Convertible Preference Shares and Optionally Convertible Debentures that have dilutive effect on EPS	1,318,395	766,454
Weighted average number of Equity Shares outstanding during the year - Diluted	12,505,896	11,583,129
Earning Per Share - Basic (Rs.)	58.62	38.74
Earning per share - Diluted (Rs.)	52.06	36.17
Face value per share (Rs.)	10.00	10.00
Note: In accordance with Accounting Standard 20 (AS-20), the Earning Per Share for current and comparative period has been computed after adjusting for the Bonus shares allotted on 10th July 2010.		

PARTICULARS	Amount Rs. in Lacs	
	31.03.2011	31.03.2010
9 Pre-operative expenditure capitalised as a part of Fixed Assets and carried forward is as under:		
A. Brought forward from the earlier year	200.51	96.88
B. Expenditure incurred during the year:		
Staff Costs	239.37	90.87
Administrative expenses	178.53	170.21
Interest and commitment charges	119.78	161.24
Stores Consumption	302.86	10.12
Rates & Taxes	-	(13.00)
	840.54	419.44
C. Capitalised as part of :		
Plant & Machinery	307.96	256.69
Building	26.66	54.87
Furniture, Fixtures & Office equipments	-	4.25
	334.62	315.81
D. Carried forward as part of capital work in progress	706.43	200.51

- 10** Donation includes an amount of Rs. Nil (Previous Year Rs. 5 lacs paid to Rajasthan Pradesh Congress Committee), paid to any recognised political party.
- 11** Sales include export incentives of Rs. 189.98 lacs (Previous Year Rs. 134.35 lacs) and insurance claims of Rs. 23.85 lacs (Previous Year Rs. 9.75 lacs)
- 12** In the opinion of the management and to the best of their knowledge and belief, the value on realisation of loans, advances and other current assets in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet and provision has been made for all known liabilities.
- 13** During the current year, the Company has recognised MAT credit entitlement of Rs. Nil (Previous Year Rs.76.54 lacs) related to earlier year. Current tax is net of this MAT credit entitlement.
- 14** Consequent to the announcement issued by the Institute of Chartered Accountants of India in March, 2008 on Accounting for Derivatives, the Company, has recognized marked to market foreign currency loss of Rs. 22.44 lacs (Previous Year Gain of Rs. 58.71 lacs, not recognised, as a matter of prudence) on the outstanding forward contracts as at 31st March 2011.
- 15** Details of additions to Fixed Assets for Department of Scientific & Industrial Research recognised Research & Development facilities/ division of the Company for the year ended 31st March 2011 are as follows:

Amount (in Rs. Lacs)

Description	As at April 1, 2010 Gross	Addition During the year	As at March, 31 (Gross)
Buildings	18.12	-	18.12
Equipments & Others	834.05	-	834.05
Total	852.17	-	852.17

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

a) Defined Contribution Plans:-

The Company has recognised an expense of Rs. 376 Lacs (Previous Year Rs. 289.44 lacs) towards the defined contribution plan.

b) Defined benefits plans - as per actuarial valuation

Particulars	2010-11		2009-10	
	Gratuity Funded Rs./Lacs	Leave Non-Funded Rs./Lacs	Gratuity Funded Rs./Lacs	Leave Non-Funded Rs./Lacs
I Change in present value of obligation during the year				
1 Present value of obligation at the beginning of the year	326.85	149.01	290.92	108.15
2 Current Service Cost	49.63	36.30	40.30	30.52
3 Interest Cost	26.14	11.91	21.82	8.11
4 Past Service Cost	51.78	-	-	-
5 Net Actuarial (Gain)/Loss	10.66	(1.37)	(7.28)	18.99
6 Benefits Paid	(57.92)	(27.72)	(18.91)	(16.76)
7 Present Value of obligation as at year-end	407.14	168.13	326.85	149.01
II Change in Fair Value of Plan Assets during the year				
1 Plan assets at the beginning of the year	346.50	-	242.56	-
2 Expected return on plan assets	27.72	-	20.62	-
3 Actuarial Gain/(Loss) on plan assets	5.19	-	4.97	-
4 Employer's contribution	-	-	96.94	-
5 Benefits paid	(56.99)	-	(18.59)	-
6 Plan assets at the end of the year	322.42	-	346.50	-
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1 Present Value of obligation as at year-end	407.14	168.13	326.85	149.01
2 Fair value of plan assets at year -end	322.42	-	346.50	-
3 Funded status {(Surplus/Deficit)}	(84.72)	(168.13)	19.65	(149.01)
4 Net Asset/(Liability)	(84.72)	(168.13)	19.65	(149.01)
IV Expenses recognised in the Profit and Loss Account				
1 Current Service Cost	49.63	36.30	40.30	30.52
2 Interest Cost	26.14	11.91	21.82	8.11
3 Past service Cost	51.78	-	(20.62)	-
4 Expected return on plan assets	(27.72)	-	-	-
5 Net Actuarial (Gain)/Loss	5.47	(1.37)	(12.25)	18.99
6 Total Expense	105.30	46.84	29.25	57.62
V Actuarial Assumptions				
1 Discount Rate	8.00%	8.00%	7.50%	7.50%
2 Expected rate of return on plan assets	8.00%	0.00%	8.00%	0.00%
3 Mortality Table	LIC (1994-96) modified	LIC (1994-96) duly modified	LIC (1994-96) modified	LIC (1994-96) duly modified
4 Salary Escalation	5.50%	5.50%	5.00%	5.00%

17 Segment Information

a) Primary Segment Information (Business Segments)

Particulars	Amount (Rs. in Lacs)		
	Chemicals	Others	Total
1 Revenue			
External Revenue (Gross)	75,521.91	8,293.71	83,815.62
	(56,443.61)	(5,605.76)	(62,049.37)
Inter Segment Revenue	-	-	-
	-	-	-
Segment Revenue Total	75,521.91	8,293.71	83,815.62
	(56,443.61)	(5,605.76)	(62,049.37)
2 Segment Result	10,075.86	820.94	10,896.80
	(6,889.92)	(583.74)	(7,473.66)
Segment Result Total	10,075.86	820.94	10,896.80
	(6,889.92)	(583.74)	(7,473.66)
Profit before Interest, etc, and taxation			
Less: Interest			1,813.78
			(1,825.02)
Add: Interest Income			56.30
			(70.27)
Add: Dividend Income			0.29
			(0.27)
Profit / (Loss) before Tax			9,139.61
			(5,719.18)
3 Segment Assets	61,678.47	4,750.54	66,429.01
	(39,994.21)	(5,566.05)	(45,560.26)
4 Segment Liabilities	15,775.24	1,242.71	17,017.95
	(10,392.87)	(2,032.40)	(12,425.27)
5 Capital Expenditure			
Total Cost incurred during the year to acquire segment assets	15,281.15	364.69	15,645.84
	(6,791.79)	(1.82)	(6,793.61)
6 Depreciation			
Segment Depreciation	1,491.04	80.64	1,571.68
	(1,249.29)	(71.78)	(1,321.07)
7 Non Cash Expenses			
Segment non-cash expenses other than depreciation/ amortisation	173.24	0.72	173.96
	(188.91)	(23.31)	(212.22)
Unallocable Non-cash expenses			22.44
			(36.97)
Total Non-cash expenses			196.40
			(249.19)
(Previous Year figures are given in bracket)			

b) Secondary Segment information (Geographical Segments)

Particulars	Year ended 31st March 2011	Year ended 31st March 2010
1 Segment Revenue		
- Within India	57,996.84	41,402.59
- Outside India	25,818.78	20,646.78
Total Revenue	83,815.62	62,049.37
2 Segment Assets*		
- Within India	57,171.54	41,894.13
- Outside India	9,257.47	3,666.13
Total Assets	66,429.01	45,560.26

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

18 Derivatives Instruments and Hedged/ Unhedged Foreign Currency Exposure

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

(in Lacs)				
Currency	Amount Outstanding as at 31st March, '11	Amount Outstanding as at 31st March' 10	Buy / Sell	Purpose
USD	200	125	Sell	Hedging
Euro	80	-	Sell	Hedging

iii) Particulars for Hedged Foreign Currency Exposure

(in Lacs)					
Particulars	Currency	Amount as at 31st March' 11 (in Foreign Currency)	Amount as at 31st March' 11 (in INR)	Amount as at 31st March' 10 (in Foreign Currency)	Amount as at 31st March' 10 (in INR)
Export Debtors	USD	64.31	3,026.72	47.52	2,170.08
	EURO	4.38	269.95	-	-

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

(in Lacs)					
Particulars	Currency	Amount as at 31st March' 11 (in Foreign Currency)	Amount as at 31st March' 11 (in INR)	Amount as at 31st March' 10 (in Foreign Currency)	Amount as at 31st March' 10 (in INR)
1 ECB Term loan	USD	-	-	3.83	172.42
2 PCFC Loan	USD	121.87	5,445.22	26.39	1,187.02
3 Buyers Credit	USD	2.83	126.56	-	-
4 EEFC Account	USD	0.66	29.55	0.01	0.26
5 Import Creditors	USD	67.70	3,024.80	27.67	1,250.40
(Net)	EURO	0.59	36.84	5.92	359.61
	GBH	(0.03)	(2.51)	-	-
	CHF	(0.20)	(9.29)	(0.01)	(0.31)
	JPY	480.82	254.83	13.06	6.32
6 Export Debtors	USD	132.06	5,899.26	29.49	1,324.63
(Net)	EURO	-	-	0.08	4.72
	JPY	114.00	61.54	348.32	166.70

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

a) List of Related Parties

i Enterprises in respect of which reporting enterprise is an associate:

Lucrative Leasing Finance and Investment Company Ltd; Parteek Finance and Investment Company Ltd;

ii Key Managerial Personnel (KMP):

Mr. Salil Singhal	Chairman & Managing Director
Mr. Mayank Singhal	Managing Director & CEO
Mr. Anurag Surana	Whole time Director

Relatives of Key Managerial Personnel:-

Relation with Key Managerial Personnel

Father	Mr. Salil Singhal	Mr. Mayank Singhal
Mother	Saraswati Singhal	Salil Singhal
Wife	Madhu Singhal	Madhu Singhal
Sister		Pooja Singhal
		Shefali Khushlani
Son	Mayank Singhal	
Daughter	Pooja Singhal	
	Shefali Khushlani	

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

Samaya Investment and Trading Pvt. Ltd; Hycron Electronics; PI Apparels Pvt. Ltd. ; Wolkem India Ltd.; Secure Meters Ltd., Salil Singhal (HUF) and Singhal Foundation.

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

(Rs. in Lacs)

Particulars	Type of relation	Transactions during the period		Balance outstanding as on 31.03.2011
		Recd/Pur.	Paid/Sales	
Purchase/Sales of goods and services	a(iii)	52.60 (43.01)	117.15 (57.65)	(25.93)Dr (8.04)Dr
Remuneration to directors	a(ii)	- (-)	453.56 (353.77)	65.00 -
Interest	a(i), (ii) & (iii)	31.73 (42.27)	78.49 (75.72)	- (-)
Rent	a(ii) & (iii)	- (-)	116.77 (110.11)	3.99 (3.80)
Deposits Received and Paid	a(ii) & (iii)	95.34 (52.50)	87.99 (128.69)	619.10 (570.33)
Security Deposits	a(ii)	- (-)	5.27 (25.79)	31.06 (25.79)
Recovery of Dues on account of expenses incurred	a(iii)	28.48 (34.48)	- (-)	- (19.89)
Reimbursement on account of expenses	a(iii)	- (-)	- (0.12)	- (0.15)
Loans Granted	a(iii)	1,000.00 (2,500.00)	1,000.00 (2,500.00)	- (-)
Inter Corporate Deposit	a(iii)	70.00 (10.00)	- -	190.00 (120.00)
Donation	a(iii)	- (-)	5.00 (5.00)	- (-)

Note: Figures in bracket represents previous year figures

20 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 (as certified by the management)

(Rs. in Lacs)		
Particulars	Principal Amount	Interest Amount
Principal amount and Interest due thereon remaining unpaid to any supplier as on 31st March 2011	322.77 (539.29)	- (-)
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	2,208.57 (2,304.50)	58.69 (61.87)
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.	- (-)	- (-)

(Figures in brackets pertains to Previous Year)

21 DEFERRED TAX

Rs. In lacs		
Particulars	31.03.2011	31.03.2010
Deferred Tax assets/liabilities are attributable to the following items:		
Deferred Tax Assets		
Effect of Expenditure debited to P&L account in the current year but allowed for tax purposes in the following year	208.09	376.06
Sub Total (a)	208.09	376.06
Deferred Tax Liabilities		
Difference in depreciation and amortization in block of fixed assets as per Income Tax Act and books of accounts & Others	3,465.78	3,075.77
Sub Total (b)	3,465.78	3,075.77
Net Deferred Tax Liability (a)- (b)	3,257.69	2,699.71

- 22** The Company has entered into a Business Transfer Agreement on 20th December, 2010 for selling its polymer division as a going concern on slump sale basis. This transaction is concluded on 11th April 2011. Since the date of sale is subsequent to the Balance Sheet date, the accounting treatment of the aforesaid transaction will be reflected in the subsequent year.

The Additional Disclosure as per AS-24, issued pursuant to the Companies(Accounting Standards) Rules 2006,is set out below:

The division is included in the segment "Others" in Segmental Reporting as per AS-17, issued pursuant to the Companies (Accounting Standard) Rules, 2006. As at 31st March 2011, the carrying amount of assets to be disposed off of the polymer division is Rs. 4,470.88 lacs (Previous year Rs. 3,436.37 lacs) and its liabilities to be disposed off is Rs. 1,045.38 lacs (Previous Year Rs. 590.11 lacs)

The following statement shows the revenue and expenses of continuing and discontinuing operations for the year ended 31st March 2011 and 2010 respectively

Particulars	Continuing operations		Discontinuing Operations	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Gross Sales	75,747.54	56,597.86	8,124.67	5,522.05
Operating Expenses	65,462.55	49,620.72	7,456.27	4,954.99
Pre-Tax profit/(loss) from operating activities	10,284.99	6,977.14	668.40	567.06
Interest Expense	1,697.06	1,673.30	116.72	151.72
Profit/(loss) before Tax	8,587.93	5,303.84	551.68	415.34
Income Tax expense				
- Provision for tax	1,865.40	1,162.52	205.85	163.46
- Deferred Tax	557.97	203.03	-	-
Profit/(loss) after Tax	6,164.56	3,938.29	345.83	251.88

Cash Flow Disclosure related to Discontinuing Operation

Particulars	31.03.2011	31.03.2010
Cash Flow from operations	736.42	632.62
Net Working Capital Changes	(528.73)	(422.15)
Net Cash flow from Operating Activities	207.69	210.47
Net Cash flow from Investing Activities	(20.88)	(26.09)
Net Cash flow from Financing Activities	(116.72)	(151.72)
Net Cash inflow/ outflow	70.09	32.66

23 Additional information pursuant to the provisions of Paragraphs 3, 4C & 4D of Part II of Schedule VI to the Companies Act, 1956

A. PARTICULARS OF LICENCED CAPACITY, INSTALLED CAPACITY

S.No.	Product	Licensed Capacity In Tonnes		Installed Capacity In Tonnes	
		2010-11	2009-10	2010-11	2009-10
1	Organo Phosphorous Compounds / Industrial Chemicals	11,260	11,260	10,090	9,140
2	Pesticides & Other Formulation	5,597 (in terms of Technical)	5,597	53,200 (in terms of Formulation)	53,200
3	Polyurethane & Others	7,500	7,500	6,400	6,400

B. ACTUAL PRODUCTION, PURCHASES, SALES AND STOCK OF GOODS MANUFACTURED/TRADED :

S.No.	Product	Opening Stock	Production	Purchases	Sales	Closing Stock
(I) QUANTITY (IN TONNES)						
Current Year						
a)	Chemicals including by-product/ Traded Goods	4,216	47,683	390	47,473	4,816
b)	Polymer	803	6,232	-	6,486	549
	Total	5,019	53,915	390	53,959	5,365
Previous Year						
a)	Chemicals including by-product/ Traded Goods	(4,678)	(41,640)	(307)	(42,409)	(4,216)
b)	Polymer	(702)	(5,005)	-	(4,904)	(803)
	Total	(5,380)	(46,645)	(307)	(47,313)	(5,019)

S.No.	Product	Opening Stock	Production	Purchases	Sales	Closing Stock
(II) IN VALUE (Rs. in Lacs)						
Current Year						
a)	Chemicals including by-product/ Traded Goods	4,500.06	-	2,050.86	78,696.95	7,404.11
b)	Polymer	440.88	-	-	5,102.23	487.58
	Total	4,940.94	-	2,050.86	83,799.18	7,891.69
Previous Year						
a)	Chemicals including by-product/ Traded Goods	(4,752.49)	-	(1,358.62)	(56,905.66)	(4,500.06)
b)	Polymer	(413.72)	-	-	(5,102.23)	(440.88)
	Total	(5,166.21)	-	(1,358.62)	(62,007.89)	(4,940.94)

C. VALUE OF IMPORTED / INDIGENOUS RAW MATERIAL, PACKING MATERIALS AND OTHER COMPONENTS CONSUMED

Particulars	2010-11		2009-10	
	QTY(Tonnes)	Rs.in Lacs	QTY(Tonnes)	Rs.in Lacs
i Technical Pesticides	442	1,552.47	446	1,558.27
ii Inert Carriers & Adjuvants	161406	32,362.31	107920	23,370.13
iii Polymers	6030	5,065.42	5002	3,601.45
iv Others	-	4,083.04	-	1,859.33
Total	167878	43,063.24	113368	30,389.18
Particulars	2010-11		2009-10	
	%	Rs. in Lacs	%	Rs.in Lacs
i Raw Material				
Imported	36	14,154.24	48	13,264.27
Indigenous	64	24,951.46	52	14,452.77
ii Packing Material				
Imported	3	114.15	-	-
Indigenous	97	3,840.77	100	2,672.14
D. VALUE OF IMPORTS CALCULATED ON CIF BASIS				
Raw Materials		16,704.98		11,395.46
Spare Parts & Components		168.56		34.21
Capital Goods		395.59		95.76
E. EARNINGS IN FOREIGN CURRENCY				
Export of Goods on FOB Basis		24,877.39		20,195.83
F. EXPENDITURE IN FOREIGN CURRENCY				
Professional		75.21		31.39
Consultancy		2.59		27.75
Interest		64.67		12.12
Travelling		11.86		17.61
Salary		42.47		125.59
Others		338.84		101.42

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

Signatures to Schedules I to XX inclusive

As per our separate report of even date attached

For B. D. Gargieya & Co
Chartered Accountants
Firm Reg. No. 001072C
Sd/-

Ashok Mangal
Partner
M. No.: 71714

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

Naveen Aggarwal
Partner
M. No.: 94380

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

Balance Sheet Abstract and Company's General Business profile

I Registration Details	
Registration No	: L24211RJ1946PLC000469
State Code	: 17
Balance Sheet dated	: 31.03.2011
II Capital raised during the year (Amount in Rs Thousands)	
Public Issue	: NIL
Right Issue	: NIL
Bonus Issue	: 37292
Private Placement	: 3708
III Position of Mobilisation and Deployment of Funds (Amount in Rs Thousands)	
Total Liabilities	6,642,901
Total Assets	6,642,901
Source of Funds	
Paid-up Capital	192,875
Reserves And Surplus	1,944,429
Secured Loans	1,559,820
Unsecured Loans	918,213
Deferred Tax	325,769
Application of Funds	
Net Fixed Assets	2,875,113
Investments	5,181
Net Current Assets	2,060,811
Deferred Revenue Expenditure	-
Accumulated Losses	NIL
IV Performance of the Company (Amount in Rs.Thousands)	
Turnover	7,209,784
Total Expenditure	6,295,823
Profit/(Loss) before Tax	913,961
Profit/(Loss) after Tax	651039
Earnings Per Share- Basic	58.62
Earnings Per Share- Diluted	52.06
Dividend Rate (%) - Equity	40
V Generic Names of Three Principal Products/Services of the Company	
(As per Monetary Terms)	
Item Code no (ITC Code)	Product Description
380810.00	Insecticides
902830.00	Metering and Allied Products
390210.00	Polypropylene

For and on behalf of the Board of Directors

Sd/-
Salil Singhal
Chairman & Managing Director

Sd/-
Mayank Singhal
Managing Director & CEO

Sd/-
Rajnish Sarna
CFO & President (IT)

Place : Gurgaon
Dated : 14.04.2011

PILL FINANCE & INVESTMENTS LIMITED

BOARD OF DIRECTORS

Mr. Salil Singhal
Mr. Anurag Surana
Mr. Mayank Singhal

BANKERS

ICICI Bank Ltd.
IDBI Bank Ltd.

AUDITORS

Kishan M. Mehta & Co.
Chartered Accountants
Ahmedabad - 380 009

REGISTERED OFFICE

209, Himalaya Arcade
Near Bharat Petrol Pump, Vastrapur,
Ahmedabad - 380 015.

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in submitting their report on the business and operations of the Company along with Audited Accounts for the year ended on March 31, 2011.

FINANCIAL RESULTS

(Amount in Rs.)

S.No.	Particulars	Current year (2010-11)	Previous year (2009-10)
1.	Turnover/Income	7,11,068	7,08,861
2.	Profit before tax	5,82,284	5,53,296
	Less: Provision for tax	1,85,000	1,81,000
3.	Profit after tax	3,97,284	3,72,296
4.	Add: Brought forward from last year	25,10,865	20,86,610
5.	Add: Income Tax paid for earlier years	1,72,384	-
6.	Add: Income Tax provision no longer required written back	-	51,598
7.	Balance carried over to balance sheet	30,80,534	2,510,865

OPERATIONAL HIGHLIGHTS

The Company registered a turnover of Rs.7,11,086/- during the year under review from its business activities. Your Directors are pleased to inform you that your Company has generated net profit of Rs. 5,69,668/-.

DIVIDEND

The Directors do not recommend any dividend during the year and decided to plough back the profit of the Company for its business activities.

DEPOSITS

The Company has not accepted any deposit during the financial year under review within the meaning of Section 58A of the Companies Act, 1956.

DIRECTORS

Mr. Anurag Surana, Director retires by rotation and being eligible offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, in relation to Directors Responsibility Statement, your Directors confirm as under:

- 1) in the preparation of the annual accounts for the year ended on March 31, 2011, the applicable accounting standards have been followed by the Company.
- 2) appropriate accounting policies have been selected and applied consistently and have made judgment 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, 2011 and of the profit for the year ended March 31, 2011.
- 3) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the annual accounts are prepared on a going concern basis.

AUDITORS

M/s Kishan M. Mehta & Co., Chartered Accountants, Ahmedabad, the Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. Members are requested to re-appoint them and fix their remuneration. Pursuant to Section 224(1B) of the Companies Act, 1956 a Certificate regarding their eligibility for re-appointment has been received.

COMPLIANCE CERTIFICATE FROM COMPANY SECRETARY

As required u/s 383-A(1) of the Companies Act, 1956, a compliance certificate from a Company Secretary in practice has been obtained.

EMPLOYEES

None of the employee draw remuneration in excess of limit prescribed U/s 217 (2A) of the Companies Act, 1956. Therefore, disclosure is not required.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information required under section 217(a) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars of the report of the Board of Directors) Rules, 1988 as to conservation of energy and technology absorption do not apply to our Company and as to foreign exchange earning and outgo, there are no activities relating to exports and no foreign exchange was used by the Company.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the support and co-operation received by the Company from bankers, various departments of the Governments of India, Gujarat and business associates.

For and on behalf of Board

Place: Ahmedabad
Date : 7.4.2011

Sd/-
(Salil Singhal)
Director

Sd/-
(Anurag Surana)
Director

AUDITORS' REPORT

TO THE MEMBERS OF PILL FINANCE & INVESTMENT LIMITED

1. We have audited the attached Balance Sheet of the " PILL FINANCE & INVESTMENT LIMITED " as at 31st March, 2011 and also the Profit Loss Account and the cash flow statement for the year ended on that date annexed thereto. The financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Act and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments, in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have 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 appears from our examination of such books.
 - c) The Balance Sheet, Profit & Loss Account and cash flow statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of written representation received from directors and taken on record by the board of directors, in the board meeting, none of the directors of the company is disqualified from being appointed as a director under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the accounts read with the notes thereon, gives the information required by the Companies Act, 1956 in the manner so required & give a true & fair view of and in conformity with accounting principles generally accepted in India:-
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011
 - (b) In the case of Profit & Loss Account of the profit of the Company for the year ended on that date and
 - (c) in the case of Cash Flow Statement of the cash flows for the year ended on that date.

For **KISHAN M.MEHTA & CO.,**
Chartered Accountants.
Registration No.105229W

Sd/-
(U.P.BHAVSAR)
Partner.
M. No. 43559

Place : Ahmedabad
Dated : 8th APRIL, 2011

Referred to in paragraph 3 of our report of even date

- (i) (a) PILL Finance and Investment Limited ("the Company") has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) As explained to us, the fixed assets have been physically verified by the management in reasonable interval and no material discrepancies have been noticed on such verification.
- (c) During the year, the Company has not disposed off any substantial part of fixed assets.
- (ii) (a) The nature of Company's activities during the year has been such that clause (ii)(a), (ii)(b) & (ii)(c) of paragraph 4 of the Company's (Auditor's Report) order, 2003 are not applicable to the company for the year.
- (iii) (a) As per the information furnished, the company has not granted or taken any loan, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- (b) As the Company has not granted any loan, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, the para 4(iii)(b), 4(iii)(c), and 4(iii)(d), 4(iii)(f) and 4(iii)(g) of the companies (Auditor's Report) order, 2003 are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. Whichever is applicable. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956.
- (b) There being no transaction entered in to the register maintained u/s 301 of companies Act, 1956 para (v)(b) of the order is not applicable.
- (vi) The company has not accepted any deposits during the year from public within the meaning of the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder. Hence, the Para 4 (v) of the order is not applicable.
- (vii) As per the information and explanation given to us the company did not have formal internal audit system however it has adequate internal control system commensurate with size of the company.
- (viii) The provision of section 209(1)(d) of the companies Act, 1956 regarding maintenance of cost record is not applicable to the company.
- (ix) (a) According to the information and explanations given to us, and the records examined by us, Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Investor education protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and any other material statutory dues applicable to it.
- (b) According to the information and explanations given to us there are no dues of income tax/sales tax/ wealth tax/service tax/ customs duty/ excise duty cess which have not been deposited on account of any dispute.
- (x) There are no accumulated losses of the Company as on 31/03/2011. The company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Clause (xi) of paragraph 4 of the Company's (Auditor's Report) order, 2003 are not applicable to the company for year as company has not taken any loan from financial institution or bank or debenture holders.

- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or nidhi/mutual benefit fund/Society therefore, the provisions of para-4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of para 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xvi) According to the information and explanation given to us the company has not raised any term loan during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and Cashflow Statement of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares during the year.
- (xix) The company has not issued any debentures and hence, the question of creating securities or charges in respect thereof does not arise.
- (xx) The company has not raised any money by way of public issues during the year.
- (xxi) According to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.
- (xxii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statement and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **KISHAN M.MEHTA & CO.,**
Chartered Accountants.
Registration No.105229W

Sd/-
(U.P.BHAVSAR)
Partner.
M. No. 43559

Place : Ahmedabad
Dated : 8th APRIL, 2011

BALANCE SHEET AS AT 31ST MARCH 2011

PARTICULARS	Schedule No.	Amount (in Rs.)			
		As at 31st March 2011		As at 31st March 2010	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	3,600,000		3,600,000	
Reserves & Surplus	2	6,580,534		6,010,865	
			10,180,534		9,610,865
LOAN FUNDS:					
TOTAL			10,180,534		9,610,865
APPLICATION OF FUNDS:					
FIXED ASSETS:					
Gross Block	3	1,910,154		1,910,154	
Less : Depreciation		-		-	
Net Block			1,910,154		1,910,154
INVESTMENTS	4		414,070		414,070
CURRENT ASSETS, LOANS & ADVANCES:					
Sundry Debtors		60		60	
Cash & Bank Balances	5	1,484,225		973,243	
Loans & Advances	6	6,984,840		6,954,840	
		8,469,125		7,928,143	
Less: Current Liabilities & Provisions	7	612,815		641,502	
			7,856,309		7,286,641
MISCELLANEOUS EXPENDITURE:			-		-
TOTAL			10,180,534		9,610,865
Notes to the Accounts	8				

As per our report attached
FOR KISHAN M. MEHTA & CO.
Chartered Accountants.
Registration No.105229W

For and on behalf of Board

Sd/-
(U.P.BHAVSAR)
Partner
M. No. 43559
Ahmedabad. 8th April, 2011

Sd/-
(Anurag Surana)
Director
Ahmedabad. 7th April, 2011

Sd/-
(Salil Singhal)
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Amount (in Rs)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
INCOME:		
Lease Rent	84,000	84,000
Dividend	27,068	24,590
Interest (Gross TDS Rs.60,000/-, Previous year Rs.60,000/-)	600,000	600,000
Profit on sale of shares	-	271
TOTAL	711,068	708,861
EXPENDITURE:		
Miscellaneous Expenses	3,400	3,900
Bank Charges	900	620
Balance written off	-	116,000
Legal Fees	109,042	28,427
Audit Fees	15,442	6,618
	128,784	155,565
PROFIT BEFORE TAX	582,284	553,296
Less: Provision for Taxation	185,000	181,000
PROFIT AFTER TAX	397,284	372,296
Add: Balance brought forward from last year	2,510,865	2,086,610
Add: Income Tax paid for earlier years	172,384	-
Add: Income Tax provision no longer required written back	-	51,958
Profit available for appropriation	3,080,534	2,510,865
Balance Carried Over to Balance Sheet	3,080,534	2,510,865
No. of Equity Shares at the end of the year	360,000	360,000
Profit for calculation of E.P.S. (Rs.)	397,284	372,296
Earning Per share - Basic & Diluted	1.10	1.03
Notes to the Accounts 8		

As per our report attached
FOR KISHAN M. MEHTA & CO.
Chartered Accountants.
Registration No.105229W

Sd/-
(U.P.BHAVSAR)
Partner
M. No. 43559
Ahmedabad. 8th April, 2011

For and on behalf of Board

Sd/-
(Anurag Surana)
Director

Ahmedabad. 7th April, 2011

Sd/-
(Salil Singhal)
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and Extraordinary items	582,284	553,296
Adjustment for :		
Depreciation	-	-
Interest Expenses	-	-
Interest Received	(600,000)	(600,000)
Dividend Received	(27,068)	(24,590)
Profit on sale of Mutual Fund	-	-
Defferred tax written back	-	-
Loss on sale of fixed assets	-	-
Operating Profit before working capital changes Working capital	(44,784)	(71,294)
Sundry debtors	-	-
Inventories	-	-
Investments	-	6
Loans & Advances	(30,000)	20,042
Liabilities and provisions	(28,687)	(160,185)
Premium paid for interest rate reduction	-	-
Cash generated from operations	(103,471)	(211,431)
Direct Taxes	(12,616)	51,958
Net Cash from operating activities	(116,087)	(159,473)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed Assets (net)	-	-
Sale of Fixed Assets	-	-
Interest Received	600,000	600,000
Dividend Received	27,068	24,590
Net Cash used in investing activities	627,068	624,590
CASH FLOW FROM FINANCING ACTIVITIES		
Long term borrowings (net of repayments)	-	-
Short term borrowings	-	-
Decrease in Preference Capital	-	-
Cash from Shares	-	-
Dividend paid	-	-
Net Cash used in financing activities	-	-
INCREASE / (DECREASE) IN CASH OR CASH EQUIVALENTS	510,982	465,117
Opening cash or cash equivalents	973,243	508,126
Closing cash or cash equivalents	1,484,225	973,243

As per our separate report of even date attached

FOR KISHAN M. MEHTA & CO.

Chartered Accountants,
Registration No.105229W

Sd/-
(U.P.BHAVSAR)

Partner
M. No. 43559

Ahmedabad. 8th April, 2011

For and on behalf of Board

Sd/-
(Anurag Surana)
Director

Ahmedabad. 7th April, 2011

Sd/-
(Salil Singhal)
Director

SCHEDULES TO AND FORMING PART OF ACCOUNTS

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE I - SHARE CAPITAL		
Authorised		
5,00,000 (5,00,000) Equity Shares of Rs. 10/- each	5,00,000	5,00,000
35,000 (35,000) Redeemable Preference Shares of Rs. 100/- each	3,50,000	3,50,000
TOTAL	8,50,000	8,50,000
Issued & Subscribed & Paid Up		
3,60,000, (3,60,000) Equity Shares of Rs.10/-each fully paid up (entire share capital is held by-Holding Company PI Industries Ltd. and its'nominees)	3,60,000	3,60,000
TOTAL	3,60,000	3,60,000

PARTICULARS	Amount (in Rs.)			
	As at 31st March 2011		As at 31st March 2010	
SCHEDULE 2 - RESERVES & SURPLUS:				
Capital Redemption Reserve :				
As per last year	3,50,000		1,20,000	
Add: Transfer from Profit & Loss account	-		2,30,000	
		3,50,000		3,50,000
Profit & Loss Account		3,08,534		2,51,865
TOTAL		6,58,534		6,01,865

* Figures in bracket pertains to previous year

Amount (in Rs.)										
Particulars	GROSS BLOCK			As on 31/03/2011	DEPRECIATION				NET BLOCK	
	As on 01/04/2010	Add- itions	Dedu- ctions		Upto Previous	During the	Reco- uped	Total	As on 31/03/2011	As on 31/03/2010
SCHEDULE 3 - FIXED ASSETS										
Freehold Land	1,910,154	-	-	1,910,154	-	-	-	-	1,910,154	1,910,154
Current Year	1,910,154	-	-	1,910,154	-	-	-	-	1,910,154	1,910,154
Previous Year	1,910,154	-	-	1,910,154	-	-	-	-	1,910,154	1,910,154

SCHEDULES TO AND FORMING PART OF ACCOUNTS

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE 4 - INVESTMENTS		
(As valued, verified & certified by the management)		
Quoted, Non-trade & Long Term		
700 (700) Equity Shares of United Credit Ltd. of Rs.10/-each fully paid	21,000	21,000
100(100) Equity Shares of Ciba CKD Biochem Ltd. of Rs.10/-each fully paid	5,000	5,000
** 50(50) Equity Shares of Akzo Nobel India Ltd. of Rs.10/-each fully paid	5,400	5,400
976(976) Equity Shares of BASF India Ltd. of Rs.10/-each fully paid	45,571	45,571
90(90) Equity Shares of Sudershan Chemical Industries Ltd. of Rs.10/-each fully paid	4,140	4,140
*** 207(138) Equity Shares of Rallis India Ltd. of Rs.10/- each fully paid	12,420	12,420
66(66) Equity Shares of Bayers Crop Science Ltd. of Rs.10/-each fully paid	18,680	18,680
248(248) Equity Shares of Punjab Chemicals & Crop Protection Ltd. of Rs.10/-each fully paid	8,804	8,804
42(42) Equity Shares of Wyeth Ltd. of Rs.10/-each fully paid	15,246	15,246
100(100) Equity Shares of Aventis Pharma Ltd. of Rs.10/-each fully paid	3,300	3,300
150(150) Equity Shares of L.M.L.Ltd. of Rs.10/-each fully paid	1,776	1,776
188(188) Equity Shares of United Sprit Ltd. of Rs.10/-each fully paid	4,644	4,644
360(360) Equity Shares of RPG Life Sciences Ltd. of Rs.10/-each fully paid	23,375	23,375
Nil (360) Equity Shares of Brabourne Enterprises Ltd. of Rs.10/-each fully paid	-	-
100(100) Equity Shares of Voltas Ltd. of Rs.1/-each fully paid	1,345	1,345
460(460) equity shares of ICICI Bank Ltd. of Rs. 10/- each fully paid (Aggregate market value of quoted shares and Units is Rs. 2,072,521/-, Previous Year. Rs. 1,635,496/-)	241,500	241,500
UNQUOTED, NON TRADE & LONG TERM		
160(160) Equity Shares of Syngenta India Ltd. of Rs.10/-each fully paid	1,869	1,869
*12 (Nil) Equity Shares of Summit Securities Ltd. of Rs.10/- each fully paid	-	-
TOTAL	414,070	414,070

* Composite Scheme of arrangement, between Summit Securities Limited and Brabourne Enterprises Ltd. one equity share of Summit Securities Ltd. is allotted for every twenty eight (28) shares of Brabourne Enterprises Ltd. of Rs. 10/- each held in Brabourne Enterprises Ltd.

** The Company held fifty (50) Shares in the name of ICI India Ltd. The name of ICI India Ltd. has changed to Akzo Nobel India Ltd..

*** Company received Bonus share in the ratio of 1:2 on 16.06.2010.

SCHEDULES TO AND FORMING PART OF ACCOUNTS

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE 5 - CASH & BANK BALANCE		
Cash on hand	-	-
Bank Balance		
With Scheduled Banks on:		
Current Accounts	1,484,225	973,243
TOTAL	1,484,225	973,243

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE 6 - LOANS & ADVANCES		
(Unsecured but Considered good)		
Advances recoverable in cash or in kind or for value to be received	-	-
Loan to PI Industries Ltd. (holding company)	6,000,000	6,000,000
Advance Tax	954,840	924,840
Deposit	30,000	30,000
TOTAL	6,984,840	6,954,840

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE 7 - CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Deposit Received from PI Industries Ltd.	50,000	50,000
Sundry Creditors	79,416	-
Other liabilities	298,399	410,502
Provisions:		
For Taxation	185,000	181,000
TOTAL	612,815	641,502

SCHEDULE - 8 NOTES FORMING PART OF ACCOUNTS

1. Significant Accounting Policies :

(a) Basis of Accounting:

The financial statements have been prepared under the historical cost convention on accrual basis in accordance with generally accepted accounting principles in India, the applicable Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

(b) Fixed Assets :

Fixed assets being land is stated at cost of acquisition.

(c) Investments:

Investments are stated at cost. Provision for diminution in the value of investment is made, if it is other than temporary.

(d) Revenue Recognition

Lease rent Income: Lease income is recognised on straight line basis over the lease term.

Investment Income: Income from Investment is accounted on accrual basis, inclusive of related tax deducted at source.

Dividend Income: Dividend income is accounted for in the year in which the right to receive the same is established.

(e) Taxation: Current tax is the amount of tax payable in respect of taxable income for the period.

(f) Other accounting policies

Accounting policies not specifically referred to are consistent with generally accepted accounting practices.

2. Payments to Auditors:

	2010-2011 Rs.	2009-2010 Rs.
Audit Fee	15,442	6,618
Income Tax Matters	88,792	9,927
Other Reports etc.	-	-
TOTAL	104,234	16,545

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

4. RELATED PARTY DISCLOSURE, AS REQUIRED BY ACCOUNTING STANDARD - 18, IS AS BELOW:

The following transactions were carried out with holding company of PI INDUSTRIES LTD. in the ordinary course of business:

(Amount in lacs)

S. No.	Particulars	Transaction during the year		Balance outstanding as on 31/03/2011	Balance outstanding as on 31/03/2010
		Current Year	Previous Year		
1	Inter Corporate Deposit given	-	-	60.00 Dr.	60.00 Dr.
2	Interest Received	6.00	6.00	-	-
3	Rent Received	0.84	0.84	-	-
4	Security Deposit	-	-	0.50 Cr.	0.50 Cr.

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

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

Signatures to Schedules - '1' to '8'

As per our report attached

FOR KISHAN M. MEHTA & CO.

Chartered Accountants.

Registration No.105229W

Sd/-

(U.P.BHAVSAR)

Partner

M. No. 43559

Ahmedabad. 8th April, 2011

For and on behalf of the Board

Sd/-

(Anurag Surana)

Director

Ahmedabad. 7th April, 2011

Sd/-

(Salil Singhal)

Director

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT,1956

BALANCE SHEET ABSRACT AND COMPANY'S GENERAL BUSINESS PROFILE		
I. Registration Details		
Registration No.:	:	U65990GJ1992PLC018163
State Code :	:	04
Balance sheet date	:	31 March, 2011.
II. Capital Raised during the year	:	(Amount Rs.in Thousands)
Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil
III. Position of Mobilisation and Deployment of Funds		
Total Liabilities	:	10,793
Total Assets	:	10,793
Sources of Funds	:	
Paid-up Capital	:	3,600
Reserves and Surplus	:	6,581
Deferred Tax	:	-
Secured Loans	:	-
Unsecured Loans	:	-
Application of Funds	:	
Net Fixed Assets	:	1,910
Investment	:	414
Net Current Assets	:	7,856
Misc.Expenditure	:	-
Accumulated Losses	:	-
IV. Performance of Company	:	
Turnover	:	711
Total Expenditure	:	129
Profit Before Tax	:	582
Profit After Tax	:	397
Earning per Share in Rs.	:	1.10
Dividend Rate %	:	-
V. Generic Names of Three Principal Products/	:	
Services of Company (as per monetary terms)	:	
Item Code No. (ITC Code)	:	
Product Description :	:	Hiring of Assets & Investment in securities

For and on behalf of Board

Sd/-
(Anurag Surana)
Director

Sd/-
(Salil Singhal)
Director

Ahmedabad. 7th April, 2011

PI LIFE SCIENCE RESEARCH LIMITED

BOARD OF DIRECTORS

Mr. Mayank Singhal

Dr. S.P. Vishnoi

Mr. Anurag Surana

BANKERS

Axis Bank Ltd.

AUDITORS

K.S. M.N. & Co.
Chartered Accountants
New Delhi

REGISTERED OFFICE

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

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in submitting their report on the business and operations of the Company along with Audited Accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

(Rs. in Lacs)

Particulars	Current year (2010-11)	Previous year (2009-10)
Turnover/Income	237.48	187.29
Expenditure	109.22	79.52
Profit before Tax	128.26	107.77
Less: Provision for current tax	25.60	19.00
Provision for deferred tax	28.70	-
Profit after Tax	73.96	88.77
Add : Profit b/f last year	139.38	50.61
Profit carried forward	213.34	139.38

OPERATIONAL HIGHLIGHTS

The Company registered a turnover of Rs.237.48 Lacs during the year under review from business activities as compared to turnover of Rs. 187.29 lacs in previous year, thus registering a growth of approx. 27%. You company has generated net profit after tax of Rs.73.96 Lacs.

DIVIDEND

The Directors do not recommend any dividend during the year and decided to plough back the profit of the Company for its business activities.

DEPOSITS

The Company has not accepted any deposit during the period under review within the meaning of Section 58A of the Companies Act, 1956.

DIRECTORS

Mr. Mayank Singhal, Director retires by rotation and being eligible offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, in relation to Directors Responsibility Statement, your Directors confirm as under:

1. in the preparation of the Annual Accounts for the year ended on March 31, 2011, the applicable accounting standards have been followed by the Company.
2. appropriate accounting policies have been selected and applied consistently and have made judgment 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, 2011 and of the profit for the year ended March 31, 2011.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts are prepared on a going concern basis.

AUDITORS

M/s KSMN & Co., Chartered Accountants, New Delhi, Auditors of the Company retire at the ensuing Annual General Meeting of the Company and being eligible offers themselves for re-appointment. Members are requested to re-appoint them and fix their remuneration. Pursuant to Section 224(1B) of the Companies Act, 1956 a Certificate regarding their eligibility for re-appointment has been received.

COMPLIANCE CERTIFICATE FROM COMPANY SECRETARY:

As required u/s 383-A(1) of the Companies Act, 1956, a compliance certificate from a Company Secretary in practice has been obtained.

SHIFTING OF REGISTERED OFFICE FROM DELHI TO RAJASTHAN:

The Company is under process for shifting of its Registered Office from the National Capital Territory of Delhi to Udaisar Road, Udaipur- 313 001 in the State of Rajasthan.

EMPLOYEES

None of the employee draw remuneration in excess of limit prescribed U/s 217 (2A) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ADAPTATION, INNOVATION AND FOREIGN EXCHANGE

The information required under section 217(a) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars of the report of the Board of Directors) Rules, 1988 to conservation of energy and technology absorption do not apply to our Company. Further, foreign exchange earning and outgo appear in Item No. B-13 of Schedule 9 of the Annual Accounts.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the support and co-operation received by the Company from bankers, various departments of the Governments of India, Delhi, Rajasthan and business associates.

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

The Board of Directors place on record their appreciation for the excellent performance and impeccable services rendered by the employees of the Company at all levels towards its overall success.

For and on behalf of Board of Directors

Place : Gurgaon
Date : 07.4.2011

Sd/-
(Anurag Surana)
Director

Sd/-
(Mayank Singhal)
Director

AUDITORS' REPORT

TO THE MEMBERS OF PI LIFE SCIENCE RESEARCH LIMITED

1. We have audited the attached Balance Sheet of **PI LIFE SCIENCE RESEARCH LIMITED** ('the Company') as at 31st March 2011 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted the audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that: -
 - i) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - ii) In our opinion, proper books of accounts, as required by law, have been kept by the Company so far as it appears from our examination of the books;
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said account read together with Notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b) In the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **K S M N & CO.**
Firm Regn. No.001075N
Chartered Accountants
Sd/-
(Deepak K. Aggarwal)
Partner
Membership No. : 095541

Place : Gurgaon
Date : 07.04.2011

Annexure referred to in paragraph 3 of our report of even date

Re: PI LIFE SCIENCE RESEARCH LIMITED ('the Company')

1. (a) The Company has maintained proper records in respect of its Fixed Assets showing full particulars including quantitative details and situation of fixed assets.
 (b) Verification of the fixed assets is being conducted based on a programme by the management designed to cover all assets which, in our opinion, is reasonable having regard to the size of the company and nature of its business. As informed, no material discrepancies were noticed on such verification and the same have been properly adjusted in the books of account.
 (c) No fixed assets were disposed off during the year.
2. According to the information and explanations given to us and the records examined by us, the Company is not having any inventory, in view of which the related reporting requirement of the Order is not applicable to the company.
3. (a) The company has not granted loan to any party covered in the register maintained under section 301 of the Companies Act, 1956. As there are no such loans, the comments regarding terms & conditions, repayment of the principal amount and the interest thereon and overdue amounts are not required.
 (b) The company has taken loan from its holding company PI Industries Limited covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year in respect of such company and the year end balance of such loan is Rs.75,00,000 and Rs. NIL respectively.
 (c) In our opinion and according to information and explanations given to us, the rate of interest and other terms and conditions on which loan has been taken are not, prima facie, prejudicial to the interest of the company.
 (d) In respect of the aforesaid loan, the amount of interest has been paid wherever applicable. Since the loan is repaid in full, comment in regards to overdue amount is not applicable.
4. In our opinion and according to the information and explanations given to us during the course of audit, there are adequate internal control procedure commensurate with size of the company and the nature of its business with regard to purchase of fixed assets and for sale of goods and services. Further, on the basis of our examination of the books & records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of an instance of a continuing failure to correct major weaknesses in the aforesaid internal control systems.
5. (a) To the best of our knowledge and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
6. The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 including the Companies (Acceptance of Deposit) Rules, 1975.
7. In our opinion the Company has an internal audit system which appears to be commensurate with the size and nature of its business.
8. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 in respect of any of the activities carried out by the company.
9. (a) According to the examination of records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Service tax, Custom Duty, Excise Duty, Cess and other material statutory dues, as applicable, have been generally regularly deposited with the appropriate authorities during the year. There are no such dues outstanding for more than six months from the date they became payable as on the date of balance sheet.

- (b) According to the information and explanations given to us and as per the books and records examined by us, there are no dues of Custom duty, Sales Tax, Wealth Tax, Income Tax, Service Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
10. The company does not have any accumulated losses as at the close of the financial year. The company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceeding financial year.
11. According to the information and explanations given to us and as per the books and records examined by us, the Company does not have any dues payable to any financial institutions, banks and debenture holders.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company does not fall within the category of Chit fund / Nidhi / Mutual Benefit fund / Society and hence the related reporting requirements of the Order are not applicable.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirements of the Order are not applicable.
15. The Company has not given any guarantees against loans taken by others from banks & financial institutions, hence the related reporting requirements of the Order are not applicable.
16. In our opinion and on the basis of information and explanations given to us, the company has not raised any term loan during the financial year, hence the related reporting requirement of the Order are not applicable.
17. On the basis of information and explanations given to us, and on the basis of an overall examination of the balance sheet of the company, no funds raised on short term basis have been applied for long term investment.
18. The Company has not made any preferential allotment of shares, during the year, to companies and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year nor are there any debentures outstanding at the end of the year.
20. The Company has not raised any money through public issues during the year.
21. During the course of examination of books and records of the Company carried out in accordance with the generally accepted auditing practices in India, based on the audit procedures performed and the representation obtained from the Management, we report that no fraud on or by the Company has been noticed or reported during the year under audit

For **K S M N & CO.**
Firm Regn. No.001075N
Chartered Accountants
Sd/-
(Deepak K. Aggarwal)
Partner
Membership No. : 095541

Place : Gurgaon
Date : 07.04.2011

BALANCE SHEET AS AT 31ST MARCH, 2011

PARTICULARS	Schedule	Amount (in Rs.)	
		As at 31st March 2011	As at 31st March 2010
SOURCES OF FUNDS			
SHAREHOLDER'S FUNDS			
Share Capital	1	9,450,000	9,450,000
Reserve & Surplus			
Profit and Loss Account		21,333,686	13,937,574
LOANS		-	-
DEFERRED TAX LIABILITY (NET)		2,869,759	-
TOTAL		33,653,445	23,387,574
APPLICATION OF FUNDS			
FIXED ASSETS	2		
Gross Block		22,836,390	9,348,804
Less : Depreciation		2,969,485	2,128,647
		19,866,905	7,220,157
Capital Work-in- Progress		13,885,116	-
		33,752,021	7,220,157
CURRENT ASSETS, LOANS & ADVANCES			
Inventory		-	-
Sundry Debtors	3	3,314,514	3,328,520
Cash and Bank Balances	4	271,485	1,494,331
Loans & Advances	5	301,167	12,677,067
		3,887,166	17,499,918
Less:			
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	6	3,591,527	1,021,757
Provisions		394,215	310,744
		3,985,742	1,332,501
NET CURRENT ASSETS		(98,576)	16,167,417
TOTAL		33,653,445	23,387,574
Significant Accounting Policies and Notes to Accounts	9		

As per our report of even date attached

For **K S M N & COMPANY**

Chartered Accountants

For and on behalf of the Board

Sd/-

(Deepak K. Aggarwal)

Partner

M.No. 095541

Sd/-

(Mayank Singhal)

Director

Sd/-

(Anurag Surana)

Director

Place: Gurgaon

Date: 07.04.2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Schedule	Amount (in Rs.)	
		For the year ended 31st March 2011	For the year ended 31st March 2010
INCOME			
Revenue from Services		23,563,646	18,669,214
Foreign Exchange rate difference (Net of expenditure Rs. 68,420, previous year Rs. Nil)			
Interest Recd on FDR(Tax deducted at source Rs Nil, previous year Rs Nil)		2,842	-
Excess provision written back		118,285	59,538
		23,748,356	18,728,752
EXPENDITURE			
Staff Expenses	7	2,911,874	2,781,057
Research & Development Expenses		2,444,023	1,705,483
Power & Fuel Expenses		476,065	225,948
Administrative & Misc.Expenses	8	4,013,901	2,745,809
Interest & Financial Expenses		235,784	27,678
Depreciation		840,838	465,967
		10,922,485	7,951,942
PROFIT/(LOSS) BEFORE TAX		12,825,871	10,776,810
Provision for Taxation			
- Current Tax		2,560,000	1,900,000
- Deferred Tax		2,869,759	-
PROFIT/(LOSS) AFTER TAX		7,396,112	8,876,810
Add: Profit B/F from Last year		13,937,574	5,060,764
PROFIT/(LOSS) AFTER TAX CARRIED TO BALANCE SHEET		21,333,686	13,937,574
Earning per share			
- Basic		7.83	9.39
- Diluted			
(Face value Rs.10/- per share)		7.83	9.39
Significant Accounting Policies and Notes to Accounts	9		

As per our report of even date attached

For **K S M N & COMPANY**

Chartered Accountants

Sd/-

(Deepak K. Aggarwal)

Partner

M.No. 095541

For and on behalf of the Board

Sd/-

(Mayank Singhal)

Director

Sd/-

(Anurag Surana)

Director

Place: Gurgaon

Date: 07.04.2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	Amount (in Rs.)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / Loss before tax and Extraordinary items	12,825,871	10,776,810
Adjustment for :		
Provision for Tax		
Depreciation	840,838	465,967
Interest on Borrowings	189,863	-
Operating Profit before working capital changes	13,856,572	11,242,777
Adjustment for :		
Sundry debtors	14,006	(3,328,520)
Loans & Advances	12,375,900	(10,789,744)
Liabilities and provisions	2,653,241	832,895
Cash generated from operations	28,899,719	(2,042,592)
Direct Taxes paid	(2,560,000)	(3,461,856)
NET CASH FROM OPERATING ACTIVITIES	26,339,719	(5,504,448)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase for Fixed Assets	(27,372,702)	-
NET CASH USED IN INVESTING ACTIVITIES	(27,372,702)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short term borrowings	-	-
Interest paid	(189,863)	-
NET CASH USED IN FINANCIANG ACTIVITIES	(189,863)	-
INCREASE / (DECREASE) IN CASH OR CASH EQUIVALENTS	(1,222,846)	(5,504,448)
Opening cash or cash equivalents	1,494,331	6,998,779
Closing cash or cash equivalents	271,485	1,494,331

As per our report of even date attached

For **K S M N & COMPANY**
Chartered Accountants

For and on behalf of the Board

Sd/-
(Deepak K. Aggarwal)
Partner
M.No. 095541

Sd/-
(Mayank Singhal)
Director

Sd/-
(Anurag Surana)
Director

Place: Gurgaon
Date: 07.04.2011

SCHEDULES TO THE BALANCE SHEET AS AT 31st MARCH, 2011

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 1 SHARE CAPITAL		
AUTHORISED CAPITAL		
10,00,000 (previous year 10,00,000) Equity Shares of Rs. 10 each	10,00,000	10,00,000
	10,00,000	10,00,000
Issued, Subscribed & Paid up:		
9,45,000 (previous year 9,45,000) Equity Shares of Rs. 10/- each, fully paid up (Entire share capital is held by the holding company i.e. PI Industries Limited and its nominees)	9,45,000	9,45,000
	9,45,000	9,45,000

SCHEDULE - 2 FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2010	Additions	Deductions	As at 31.3.2011	Upto 1.4.2010	During the year	Adjustments	Upto 31.3.2011	As at 31.3.2011	As at 31.3.2010
R & D Equipments	8,203,590	13,221,363	-	21,424,953	1,711,463	750,994	-	2,462,457	18,962,496	6,492,127
Safety & Pollution Control Equipments	608,915	-	-	608,915	127,666	28,923	-	156,589	452,326	481,249
Furniture & Fixtures	303,386	-	-	303,386	177,201	22,840	-	200,041	103,345	126,185
Office Equipments	232,913	266,223	-	499,136	112,317	38,081	-	150,398	348,738	120,596
TOTAL	9,348,804	13,487,586	-	22,836,390	2,128,647	840,838	-	2,969,485	19,866,905	7,220,157
Capital Work in Progress		13,885,116	-	13,885,116					13,885,116	
GRAND TOTAL	9,348,804	27,372,702	-	36,721,506	2,128,647	840,838	-	2,969,485	33,752,021	7,220,157
Previous Year	9,348,804	-	-	9,348,804	1,662,680	475,278	465,967	2,603,925	7,220,157	

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 3 SUNDRY DEBTORS		
Sundry Debtors (Unsecured, considered good)		
Exceeding Six Months	-	-
Others	3,314,514	3,328,520
TOTAL	3,314,514	3,328,520

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 4 CASH AND BANK BALANCES		
Cash In hand	5,185	1,660
Balance with Scheduled Banks in current a/c	266,300	972,671
In Term Deposit Account (towards Margin Money pledged with banks (Rs. Nil Previous Year Rs. 5,20,000)	-	520,000
TOTAL	271,485	1,494,331

PARTICULARS	Amount (in Rs.)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 5 LOANS & ADVANCES		
Unsecured, Considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received (Including capital advance of Rs Nil, previous year Rs. 2,58,910/-)	99,605	258,910
Advance Income Tax (net of provision for tax Rs. Nil, previous year of Rs. 32,00,000/-)	-	449,671
Security Deposit with Sales Tax department	20,000	20,000
Service Tax Receivable	181,562	-
Due from Holding company	-	11,948,486
(Maximum balance outstanding during the year of Rs. 80,35,603/-, previous year of Rs. 1,19,48,486/-)		
TOTAL	301,167	12,677,067

PARTICULARS	Amount (in Rs)	
	As at 31st March 2011	As at 31st March 2010
SCHEDULE - 6 CURRENT LIABILITIES & PROVISIONS		
Current Liabilities :		
Sundry Creditors		
–Payable to Micro & Small Enterprises	-	-
–Others than Micro & Small Enterprises	2,101,600	898,239
Other Liabilities	64,122	123,518
Due to Holding company	1,425,805	-
(Maximum balance outstanding during the year of Rs. 20,27,073/-, previous year Rs. Nil)		
TOTAL	3,591,527	1,021,757
Provision		
Income Tax (net of advance tax of Rs. 56,07,031/-, previous year of Rs. Nil)	152,969	-
Gratuity Payable	150,711	204,279
Leave Encashment	90,535	106,465
TOTAL	394,215	310,744

PARTICULARS	Amount (in Rs.)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE - 7 STAFF EXPENSES		
Salary, wages and other related cost	2,029,721	2,178,678
Contribution to provident and other funds	9,354	-
Employee welfare Expenses	872,799	602,379
TOTAL	2,911,874	2,781,057

PARTICULARS	Amount (in Rs.)	
	For the year ended 31st March 2011	For the year ended 31st March 2010
SCHEDULE - 8 ADMINISTRATIVE & MISC. EXPENSES		
Postage & Telegram Expenses	30,535	20,962
Printing & Stationary	4,552	495
Office Expenses	79,185	16,790
Rent	473,250	442,750
Audit Fees	11,000	11,030
Travelling Expenses	33,709	33,330
Travelling Expenses- Other	1,620,178	68,198
Legal & Professional Fee	1,556,003	1,287,200
Freight charges	94,882	8,358
Insurance Premium	-249	1,258
Prior Period Expenses	13,165	-
Misc. Expenses	19,093	8,205
Recruitment Expenses	-	26,645
Foreign Exchange rate differences (previous year net of Income of Rs. 22,793/-)	-	225,828
Repair & Maintenance	78,598	594,760
TOTAL	4,013,901	2,745,809

SCHEDULE -9 SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF ACCOUNTING

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006, (as amended and as applicable from time to time) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. USE OF ESTIMATE

The preparation of financial statements in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognised in the period in which the results are known / materialized.

3. REVENUE RECOGNITION

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

Revenue is recognised as the service is performed by the completed service method and no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the services. Other Income are accounted for on accrual basis

4. FIXED ASSETS

a) Tangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use

b) Intangible Assets

Capital Expenditure on purchase and development of identifiable non-monetary assets without physical substance is recognized as Intangible Assets in accordance with the principles given under AS-26- Intangible Assets. These are grouped and separately shown under the schedule of Fixed Assets. These are amortized over their expected useful life, not exceeding ten years.

5. DEPRECIATION

Depreciation is provided on fixed assets over the useful lives of the assets estimated by the management, which are equivalent to the rates prescribed in Schedule XIV to the Companies Act, 1956 as per the written down value method except in respect of certain plant and machinery which are depreciated as per the straight line method. Capital spares directly attributable to the specific fixed assets are depreciated with the cost of the assets.

6. IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

Previously recognized impairment losses are reversed to the extent the recoverable amount exceeds the carrying amounts.

7. EMPLOYEE BENEFITS

Expenses and liabilities in respect of employee benefits are recorded in accordance with Revised Accounting Standard 15 – "Employee Benefits".

(a) Provident Fund

The Company makes contribution to statutory provident fund in accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.

(b) Gratuity

Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognized in the balance sheet in respect of the gratuity is the present value of the defined benefit/obligation at the balance sheet date less the fair value of plan assets, together with adjustment for unrecognized actuarial gains or losses and past service costs. The defined benefit/ obligation are calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the Profit & loss account in the year to which such gains or losses relate.

(c) Leave Encashment

Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

(d) Other Short Term Benefits

Expenses in respect of other short term benefits are recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

8. INVESTMENTS

Long term investments are stated at cost. Provision is made if, in the opinion of management, diminution in value of investment is other than temporary in nature. Current investments are stated at lower of cost or market/ fair values.

9. LEASES

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

10. BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

11. FOREIGN CURRENCY TRANSACTIONS

a) Initial Recognition

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

b) Conversion

Current assets and current liabilities recoverable / payable in foreign currency are restated at the exchange rate prevailing at the year end. The difference in translation of Monetary Assets & Liabilities and Realized gains & losses on foreign exchange translation are recognised in profit & loss account.

c) Exchange difference

Exchange difference on foreign currency monetary items is recognised as income or expense in the year in which they arise.

12. PROVISION FOR CURRENT AND DEFERRED TAX

Tax expense comprises of current and deferred. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has

unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are shown by way of Notes to Accounts in respect of obligations where based on the evidence available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognized in the accounts nor disclosed.

14. CASH FLOW STATEMENT

Cash-flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Cash Flow Statements (AS-3) notified under the Companies (Accounting Standards) Amendment Rules, 2009. The Cash flows from regular revenue generating, financing and investing activity of the company are segregated.

15. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

B NOTES TO ACCOUNTS

1. Claims against the company not acknowledge as debts Rs. NIL, (previous year NIL)
2. Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advance) Rs. NIL.
3. There are no present obligation requiring provision in accordance with guiding principle in Enunciated to the Accounting Standard (AS – 29) as it is not probable that an outflow of the resources embodying economic benefit will be required.
4. The Government of India has promulgated an act namely The Micro, Small and Medium Enterprises (Development) Act, 2006 which came into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium enterprises and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. As per the information available with the Company and relied upon by the auditors, none of the creditors falls under the definition of 'supplier' as per the section 2(n) of the Act to the extent of information available with the company. In view of the above, the prescribed disclosures under Section 22 of the Act are not required to be made.

5. Auditors fees & Expenses include:

Particulars	31 st March 2011	31 st March 2010
Audit Fees	11,000.00	11,030.00

6. Earning per Share as per Accounting Standard AS-20

Particulars	Year Ended March 31,2011 (Amount in Rs.)	Year Ended March 31,2011 (Amount in Rs.)
Profit after Tax	73,96,112	88,76,810
Less: Preference dividend	NIL	NIL
Profit available for equity share holders (a)	73,96,112	88,76,810
Number of equity share of Rs.10 each (b)	9,45,000	9,45,000
Basic and diluted earnings per share (Rs.)	7.83	9.39

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

a) List of related persons

- i Holding Company - PI Industries Ltd.
- ii Enterprises under common control - PILL Finance & Investment Ltd. & PI Japan Co. Ltd.
- iii Enterprises in respect of which Holding Company is an associate - Lucrative Leasing Finance & investment Co. Ltd & Parteek Finance & Investment Co. Ltd.
- iv Enterprises over which KMP and their relatives are able to exercise significant influence - Samaya Investment Trading Pvt. Ltd, Hycron electronics, PI Apparels Pvt. Ltd, Wolkem India Ltd., Secure Meters Ltd.& Salil Singhal HUF (Karta)
- v Key Managerial Personnel & their relatives- Mr. Anurag Surana (Director), Mr. Mayank Singhal (Director), Mr. Salil Singhal (Director of Holding Company), Relatives - Nature of relation with Mr. Salil Singhal has been given in Brackets Mrs. Madhu Singhal (Wife), Arvind Singhal & Sanjaya Singhal (Brothers), Mrs. Shefali Khushlani & Ms. Pooja Singhal (Daughters), Sanjay Singhal HUF (Brother's HUF)

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

Nature of Transaction	2010-11	2009-10
Sale of goods and Services	6,777,601.00	10,126,758.00
Rent, electricity and other miscellaneous payment	949,315.00	442,750.00
Reimbursement of expenses	1,341,681.00	-
Loan Received	75,00,000.00	-
Interest Paid	189,863.00	-

Balance outstanding as on 31.03.2011

Name of the related Party	As on 31.03.2011 (Amount in Rs.)	As on 31.03.2010 (Amount in Rs.)
Amount payable/(receivable) to PI Industries (Holding Company)	14,25,805.00	119,48,486.00

* Previous year figure are indicated in parenthesis

8. The Company's profits from export of the services relating to Research and Development activities are fully deductible from taxable income. In view of the allowance available to the Company under section 80-IB (8A) of the Income Tax Act, 1961, the Company does not have any liability for tax in respect of the profits for the year. However, the Company has accounted for liability for Minimum Alternative Tax in respect of the profits for the year under section 115JB of the Income Tax Act, 1961.
9. As per Accounting Standard (AS) - 15 "Employees Benefits", the disclosures of employee benefits as defined in the accounting standard are given below:

The company has a defined gratuity plan. Gratuity is computed as 15 days salary, for every completed year of services or part thereof in excess of 6 months and is payable on retirement/termination/resignation. The benefits vest on the employee completing 5 year of services. The company makes the provision of such gratuity asset/liability in the books of accounts on the basis of actuarial valuation as per the projected unit credit method.

The following tables summaries the components of net benefit expenses recognized in the 'Personnel

Expenses' in Profit & Loss Account and amount recognized in the Balance Sheet:

Profit and Loss Account

Net employee benefit expense (recognised in Employee Cost)

(Amount in Rs.)

Particulars	Gratuity (Non-Funded)		Leave Encashment (Non-Funded)	
	2010-2011	2009-2010	2010-2011	2009-2010
Current Service Cost	30,587.00	40,650.00	19,870.00	-
Interest Cost	16,342.00	10,705.00	8,517.00	-
Expected return on plan assets	-	-	-	-
Net Actuarial (Gain)/ Loss	(6,747.00)	41,800.00	18,516.00	106,465.00
Past Service cost	-	-	-	-
Total Expense	40,182.00	93,155.00	46,903.00	106,465.00

Balance Sheet

(Amount in Rs.)

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Present value of obligation as at year-end	150,711.00	204,279.00	90,535.00	-
Fair value of plan assets as at year-end	-	-	-	-
Funded status {(Surplus)/(Deficit)}	(150,711.00)	(204,279.00)	(90,535.00)	-
Net Asset/(Liability) as at March 31, 2011	(150,711.00)	(204,279.00)	(90,535.00)	-

Changes in the present value of the defined benefit obligation are as follows:

(Amount in Rs.)

Particulars	Gratuity		Leave Encashment	
	2010-11	2009-10	2010-11	2009-10
Opening defined benefit obligation	204,279.00	142,728.00	106,465.00	-
Interest cost	16,342.00	10,705.00	8,517.00	-
Current service cost	30,587.00	40,650.00	19,870.00	-
Benefits paid out of funds	-	-	-	-
Benefits paid by Company	(93,750.00)	(31,604)	(62,833.00)	-
Actuarial (gains)/ losses on obligation	(6,747.00)	41,800.00	18,516.00	106,465.00
Closing defined benefit obligation	150,711.00	204,279.00	90,535.00	106,465.00

The principal assumptions used in determining gratuity and Leave Encashment for the Company's plans are shown below:

Particulars	Gratuity (Non-Funded)		Leave Encashment (Non- Funded)	
	2010-11	2009-10	2010-11	2009-10
Discount Rate	8.00%	7.5%	8.00%	7.5%
Expected rate of return on assets	-	-	-	-
Mortality Table	LIC(1994-96) duly modified	LIC(1994-96) duly modified	LIC(1994-96) duly modified	LIC(1994-96) duly modified
Salary Escalation	5.50%	5.00%	5.00%	5.00%

Amounts for the current and previous periods in respect of gratuity are as follows:

(Amount in Rs.)

Particulars	Gratuity			
	2010-11	2009-10	2008-09	2007-08
Defined benefit obligation	150,711.00	204,279.00	142,728.00	106,375.00
Plan assets	-	-	-	-
Surplus/ (deficit)	150,711.00	204,279.00	142,728.00	106,375.00
Experience adjustment on plan assets	-	-	-	-
Experience adjustment on plan liabilities	-	-	-	-

As the company has adopted AS 15 in the year 2007-08, the above disclosure as required under Para 120 (n) have been made prospectively from the date the company has first adopted the standard.

Amounts for the current and previous periods in respect of Leave Encashment are as follows:

(Amount in Rs.)

Particulars	Leave Encashment	
	2010-11	2009-10
Defined benefit obligation	90,535	1,06,465
Plan assets	-	-
Surplus/ (deficit)	90,535	1,06,465
Experience adjustment on plan assets	-	-
Experience adjustment on plan liabilities	-	-

As the company has adopted AS 15 in the year 2009-10, the above disclosure as required under Para 120 (n) have been made prospectively from the date the company has first adopted the standard.

Contribution to Defined Contribution Plans:

(Amount in Rs.)

Contribution to Defined Plan, recognized as expenses for the year are as under	2010-11	2009-10
Employer's Contribution to Provident fund	9,150.00	-

10. In the opinion of the management, Current Assets, Loans and Advances have a value on realization in the ordinary course of business, at least equal to that stated in the Balance Sheet. Provision for all known liabilities has been made in the accounts.
11. The Company operates in only one business segment viz "Research & Development Services", which is the reportable segment in accordance with the requirements of Accounting Standard (AS) - 17 on "Segment Reporting", issued by The Institute of Chartered Accountants of India.

12. Unhedged and Hedged Foreign Currency Exposure

1. Outstanding Debtors

Currency	Amount as at 31.3.2011 (in foreign currency)	Amount as at 31.3.2011 (in INR)	Amount as at 31.3.2011 (in foreign currency)	Amount as at 31.3.2010 (in INR)
USD	57,290.00	25,59,144.00	74,000.00	3,328,520.00
JPY	14,00,000.00	7,55,370.00	NIL	NIL

2. Outstanding Creditors

Currency	Amount as at 31.3.2011 (in foreign currency)	Amount as at 31.3.2011 (in INR)	Amount as at 31.3.2011 (in foreign currency)	Amount as at 31.3.2010 (in INR)
Euro	1,500.00	94,860.00	-	-
JPY	-	-	1,178,000.00	5,69,799.00

3. Particulars of Hedged Foreign currency Exposure is Nil

13. Additional information pursuant to the provisions of Paragraphs 3 & 4 of Part II of Schedule VI of the Companies Act, 1956.

(Amount in Rs.)

Particulars	31 st March 2011	31 st March 2010
Earning in Foreign Currency		
Export of services	16,786,045.00	9,487,986.00
Expenditure in Foreign Currency	16,148,678.00	1,487,969.00

14. DEFERRED TAX

(Amount in Rs.)

Particulars	31 st March 2011	31 st March 2010
Deferred Tax assets/liabilities are attributable to the following item :		
Deferred Tax Assets		
Effect of Expenditure debited to P&L account in the current year but allowed for tax purpose in the following year	-	-
Sub Total (a)	-	-
Deferred Tax Liabilities		
Difference in depreciation and amortization in block of fixed assets as per Income Tax Act and books of accounts and other	28,69,759.00	-
Sub Total (b)	28,69,759.00	-
Net Deferred Tax Liability (a) - (b)	(28,69,759.00)	-

15. The Company is paying rentals for office premises taken on rent which are not in the nature of lease agreements. Therefore, disclosure requirements of Accounting Standards AS-19 are not applicable.
16. Disclosure of other item as required by part- II of Schedule-VI to the Companies Act, 1956 is not applicable.
17. Schedule 1 to 9 form Part of Balance sheet.
18. Previous Year Figures have been regrouped/recast wherever necessary.

As per our report of even date

For **K S M N & COMPANY**
Chartered Accountants

For and on behalf of the Board

Sd/-
(DEEPAK K. AGGARWAL)
PARTNER
M.No. 095541

Sd/-
(MAYANK SINGHAL)
DIRECTOR

Sd/-
(ANURAG SURANA)
DIRECTOR

Place : Gurgaon
Date : 07th April, 2011

Information pursuant to Part IV of Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE		
I	Registration Details :	
	Registration No.	: 131189
	State Code	: 05
	Balance Sheet	: 31.03.2011
II	Capital raised during the year :	(Rs. In Thousand)
	Public Issue	: Nil
	Rights Issue	: Nil
	Bonus Issue	: Nil
	Private Placement	: Nil
III	Position of Mobilisation and Deployment of funds :	
	Total Liabilities	: 33,653
	Total Assets	: 33,653
	Source of Funds :	
	Paid-up Capital	: 9,450
	Reserves and Surplus	: 21,334
	Deferred Tax	: 2870
	Secured Loans	: Nil
	Unsecured Loans	: Nil
	Application of Funds :	
	Net Fixed Assets	: 33,752
	Investments	: Nil
	Net Current Assets	: (99)
	Misc. Expenditure	: -
	Accumulated Losses	: Nil
IV	Performance :	
	Turnover	: 23748
	Total Expenditure	: 10922
	Profit Before Tax	: 12826
	Profit After Tax	: 7396
	Earnings Per Share (Rs.)	: 7.83
	Dividend Rate (%)	:
V	Generic Names of Three Principal Products/Services of the Company	
	Not Applicable	

Signatures to Schedules 1 to 9 inclusive

As per our report of even date

For **K S M N & COMPANY**
Chartered Accountants

Sd/-
(DEEPAK K. AGGARWAL)
PARTNER
M.No. 095541

For and on behalf of the Board

Sd/-
(MAYANK SINGHAL)
DIRECTOR

Sd/-
(ANURAG SURANA)
DIRECTOR

Place : Gurgaon

Date : 07th April, 2011

PI JAPAN CO. LIMITED

BOARD OF DIRECTORS

Mr. Junichi Nakano

BANKERS

Mitsubishi Tokyo UFJ Bank, Japan

MAIN OFFICE

2-11-4, The To-han Building, 4th Floor, Uchikando,
2-Chome, Chiyodo-Ku, Tokyo, 101-0047 Japan

BALANCE SHEET OF PI JAPAN CO. LIMITED AS ON 31ST MARCH 2011

ASSETS			LIABILITIES		
Account Title	Schedule No.	Amount (in JPY)	Account Title	Schedule No.	Amount (in JPY)
Current Assets			Current Liabilities		
Cash on hand and in banks		1,089,413	Accrued Expenses		1,898,423
Accounts Receivable		6,294,688	Withholding Tax		218,429
Prepaid Expenses		350,000	Social Insurance		4,740
Consumption Tax Receivable		680,452	Income Taxes Payable		363,900
Total Current Assets		8,414,553	Total Current Liabilities		2,485,492
Tangible Fixed Assets			Shareholders' Equity		
Leasehold Improvements		304,349	Share Capital		5,000,000
Equipments (Over 200,000 yen)		833,125	Retained Earnings		5,011,115
Equipments (100,000-200,000 yen)		221,073	Total Shareholders' Equity	1	10,011,115
Total Tangible Fixed Assets		1,358,547			
Investments and the Other Assets					
Lease Deposits		2,653,840			
Total Fixed Assets		2,653,840			
Organization Costs		69,667			
Total Assets		12,496,607	Total Liabilities and Shareholders' Equity		12,496,607
Notes to Accounts				3	

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	SCHEDULE	AMOUNT (IN JPY)	
Sales			40,760,582
Gross Profit			40,760,582
Selling General & Administrative Expenses	2		38,819,608
Operating Profit			1,940,974
Interest Income		1,381	
Miscellaneous Income		591	1,972
Amortization of Organization Costs			(83,600)
Ordinary Profit			1,859,346
Profit Before Tax Deduction			1,859,346
Income Taxes			590,074
Net Profit			1,269,272
Notes to Accounts	3		

SCHEDULE 1 - STATEMENT OF EQUITY

PARTICULARS		AMOUNT (IN JPY)
Shareholders' Equity		
Share Capital	Beginning Balance	5,000,000
	Changes of items during the period	
	Ending Balance	5,000,000
Retained Earnings	Beginning Balance	3,741,843
	Changes of items during the period	1,269,272
	Ending Balance	5,011,115
Total shareholders' equity	Beginning Balance	8,741,843
	Changes of items during the period	1,269,272
	Ending Balance	10,011,115

SCHEDULE 2 - SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

PARTICULARS	AMOUNT (IN JPY)
Directors' Remuneration	12,999,996
Salary	9,240,000
Depreciation	275,081
Legal Welfare	88,875
Welfare	3,429
Advertising	329,743
Repair	136,600
Supplies	490,638
Electricity and Water	252,484
Charge	76,465
Taxes and Dues	13,000
Entertainment	2,337,687
Communication	912,357
Seminar	199,186
Books, Papers	241,635
Office Rent	4,000,008
Conference	296,554
Transportation (travel within 200km)	1,179,620
Domestic Travelling (travel over 200km)	885,322
International Travelling	1,306,945
Commutation	1,001,064
Consultant Fee	2,465,009
Miscellaneous	87,910
TOTAL	38,819,608

SCHEDULE 3 - NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED MARCH 31, 2011

I Significant Accounting Policies

The financial statements have been prepared in accordance with Accounting Standards for Small and Medium Enterprises in Japan.

1 Depreciation method for fixed assets

- a) Leasehold improvements-Declining balance method
- b) Equipments (over 200,000 yen)-Declining balance method
- c) Equipments (100,000 yen - 200,000 yen)-Straight-line method

2 Treatment of deferred assets

Organization costs- Straight-line method

3 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 6,294,688 yen

III Notes about profit and loss statement

Transaction with parent company

Operating transaction

Sales 40,760,582 yen

IV Notes about statement of changes in equity

Information about issued share capital

Sort	31st March 2010	Increase	Decrease	31st March 2011
Common shares	100 shares			100 shares

Shareholding: 100% PI Industries Ltd. (India)

V Information about related party

Attribute	Name	Voting right	Relations		Detail of business	Amount	Account title	Ending balance
			The additional post of director	Actual relations				
Parent company	PI Industries Ltd.	100%	-	Service	Market research	40,760,582 yen	Account receivables	6,294,688 yen

VI Information about per share

Book value per share 100,111 yen

Net profit per share 12,692.72 yen

PI INDUSTRIES LIMITED

Regd. Office: Udaisagar Road, Udaipur - 313 001 (Rajasthan)

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company held on Saturday, July 16, 2011 at Udaisagar Road, Udaipur - 313 001 at 11.00 A.M. and at any adjournment thereof.

Name of the Member(s)/Proxy
attending the Meeting

Folio No./Client ID No. & DP ID No. _____

No. of Shares Held _____

Signature of the Member/Proxy _____

PROXY FORM

I/We, S/o / W/o/ D/o of being a Member / Members of the **PI Industries Limited**, hereby appoint Mr./Ms. resident of or failing him/her Mr./Ms. resident of as my/our Proxy to attend and vote for me /us on my/our behalf at the **Annual General Meeting** of the Company to be held on **Saturday, July 16, 2011** at Udaisagar Road, Udaipur - 313 001 at **11.00 A.M.** and at any adjournment thereof.

Client Id./DP-Id/Folio no. _____

No. of Shares held _____

Affix 1Rs.
Revenue
Stamp

Signed this..... day of2011.

NOTES: 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF.

2. A proxy need not be a member.

3. The Proxy form duly signed across revenue stamp should reach Company's the Registered Office at Udaisagar Road, Udaipur - 313 001 (Rajasthan), not less than **FORTY EIGHT HOURS** before the time for holding the aforesaid meeting.