



PIIL/SEC/St.Exc/19
17th May, 2019

BSE Limited Corporate Relationship Deptt. PJ Towers, 25 th Floor, Dalal Street, Mumbai – 400 001 Code No. 523642	National Stock Exchange of India Ltd. Exchange Plaza, Plot No.C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051. Code No. PIIND
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Dear Sir/Madam,

Sub: Outcome of Board Meeting.

In compliance of Regulation 33 read with Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company in its meeting held today i.e. May 17, 2019 has inter alia considered and approved the following:

1. Audited Standalone & Consolidated Financial Results of the Company for the quarter and financial year ended March 31, 2019;
2. Recommended a final dividend of Rs.1.50 per equity share of Re.1/- each for the financial year ended March 31, 2019, subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.

The above dividend, if declared by the Shareholders at the ensuing Annual General Meeting (AGM), will be credited / despatched within 30 days from the date of AGM.

A copy of the Audited Standalone & Consolidated financial results of the Company for the quarter and financial year ended March 31, 2019 alongwith the statement of Assets & Liabilities, Auditors' Report and declaration in respect of Audit Reports with unmodified opinion for the financial year ended March 31, 2019 are enclosed herewith for your records.

The meeting of the Board of Directors commenced at 2.30 p.m. and concluded at 8.00 p.m.

Thanking you,

Yours faithfully,
For PI Industries Ltd.



Naresh Kapoor
Company Secretary



STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2019

(in ₹ Million)

S.No	Particulars	Quarter Ended			Year ended		Year ended	
		31.03.2019	31.12.2018	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
		Audited**	Un-Audited	Audited**	Audited		Audited	
		Standalone			Standalone		Consolidated	
I	Revenue from operations	8,048	7,075	6,251	28,409	23,087	28,409	23,087
II	Other Income	222	152	191	600	600	595	602
III	Total Income (I+II)	8,270	7,227	6,442	29,009	23,687	29,004	23,689
IV	Expenses							
	Cost of Material Consumed	4,123	3,517	3,278	13,728	10,837	13,728	10,837
	Purchases of stock -in- trade	135	265	38	1,274	776	1,274	776
	Changes in inventories of finished goods, work in progress and stock in trade	109	(7)	(89)	500	77	500	77
	Excise Duty on sale of goods	-	-	-	-	316	-	316
	Employee Benefit expenses	644	637	683	2,625	2,400	2,647	2,431
	Finance Costs	13	15	18	59	59	50	53
	Depreciation and amortisation expenses	244	234	213	926	826	930	830
	Other Expenses	1,318	1,177	994	4,551	3,760	4,496	3,715
	Total Expenses	6,586	5,838	5,135	23,663	19,051	23,625	19,035
V	Share of Profit / (Loss) of associates	-	-	-	-	-	0	1
VI	Profit/ (Loss) before exceptional items and tax (III-IV+V)	1,684	1,389	1,307	5,346	4,636	5,379	4,655
VII	Exceptional items	-	-	-	-	-	-	-
VIII	Profit/ (Loss) before tax (VI-VII)	1,684	1,389	1,307	5,346	4,636	5,379	4,655
IX	Tax expense							
	(1) Current tax	327	329	286	1,169	995	1,176	1,001
	(2) Deferred tax	113	(13)	(33)	100	(25)	101	(22)
	Total Tax Expense	440	316	253	1,269	970	1,277	979
X	Profit/ (Loss) for the period (VIII-IX)	1,244	1,073	1,054	4,077	3,666	4,102	3,676
XI	Other Comprehensive Income / (Loss) after tax (OCI)							
A	Items that will not be reclassified to profit or loss	(15)	4	34	(2)	17	(2)	17
	Income tax relating to the above item	6	(2)	(12)	1	(6)	1	(6)
B	Items that will be reclassified to profit or loss	265	531	(150)	120	(131)	120	(130)
	Income tax relating to above items	(92)	(185)	52	(42)	45	(42)	45
	Total Other Comprehensive Income / (Loss) for the period	164	348	(76)	77	(75)	77	(74)
XII	Total Comprehensive Income for the period (X+XI)	1,408	1,421	978	4,154	3,591	4,179	3,602
XIII	Paid-up equity share capital (Face value of ₹ 1/- each (Previous Year ₹ 1/- each))	138	138	138	138	138	138	138
XIV	Other Equity excluding Revaluation Reserves as per Balance sheet of previous accounting year	-	-	-	22,609	18,984	22,716	19,110
XV	Earning per Share * (in ₹)							
	(a) Basic	9.02	7.77	7.65	29.56	26.62	29.74	26.72
	(b) Diluted	9.02	7.76	7.62	29.54	26.55	29.73	26.67
	See accompanying notes to the financial results							

* Actuals for the quarter not annualised

** Refer note 5



BALANCE SHEET

S.No	Particulars	Year ended		Year ended	
		31.03.2019	31.03.2018	31.03.2019	31.03.2018
		Audited		Audited	
		Standalone		Consolidated	
I	ASSETS				
1	Non Current Assets				
	Property, Plant & Equipment	11,773	9,886	11,791	9,906
	Capital work-in-progress	1,544	691	1,544	691
	Other Intangible assets	66	71	66	71
	Intangible asset under development	284	208	284	208
	Investments accounted for using the equity method	-	-	102	6
	Financial Assets				
	(i) Investments	110	15	70	5
	(ii) Loans	97	74	41	39
	(iii) Other financial assets	118	42	149	63
	Deferred tax assets (Net)	127	252	141	267
	Other non-current assets	454	390	451	390
	Total non-current assets	14,573	11,629	14,639	11,646
2	Current Assets				
	Inventories	5,357	4,520	5,357	4,520
	Financial Assets				
	(i) Investments	1,119	1,595	1,119	1,595
	(ii) Trade receivables	6,618	5,268	6,618	5,268
	(iii) Cash and cash equivalents	587	1,152	614	1,173
	(iv) Bank balances other than (iii) above	244	52	278	134
	(v) Loans	109	78	63	37
	(vi) Other financial assets	219	190	254	233
	Contract assets	520	-	520	-
	Current Tax Assets (Net)	-	2	-	4
	Other current assets	2,101	1,664	2,086	1,654
	Total current assets	16,874	14,521	16,909	14,618
	Total assets	31,447	26,150	31,548	26,264
II	EQUITY & LIABILITIES				
1	Equity				
	Equity Share Capital	138	138	138	138
	Other Equity	22,609	18,984	22,716	19,110
	Total equity	22,747	19,122	22,854	19,248
2	Liabilities				
	Non Current Liabilities				
	Financial Liabilities				
	(i) Borrowings	99	463	99	463
	(ii) Other financial liabilities	190	183	190	183
	Provisions	289	233	290	233
	Total Non current liabilities	578	879	579	879
	Current Liabilities				
	Financial Liabilities				
	(i) Trade payables				
	a) total outstanding dues of micro enterprises and small enterprises	48	47	48	47
	b) total outstanding dues of creditors other than micro enterprises and small enterprises	5,093	3,656	5,082	3,640
	(ii) Other financial liabilities	2,414	2,140	2,419	2,144
	Other current liabilities	435	199	435	199
	Provisions	126	107	126	107
	Current Tax Liabilities (Net)	6	-	5	-
	Total current liabilities	8,122	6,149	8,115	6,137
	Total equity and liabilities	31,447	26,150	31,548	26,264

Notes:

- The above financial results were reviewed and recommended by the Audit Committee of the Board and approved by the Board of Directors at their meeting held on May 17, 2019.
- Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015.
- Revenue from operations for periods up to March 31, 2018 include excise duty, which is discontinued effective July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended March 31, 2019 are not comparable with the previous period.
- The Company is in the business of manufacturing and distribution of Agro Chemicals and accordingly has one reportable business segment viz. 'Agro Chemicals'.
- The figures of last quarter are the balancing figures between audited figures in respect of full financial year and the published unaudited year to date figures upto third quarter of the current financial year.
- The Ministry of Corporate Affairs (MCA), on March 28, 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018 which is effective for accounting periods beginning on or after April 01, 2018 and the Company has applied modified retrospective approach in adopting the new standard and accordingly an amount of ₹ 216 Million has been adjusted against in retained earnings as on April 01, 2018 and for the quarter and year ended March 31, 2019 has recognized profit after tax of Rs.82 Million and Rs.238 Million respectively and higher earnings per share by Rs. 0.59 and Rs.1.72 respectively. Consequently the figures are not strictly comparable with earlier periods.
- The previous period's figures have been regrouped/ rearranged/ reclassified wherever necessary.
- The Board of Directors have recommended final dividend of Rs.1.50 per equity share, subject to the approval of shareholders in the ensuing Annual General Meeting. With this, total dividend for the year (including Interim Dividend of Rs.2.50 per equity share paid during the year) is Rs.4.00 per share.

Place: Gurugram

Date: May 17, 2019

Regd. Office: Udaisagar Road, Udaipur - 313001 (Raj)

Phone: 0294 2492451-55 Fax: 0294 2491946

CIN: L24211RJ1946PLC000469

For PI Industries Ltd.


 Mayank Singhal
 Managing Director & CEO
 DIN : 00006651


Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of PI Industries Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of PI Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

INDEPENDENT AUDITOR'S REPORT

To the Members of PI Industries Limited
Report on audit of the Financial Statements
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Key audit matter	How our audit addressed the key audit matter
<p>Estimation of provision for sales returns and discounts and volume rebates on sales impacting revenue on sale of products (Refer note 19 to the financial statements)</p> <p>Revenue from sale of products is presented net of returns, discounts and volume rebates in the financial statements.</p> <p>The management determines provision for sales returns, discounts and rebates on the basis of various factors such as the current and expected operating environment, sales returns variability and expected achievement of targets against various ongoing schemes floated.</p> <p>We determined the estimates associated with sales returns, discounts and volume rebates on sale of products as a key audit matter in view of it having significant impact on the recognised revenue and the involvement of management judgment in estimating the amounts at which these are expected to be settled.</p>	<p>In this regard, our audit procedures included:</p> <p>Understanding the policies and procedures applied to estimate the sales returns, discounts and volume rebates including evaluation and testing of the design and operating effectiveness of controls related to these estimates.</p> <p>Obtained management's calculations for the respective estimates and assessed the reasonableness of assumptions used by the management in determining the amount of provisions based on understanding of the market conditions.</p> <p>Assessed the reasonableness of estimates made by the management in the past by comparing the provisions recognised in the earlier financial years with their subsequent settlement, ratio analysis of discounts, volume rebates and sales returns as a percentage of sale of last few years.</p> <p>Verified, if any credit notes were issued and/or adjustments made after the balance sheet date and their impact if any on the reported amounts.</p> <p>Based on the above procedures performed, the estimates made by the management in respect of provision for sales returns and discounts and rebates on sales were considered to be reasonable.</p>
<p>Impact assessment of first-time adoption of Ind AS 115 - Revenue from contracts with customers (Refer note 41 in the financial statements)</p> <p>The Ind AS 115 'Revenue from Contracts with Customers' has become applicable to the Company with effect from April 1, 2018 and the Company has recognised cumulative effect of initial application in the Opening Retained Earnings on that date.</p> <p>The application of this accounting standard has resulted in material financial impact on account of change in the timing of recognition of revenue. In respect of sale of goods, the revenue is now required to be recognised "over the period of time" instead of being recognised "at a point in time". The management has considered various factors such as alternative usability of the products, contractual</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none">- Evaluated and tested the design and implementation of the processes and the operating effectiveness of internal controls of the Company surrounding the implementation and recording adjustments arising from the adoption of Ind AS 115;- Examined management's assessment of the financial impact of change in timing of recognition of revenue on adoption of Ind AS 115.- Verified the adjustments made in the opening balance of retained earnings as well as for the current year's revenue, for a sample of contracts.



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obligation under the agreement and the overall margin of the contracts while making such assessment.

We have determined this to be a key audit matter in view of exercise of management judgement and estimates and the significance of the amounts involved.

- Evaluated reasonableness of the assumptions and the margins used for computing percentage of completion.

- Assessed the appropriateness of disclosures made in the financial statements.

Basis the procedures performed, we have not noted any significant exceptions in the management assessment of impact of first time adoption of Ind AS 115.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



INDEPENDENT AUDITOR'S REPORT

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Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances; Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



INDEPENDENT AUDITOR'S REPORT

To the Members of PI Industries Limited
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Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
- ii. The Company has long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



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iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: FRN012754/N500016
Chartered Accountants



Ashok Narayanaswamy
Partner

Membership Number: 095665

Place: Gurugram
Date: May 17, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 14[f] of the Independent Auditors' Report of even date to the members of PI Industries Limited on the standalone financial statements as of and for the year ended March 31, 2019

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Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of PI Industries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in



Annexure A to Independent Auditors' Report

Referred to in paragraph 14[f] of the Independent Auditors' Report of even date to the members of PI Industries Limited on the standalone financial statements as of and for the year ended March 31, 2019

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accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

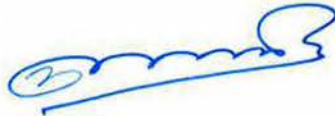
Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: FRN012754/N500016
Chartered Accountants



Ashok Narayanaswamy
Partner

Membership Number: 095665

Place: Gurugram
Date: May 17, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of PI Industries Limited on the standalone financial statements as of and for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company, except for the immovable property mentioned below :

Amount in Rs. Million		
Particulars	Gross Block	Net Block
Leasehold Land , Jambusar, Gujarat	152	151

The title deed with respect to the aforesaid land, has been subsequently registered in the name of the Company on April 22, 2019.

- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii) (a), (iii) (b) and (iii) (c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186, as applicable of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, income tax, goods and service tax with effect from July 1, 2017, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, duty of customs, and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 33 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax and service-tax which have not been deposited on account of any dispute. The particulars of dues of income tax, duty of customs, goods and



Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of PI Industries Limited on the standalone financial statements for the year ended March 31, 2019

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service tax, duty of excise and value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded (Rs in Million)	Amount Paid under Protest (Rs in Million)	Period to which the amount relates	Forum where the dispute is pending
Assam Value Added Tax Act	Value Added Tax	0.15	0.04	2007-08	Joint Commissioner Guwahati
Kerala Value Added Tax Act	Value Added Tax	0.34	0.34	2008-09	Deputy Commissioner (Appeals) Earnakulam
Kerala Value Added Tax Act	Value Added Tax	0.18	0.18	2009-10	Deputy Commissioner (Appeals) Earnakulam
Madhya Pradesh Value Added Tax Act	Value Added Tax	0.40	0.40	2011-12	Deputy Commissioner (Appeals), Indore
Gujarat Value Added Tax Act	Value Added Tax	15.68	15.68	2011-12	Joint Commissioner, Vadodara
Gujarat Value Added Tax Act	Value Added Tax	18.59	18.59	2012-13	Joint Commissioner, Baroda
West Bengal Value Added Tax Act	Value Added Tax	0.25	0.25	2013-14	Taxation Tribunal, Kolkata
Gujarat Value Added Tax Act	Value Added Tax	11.69	11.69	2013-14	Joint Commissioner, Baroda
Uttar Pradesh Goods and Service Tax Act	Goods and Service Tax	0.23	0.23	2017-18	Taxation Tribunal, UP
Income Tax Act	Income Tax	24.61	-	2011-12	Rajasthan High Court
Income Tax Act	Income Tax	20.42	3.06	2012-13	Commissioner of Income tax (Appeal)
Income Tax Act	Income Tax	32.99	5.00	2013-14	Commissioner of Income tax (Appeal)
Central Excise Act	Excise Duty	4.49	4.49	1987-88	Rajasthan High Court
Central Excise Act	Cenvat Credit	15.92	-	March, 2011 to June 2013	CESTAT
Central Excise Act	Excise Duty	4.82	5.30	December 2014 to July 2015	Commissioner (Appeals), Jammu
Custom Act	Custom Duty	113.93	-*	2008	Assistant Commissioner of Customs, Mumbai

*Company has issued Bank Guarantee amounting to Rs 113.93 Million towards custom duty demand.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.



Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of PI Industries Limited on the standalone financial statements for the year ended March 31, 2019
Page 3 of 3

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountant LLP
Firm Registration Number: FRN 012754N/N500016
Chartered Accountants



Ashok Narayanaswamy
Partner
Membership Number: 095665

Place : Gurugram
Date: May 17, 2019

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of PI Industries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of PI Industries Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entity (refer Note 3[t] to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at March 31, 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and jointly controlled entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.



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Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Estimation of provision for sales returns and discounts and rebates on sales impacting revenue on sale of products (Refer note 20 to the consolidated financial statements)</p> <p>Revenue from sale of products is presented net of returns, discounts and volume rebates in the financial statements.</p> <p>The management determines provision for sales returns, discounts and rebates on the basis of various factors such as the current and expected operating environment, sales returns variability and expected achievement of targets against various ongoing schemes floated.</p> <p>We determined the estimates associated with sales returns, discounts and volume rebates on sale of products as a key audit matter in view of it having significant impact on the recognised revenue and the involvement of management judgment in estimating the amounts at which these are expected to be settled.</p>	<p>In this regard, our audit procedures included:</p> <p>Understanding the policies and procedures applied to estimate the sales returns, discounts and volume rebates including evaluation and testing of the design and operating effectiveness of controls related to these estimates.</p> <p>Obtained management's calculations for the respective estimates and assessed the reasonableness of assumptions used by the management in determining the amount of provisions based on understanding of the market conditions.</p> <p>Assessed the reasonableness of estimates made by the management in the past by comparing the provisions recognised in the earlier financial years with their subsequent settlement, ratio analysis of discounts, volume rebates and sales returns as a percentage of sale of last few years.</p> <p>Verified, if any credit notes were issued and/or adjustments made after the balance sheet date and their impact if any on the reported amounts.</p> <p>Based on the above procedures performed, the estimates made by the management in respect of provision for sales returns and discounts and rebates on sales were considered to be reasonable.</p>
<p>Impact assessment of first-time adoption of Ind AS 115 - Revenue from contracts with customers (Refer note 43 in the financial statements)</p> <p>The Ind AS 115 'Revenue from Contracts with Customers' has become applicable to the Group with effect from April 1, 2018 and the Group has recognised cumulative effect of initial application in the Opening Retained Earnings on that date.</p>	<p>We performed the following audit procedures:</p> <p>Evaluated and tested the design and implementation of the processes and the operating effectiveness of internal controls of the</p>



The application of this accounting standard has resulted in material financial impact on account of change in the timing of recognition of revenue. In respect of sale of goods, the revenue is now required to be recognised "over the period of time" instead of being recognised "at a point in time". The management has considered various factors such as alternative usability of the products, contractual obligation under the agreement and the overall margin of the contracts while making such assessment.

We have determined this to be a key audit matter in view of exercise of management judgement and estimates and the significance of the amounts involved.

Company surrounding the implementation and recording adjustments arising from the adoption of Ind AS 115;

- Examined management's assessment of the financial impact of change in timing of recognition of revenue on adoption of Ind AS 115.

- Verified the adjustments made in the opening balance of retained earnings as well as for the current year's revenue, for a sample of contracts.

- Evaluated reasonableness of the assumptions and the margins used for computing percentage of completion.

- Assessed the appropriateness of disclosures made in the financial statements.

Basis the procedures performed, we have not noted any significant exceptions in the management assessment of impact of first time adoption of Ind AS 115.

Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated financial statements and our auditor's report thereon.
6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its Associate and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records,



relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for assessing the ability of the Group and of its associate and jointly venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and jointly controlled entities to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of 2 subsidiaries whose financial statements reflect total assets of Rs 320 million and net assets of Rs 210 million as at March 31, 2019, total revenue of Rs Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs 20 million and net cash flows amounting to Rs 16 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs 0.30 Million and Rs 0.14 Million for the year ended March 31, 2019 as considered in the consolidated Ind AS financial statements, in respect of 1 associate company and 1 jointly controlled entity respectively, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity and associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, jointly controlled entity and associate, is based solely on the reports of the other auditors.
17. We did not audit the financial statements of 1 subsidiary whose financial statements reflect total assets of Rs 12 million and net assets of Rs 14 million as at March 31, 2019, total revenue of Rs Nil, total comprehensive income (comprising of profit and other comprehensive income) of Rs 2



million and net cash flows amounting to Rs 1 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and jointly controlled entity incorporated in India, none of the directors of the Group companies, its associate company and jointly controlled entity incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

With respect to the adequacy of internal financial controls with reference to financial statements of an associate and a jointly controlled entity incorporated in India and the operating effectiveness of such controls, reporting under clause (i) of sub section 3 of Section 143 of the Act is not applicable vide the reports dated April 24, 2019 of their respective statutory auditors.

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entity – Refer Note 16 and 34 to the consolidated financial statements.



- ii. The Group, its associate and jointly controlled entity had long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate company and jointly controlled entity incorporated in India.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: FRN012754/N500016
Chartered Accountants



Ashok Narayanaswamy
Partner
Membership Number: 095665

Place: Gurugram
Date: May 17, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of PI Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2019

Page 1 of 2

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of PI Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to an associate and a joint controlled entity incorporated in India namely Solinnos Agro Sciences Private Limited and PI Kumiai Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Annexure A to Independent Auditors' Report

Referred to in paragraph 18(f) of the Independent Auditors' Report of even date to the members of PI Industries Limited on the consolidated financial statements as of and for the year ended March 31, 2019

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: FRN012754/N500016
Chartered Accountants



Ashok Narayanaswamy
Partner

Membership Number: 095665

Place: Gurugram
Date: May 17, 2019



PIIL:SEC:Exc:19
17th May, 2019

BSE Limited, Corporate Relations Deptt. 25 th Floor, New Trading Ring Rotunda Building P.J. Towers, Dalal Street, MUMBAI - 400 001 Code No.523642	National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (East) MUMBAI – 400 051 Code No.PIIND
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Dear Sir,

Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended in respect of Audit Reports with unmodified opinion for the Financial year ended March 31, 2019.

Pursuant to Regulation 33 (3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, it is hereby declared that the Auditors of the Company, M/s Price Waterhouse Chartered Accountants LLP (FRN : 012754N / N500016), have issued the Audit Reports with unmodified opinion on the Audited Financial Statements (Standalone & Consolidated) for the financial year ended March 31, 2019.

Thanking you,

Yours faithfully,
For PI Industries Ltd.



Subhash Chand Anand
Chief Financial Officer