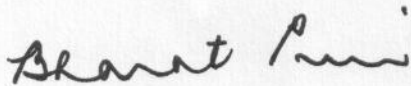


FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

| | | |
|----|--|------------------------------|
| 1. | Name of the Company | Pidilite Industries Limited |
| 2. | Annual financial statements for the year ended | 31 st March, 2015 |
| 3. | Type of Audit observation | Un-qualified |
| 4. | Frequency of observation | N.A |

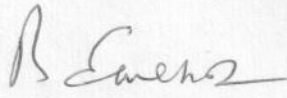
For **Pidilite Industries Limited**



Bharat Puri
Managing Director

Refer our reports dated May 19, 2015 on the standalone and consolidated financial statements of the Company

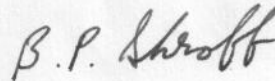
For Deloitte Haskins & Sells
Chartered Accountants
(Firm Registration No. 117364W)



Bansi Mehta
Chairman of Audit Committee

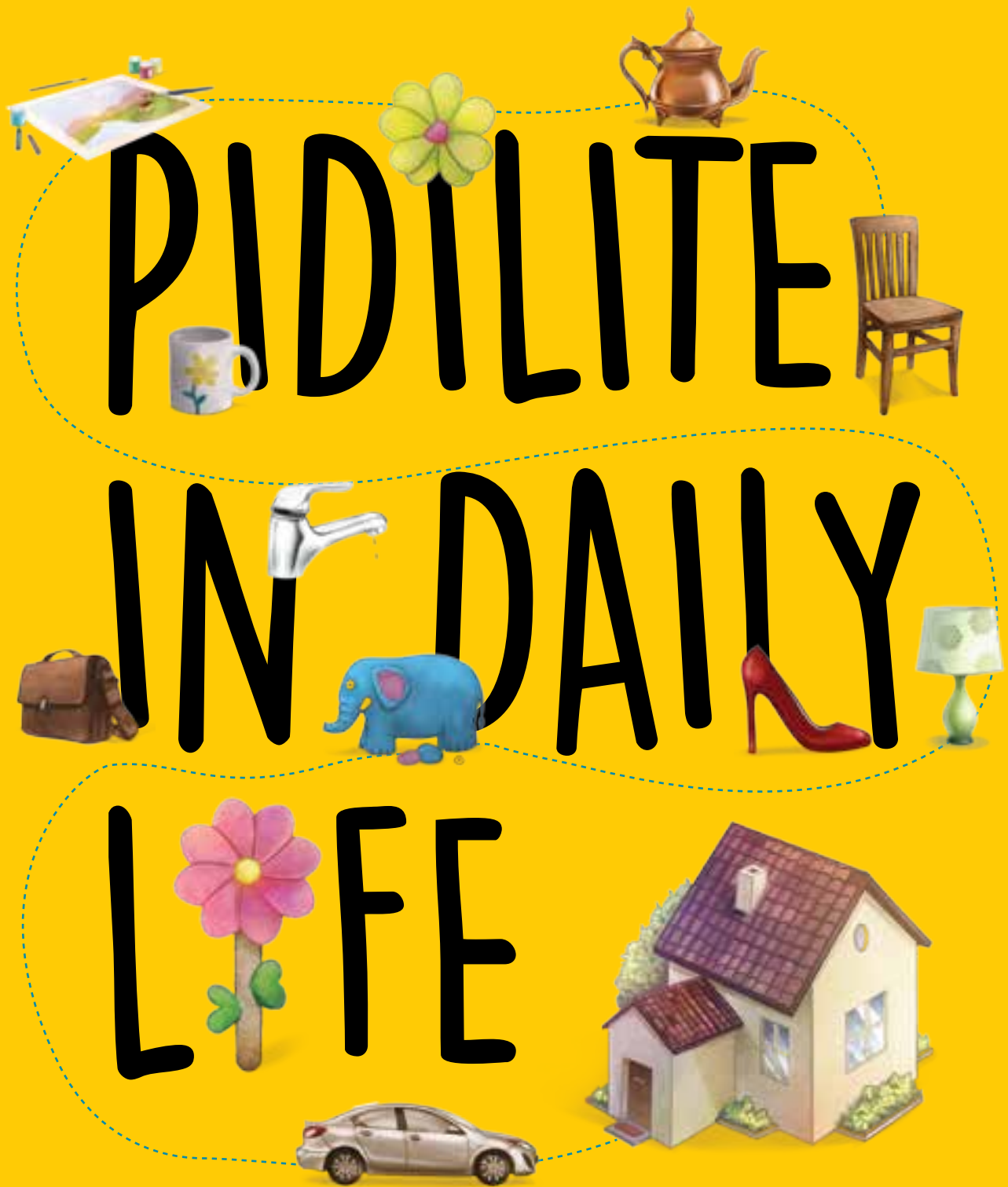


Sandeep Batra
Chief Financial Officer
Mumbai : May 19, 2015



B. P. Shroff
Partner
(Membership No. 034382)
Mumbai : May 19, 2015





PIDILITE
IN DAILY
LIFE



1

THE ULTIMATE
ADHESIVE



2

FOR SAFE, SOFT AND
SUPERIOR BONDING



3

ONE DROP
INSTANT ADHESIVE



4

POLISH FOR ALL
METAL SURFACES

PIDILITE AT home



5

SOLVENT CEMENT FOR
PIPES AND FITTINGS



6

WATERPROOF
ADHESIVE



7

SEALS, JOINS,
FIXES & BUILDS



8

FOR THE LOVE
OF CRAFT



1

COMPLETE WATERPROOFING
FOR BATHROOMS

2

FAST SETTING
ADHESIVE

3

PVC INSULATION TAPE

4

THE QUICK
MAINTENANCE SPRAY

PIDILITE AT
work



5

6

7

8



5

IDEAL FOR
STICKING PAPER



6

GENERAL PURPOSE
WHITE ADHESIVE



7

UNIVERSAL STAINER

Pidicryl[®]

8

BINDER FOR WOVEN &
NON-WOVEN FABRICS

Contents

04

Company
Information

13

Economic Value
Added (EVA)

16

10 Years
Financial
Performance

26

Social &
Community Initiatives

06

Management
Discussion and
Analysis

14

Financial
Charts

18

Directors'
Report

30

Annexures to
the Directors'
Report

Company Information

Board of Directors

M B Parekh

*Executive Chairman
(wef 10.04.2015)*

N K Parekh

*Vice Chairman
(wef 01.04.2015)*

Bharat Puri

*Managing Director
(wef 10.04.2015)*

N J Jhaveri

*Director
(Ceased to be a director
wef 06.06.2015 due to demise)*

B S Mehta

Director

Ranjan Kapur

Director

Yash Mahajan

Director (upto 04.11.2014)

Sanjeev Aga

Director

A B Parekh

Whole Time Director

A N Parekh

Whole Time Director

R Sreeram

*Whole Time Director
(upto 07.11.2014)*

Uday Khanna

Director

Meera Shankar

Director

J L Shah

*Whole Time Director
(from 04.11.2014 to
19.05.2015)*

Sabyaschi Patnaik

*Whole Time Director
(wef 19.05.2015)*

48

Auditor's
Report

53

Profit & Loss
Account

87

Cash Flow
Statement

95

Information for
Shareholders

52

Balance
Sheet

54

Notes

89

Corporate Governance
Report & Corporate
Governance Compliance
Certificate

97

Consolidated Financial
Statements

Corporate Office

Ramkrishna Mandir Road
Off Mathuradas VasANJI Road
Andheri (E), Mumbai 400059

Registrar & Transfer Agent

TSR Darashaw Limited
6-10, Haji Moosa Patrawala
Ind. Estate 20, Dr. E Moses
Road, Mahalaxmi
Mumbai 400 011

Solicitors & Advocates

Wadia Ghandy & Co

Auditors

Deloitte Haskins & Sells

Bankers

Indian Overseas Bank
Corporation Bank
ICICI Bank
The Royal Bank of Scotland N.V.
HDFC Bank
Citibank N.A.
Standard Chartered Bank PLC.

Registered Office

Regent Chambers
7th Floor Jammalal Bajaj Marg
208, Nariman Point
Mumbai 400 021

Company Secretary

Savithri Parekh

Internal Auditors

Mahajan & Aibara

Management Discussion & Analysis

Standalone Financials

Net sales of the Company grew by 13.5%. Sales of Consumer & Bazaar products grew by 15% while growth in Industrial Products was slower at 6.6%.

Margins were impacted in the first half of the year due to the steep increase in prices of key inputs like VAM. Selective price increases were taken during the year and with input prices softening in the second half, margins in the fourth quarter were higher than the rest of the year.

Due to the slow down in the sales growth, the Company undertook several cost conservation initiatives so as to limit the increase in costs.

Consequently “EBIDTA” (earnings before interest, taxes, depreciation, exceptional items and foreign exchange differences) excluding non-operating income grew by 12.5%.

As required by the Companies Act 2013, the Company reviewed and revised the useful life of its fixed assets. As a result depreciation charge for the year increased and is higher than last year by ₹ 391 million.

During the year, the Company acquired the adhesive business of Bluecoat Pvt Ltd on a slump sale basis. The intangibles acquired along with the business are being amortized and this together with the higher depreciation rates, resulted in a 57% increase in the depreciation and amortization charge.

Non operating income was marginally lower than last year.

Based on an independent valuation, the Company made an impairment provision of ₹ 127 million towards its investment in Pulvitec, the Brazilian subsidiary.

During the year, the Company offered voluntary retirement to its workmen in its units in Panvel, Kamothe and Taloja for which a charge of ₹ 49 million was taken.

Consequently Profit before Tax grew by 5.9% and Profit after Tax grew by 7.1%.

Consolidated Financials

On a consolidated basis, net sales grew by 13.1%.

During the financial year, the Company acquired 70% shareholding in Nina Waterproofing Systems Private Ltd. (NWSPL), making NWSPL a domestic subsidiary of the Company. Subsequently, in April, 2015, NWSPL acquired the water proofing business of Nina Concrete Systems Private Ltd. on a slump sale basis. NWSPL is engaged in the business of supply and installation of waterproofing systems.

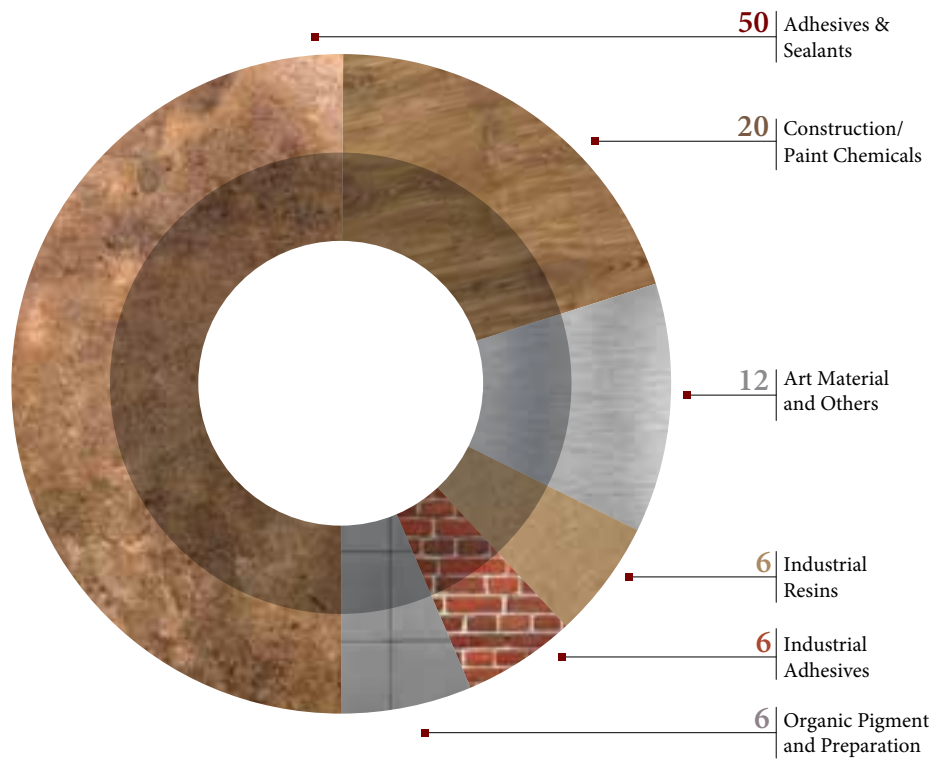
It may be noted that in FY 2013-14 the Company had set up two domestic subsidiaries namely Building Envelope Systems India Ltd (BESI) and Percept Waterproofing Services Ltd (PWSL). The results of the current year include the full year performance of these subsidiaries.

The performance of overseas subsidiaries have shown improvement as compared to the previous year. While aggregate sales of overseas subsidiaries grew by 14.2%, aggregate losses (PBT) declined from ₹ 180.1 million to ₹ 20.2 million this year.

The Company along with its wholly owned subsidiary, Pidilite International Pte Ltd has incorporated a subsidiary Company, namely Pidilite Chemical PLC, in Ethiopia for manufacturing of adhesives, paints, varnishes etc.

Performance by industry segment

(Business segments %)



Consumer & Bazaar Products

Branded Consumer & Bazaar Products Segment contributed 82 % of the total net sales of the Company and grew by 15 %.

Net sales of branded Adhesives and Sealants grew by 14.1 % and contributed 50 % of the total sales of the Company. Construction and Paint Chemicals grew by 17.3 % and Art Materials and other products grew by 14.3 %.

Consumer & Bazaar Products sales have grown at a CAGR of 17.1 % over the last 5 years.

Profit before interest and tax for the Consumer & Bazaar Products segment increased by 7.6 %.

Industrial Products

Industrial Products contributed 18 % of the total sales of the Company and grew by 6.6 %.

Profit before interest and tax for the segment grew by 20.5% due to lower input costs.

Others

The “Others” segment, largely comprises manufacture and sale of Speciality Acetates. As mentioned in last year’s report, the VAM plant has been modified to make a range of Speciality Acetates as import of VAM continues to remain more viable as opposed to in-house manufacture.

The technology for these Speciality Acetates has been indigenously developed and these products are gaining acceptance with customers.

Advertising Campaigns & Communications

Fevikwik - The Instant Adhesive and **Dr. Fixit - The Water Proofing Expert** were the associate sponsors of the ICC World Cup 2015. Two new advertisements were unveiled during the telecast of the matches on Star Sports channel. The new Parade TV advertisement of Fevikwik focused on the brand attributes of this product as an instant adhesive, while promoting the broader message of “Todo Nahi Jodo”, strengthening bonds between people. It was one of the most liked advertisements amongst the ones launched during the ICC World Cup 2015 and recorded over 2.1 million video views on YouTube.



Dr. Fixit LW+ advertisement opens with a dacoit threatening a villager at gunpoint followed by the entry of a protagonist who attracts the dacoit's attention through his song that communicates the proposition of mixing Dr. Fixit LW+ in cement for waterproofing, while building new homes.

The new TV advertisements were launched in English, Hindi and on the regional feeds of Star Sports channel.



Fevicol Crazy Chairs TV campaign with a humorous take on the elections scenario was launched during the General Elections last year. It voiced the common sentiment of a stable government with its message of strong bonding “Jo bhi kursi chun ke aaye, Fevicol se ban ke aaye”. It garnered a good response on social media with over 1 million video views on YouTube.



Marketing Initiatives

Fevicol's brand message of a strong bond was integrated with kabaddi sport during the Pro Kabaddi League for on-air and on-ground activities. During the live game of kabaddi, when a tackle by a raider resulted in an entrapment by the players of the opposite team, an integrated message of “Fevicol Ki Pakad, Chootegi Nahin” appeared on TV screens and on LED screens at the venues. The Fevicol Haisha advertisement was aired on the Star Sports and Star Gold channels.





Fevikwik Alphabet TV campaign was launched in the Southern markets. It showed multiple objects like toys, shoes and necklaces starting from each letter of the Alphabet, which could be instantly fixed by using Fevikwik.



Rangeela Tempera Colours TV advertisements on channels targeted towards kids, highlighted the on-pack promotion of two unique shades of Liquid Gold and Liquid Silver and a 'Free Brush offer' on the purchase of select pack sizes.

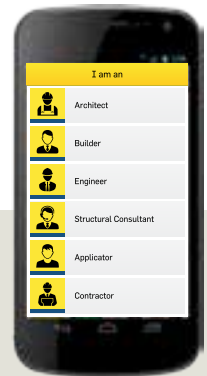


Fevistik continued to build strong brand preference among consumers through its new FAKEMAN campaign launched on General Entertainment Channels and on channels targeted towards kids. The film features a fake super hero entering the store and asking for "Fevistik, the Original Glue Stick".

Digital

Dr. Fixit further enhanced the online consumer experience through the relaunch of their informative and consumer friendly website www.drfixit.co.in. The website caters to both homeowners and professionals. The website includes a chat feature for consumers to engage with Dr. Fixit experts to get an immediate resolution for their waterproofing queries. It is also integrated with SMS services and a unique Dr. Fixit mobile application, for both Android and iOS users.

A new interactive website - www.fevikwik.in showcasing the benefits of Fevikwik was relaunched. The website has engaging and entertaining features like #Kwikfix - a list of all the products that Fevikwik can fix instantly and KwikStories - blogs and stories by consumers on why they prefer Fevikwik.



Activations & Events



Waterproof World – Surat & Mumbai

Dr. Fixit Waterproof World, a first of its kind retail innovation that educates consumers on the significance of waterproofing, was launched in Surat at six outlets and in Mumbai across seven outlets. It included a special zone for customers to experience various waterproofing solutions for their homes.

Fevicol Champions' Club Shramdaan Divas, in its fourth consecutive year, witnessed participation from 30,000 contractors who donated a day of their labour towards repair work at 600 institutions for the underprivileged and needy children across the country.

Fevicol Champions' Club (FCC) organised a host of social welfare activities including 'Swaach Bharat Abhiyaan' - a cleanliness drive in various cities, Maha-Mela - a platform for woodworkers to come together and gain technical knowledge, Shiksha Samman - a scholarship programme for children of woodworkers studying in class 10 and 12, and FCC Maha Milan - a networking opportunity for office bearers of various chapters to come together.



Fevikwik launched a new mobile cart initiative to communicate the multiple uses of the brand to consumers. A branded mobile cart displayed and demonstrated 25 to 30 different household items which can be repaired with Fevikwik, generating consumer awareness.

Construction Chemicals brands Dr. Fixit and Roff participated in The Economic Times- **Acetech Exhibition** across 3 cities - Mumbai, New Delhi and Bangalore, showcasing the latest in waterproofing and tile fixing solutions.



New Product Launches

Pidilite continues to drive innovation through its new product launches, sharper consumer insights and advanced technology.



Fevicol Hi-per with an anti-bubble formula reduces the chances of bubble formation, ensures fast setting and is a waterproof adhesive.



Dr. Fixit Blue Seal, a spray applied waterproofing system for roofs.



M-seal PV Seal, a new range of solvent cement used for joining PVC, UPVC and CPVC pipes for the plumbing segment was launched on World Plumbing Day 2015.



Motomax Insta Shine, an easy-to-use disposable polishing sponge, shines and protects vehicles instantly.

Awards

The **EY Entrepreneur Of The Year Award 2014** was awarded to Mr M B Parekh, Executive Chairman, Pidilite Industries Ltd, in the Consumer Products category.

Pidilite received the **Dun & Bradstreet Corporate Award 2014** in the chemical sector.

The **Economic Times Best Brands 2014** recognised efforts of the most admired brands in the Indian market. In a research conducted by Nielsen, **Fevicol** and **Fevikwik** both ranked among the best 100 brands.

Fevicol was ranked as **India's 45th Most Trusted Brand 2014** in Brand Equity's Most Trusted Brands survey.

The **Fevicol** 'Crosswords' and the **Fevikwik** 'Object Tears' print advertisements won at **Envies 2014**.

Fevicol Shramdaan Divas won the Silver at the **Abby Awards 2014** in the Corporate Category for Public Relations.

Dr. Fixit stall won the **Grand Stand Award – Special Jury Recognition** for the best stall at The Economic Times Acetech, in Mumbai and New Delhi, for the year 2014.



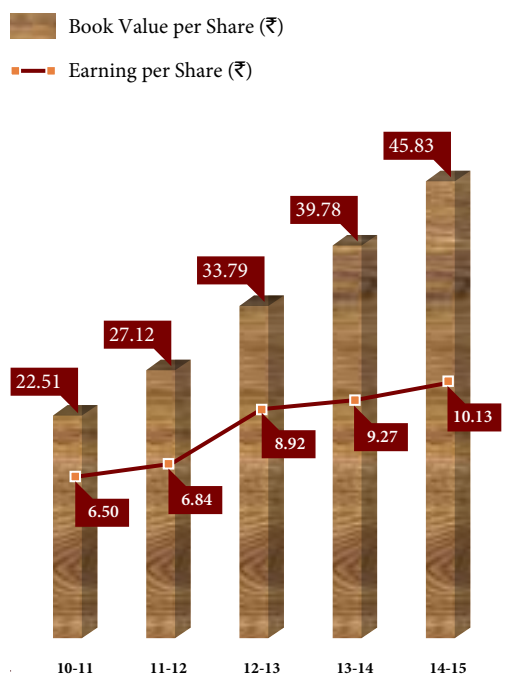
Dr. Fixit Blue Seal won The Economic Times Acetech Design Wall 2014 for Commitment to Excellence and Extraordinary Innovation.

Dr. Fixit LW+ Shaadi – Ek Atoot Bandhan won a Bronze at **EEMAX 2014** in the **Best Dealer Activation Award** category

Dr. Fixit won the **Greenest Stall Award 2014** at the CCI-India Green Building Congress, held in Hyderabad.

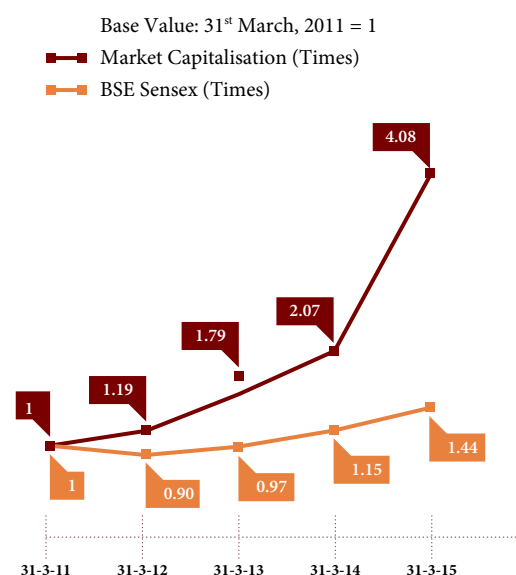
Dr. Fixit won a Silver at the **Outdoor Advertising Awards 2014** in the Real Estate & Construction category for the 'Paani Roko' campaign in Mumbai.

Book Value Per Share & EPS



EPS excludes exceptional items

Growth in Market Capitalisation of Company and BSE Sensex since 31st March, 2011



Miscellaneous

The Company's net worth (Equity Capital + Reserves) has grown from ₹ 11395 million as on 31st March, 2011 to ₹ 23494.5 million as on 31st March, 2015, giving a Compounded Annual Growth Rate (CAGR) of 19.8 %.

The market capitalization of the Company on 31st March, 2015 was ₹ 308059 million and has grown at a CAGR of 33.6 % since the IPO in 1993.

Other Matters

The following matters are elaborated in the Directors' Report

- Financial Performance
- Industry Structure and Development
- Outlook on Opportunities, Threats, Risks and Concerns
- Risk and Adequacy of Internal Controls
- Human Resources

Cautionary Statement

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ.

Economic Value Added (EVA)

Computation of EVA

EVA = Net operating profit after tax (NOPAT) - Weighted average cost of capital employed.

NOPAT = Net profit after tax + post tax interest cost at actual.

Weighted average cost of capital employed = (Cost of equity x average shareholder funds) + (cost of debt x average debt).

Cost of equity = Risk-free return equivalent to yield on long term Government of India (GOI) securities (taken @ 7.75%) + market risk premium (assumed @ 7.5%) x beta variant for the Company (taken at 0.8), where the beta is a relative measure of risk associated with the Company's shares as against the stock market as a whole.

Cost of debt = Effective interest applicable to Pidilite, net of taxes.

Economic Value Added Analysis

| Item | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|---------|---------|---------|---------|---------|
| 1. Risk Free Return on Long Term GOI Securities | 7.0% | 8.0% | 7.5% | 8.0% | 7.8% |
| 2. Cost of Equity | 13.8% | 14.0% | 13.5% | 12.4% | 12.2% |
| 3. Cost of Debt (Post Tax) | 5.9% | 5.9% | 8.0% | 0.0% | 0.0% |
| 4. Effective Weighted Average Cost of Capital | 11.8% | 12.5% | 13.0% | 12.2% | 12.2% |
| Economic Value Added (₹ in million) | | | | | |
| 5. Average Debt | 3541 | 2754 | 1622 | 340 | 67 |
| 6. Average Equity (Shareholder Funds) | 10390 | 12584 | 15521 | 18860 | 21945 |
| 7. Average Capital Employed (Debt + Equity) | 13931 | 15338 | 17143 | 19200 | 22012 |
| 8. Profit After Tax (as per P&L account) | 3289 # | 3471 # | 4548 # | 4751 # | 5194 # |
| 9. Interest (as per P&L account, net of Income Tax) | 177 | 143 | 54 | 64 | 63 |
| 10. Net Operating Profit After Tax (NOPAT) | 3466 | 3614 | 4601 | 4815 | 5257 |
| 11. Weighted Average Cost of Capital (4 x 7) | 1642 | 1919 | 2226 | 2339 | 2677 |
| 12. Economic Value Added (10 - 11) | 1824 | 1695 | 2375 | 2476 | 2579 |
| 13. EVA as a % of Average Capital Employed (12÷7) | 13.1% | 11.1% | 13.9% | 12.9% | 11.7% |

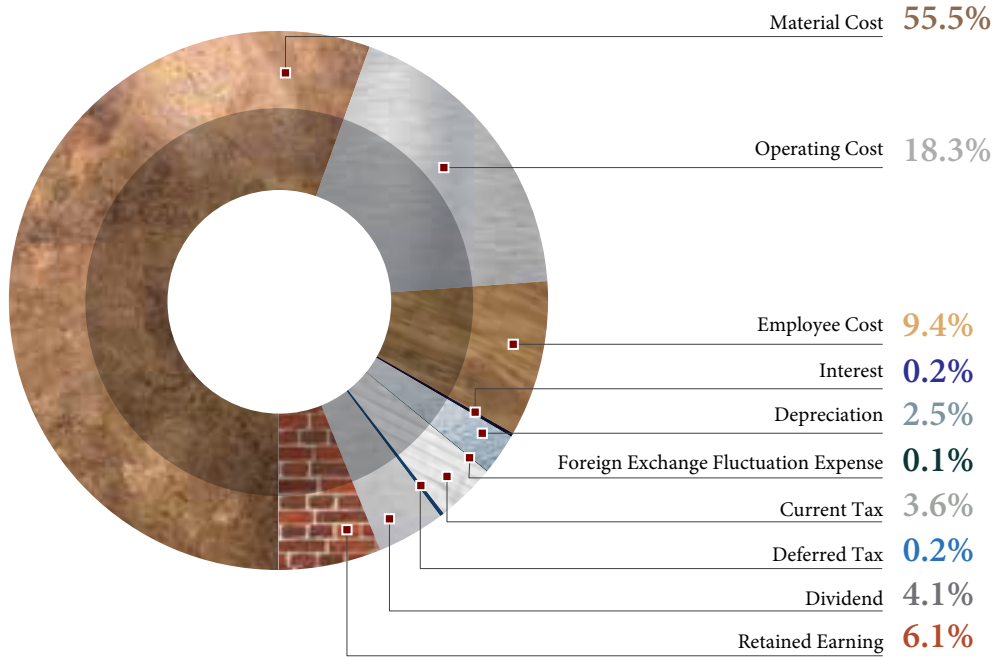
Profit after tax excludes exceptional items.

Notes

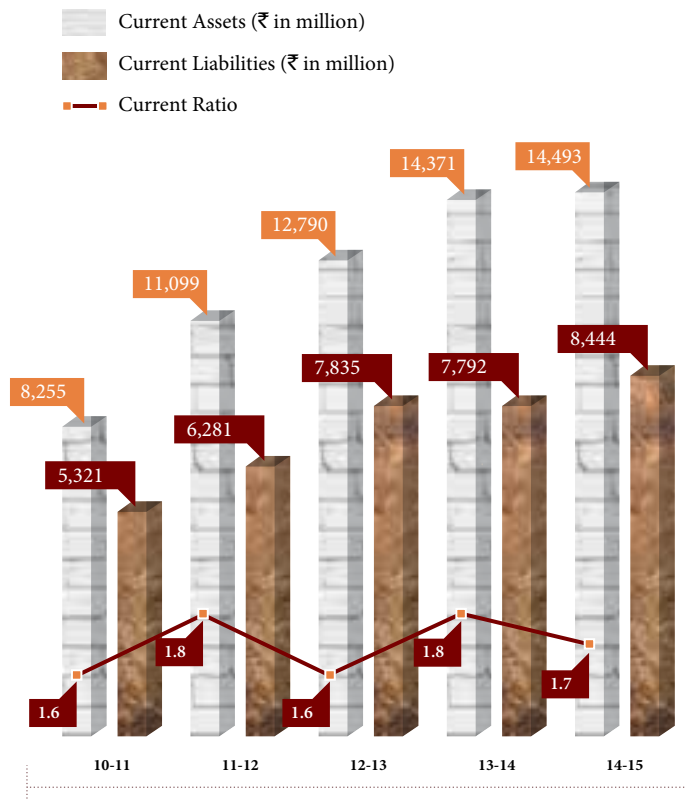
- 1 Profit After Tax includes Prior Years' Tax Provision written back.
- 2 Effects have been given in 10 Years' Financial Performance for above note.
- 3 Figures in Financial Charts, 10 Years' Financial Performance and EVA are as per the Annual Report of respective years, except where stated otherwise.

Financial Charts

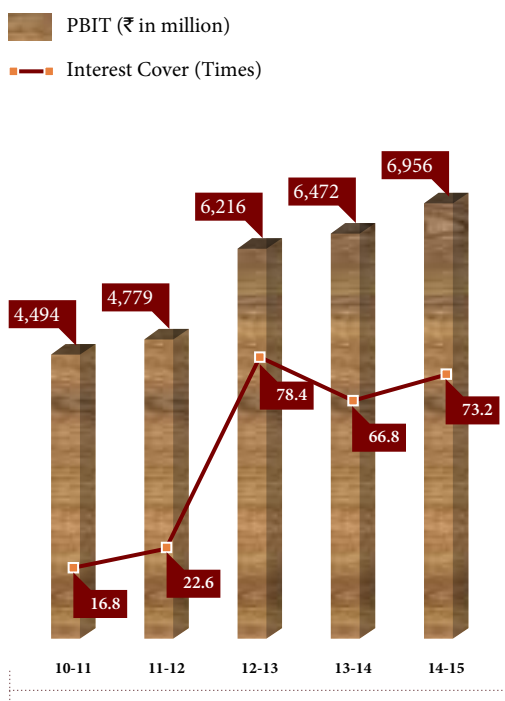
Distribution of Revenue (2014-15)



Current Ratio

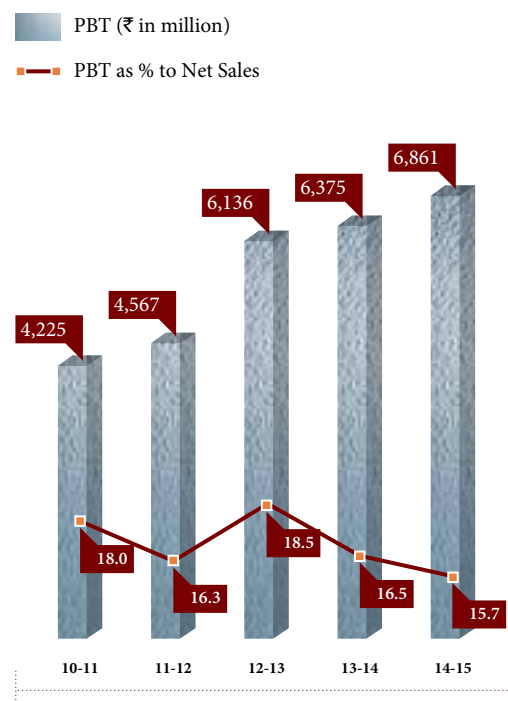


PBIT & Interest Cover



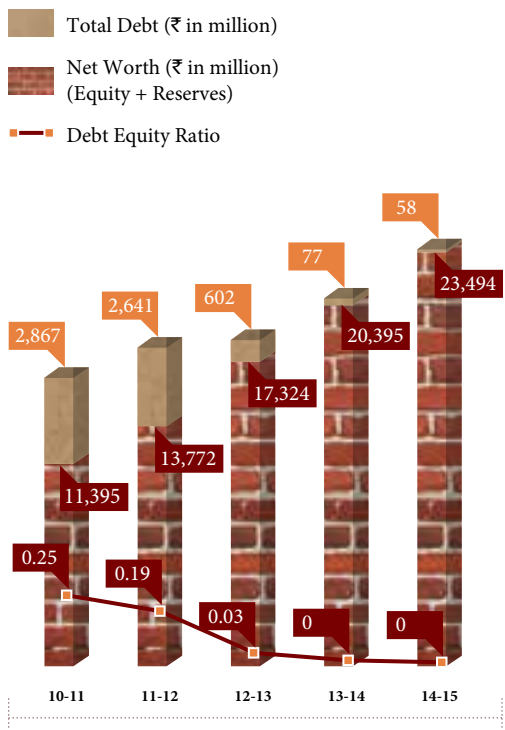
* PBIT excludes exceptional items.

PBT & PBT as % to Net Sales

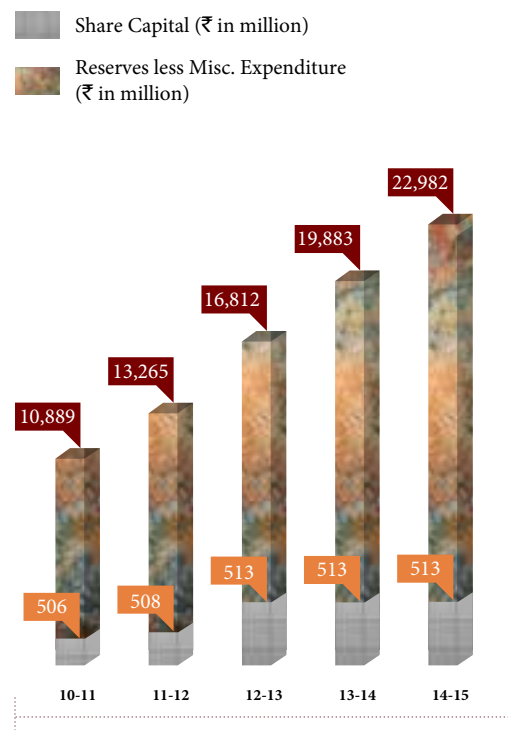


* PBT excludes exceptional item.

Debt Equity Ratio



Value Addition to Business through Reserves



10 Years Financial Performance

(₹ in million)

| Highlights | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | CAGR % |
|--|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Operating Results | | | | | | | | | | | |
| Sales and Other Income | 10617 | 13081 | 17248 | 19313 | 20512 | 25302 | 30174 | 36145 | 41688 | 47242 | 18.04% |
| Manufacturing & Other Expenses | 9005 | 11186 | 14489 | 16730 | 16380 | 20357 | 24831 | 29393 | 34479 | 39184 | 17.75% |
| Operating Profit | 1612 | 1895 | 2759 | 2583 | 4132 | 4945 | 5343 | 6752 | 7209 | 8058 | 19.58% |
| Interest (Net) | 15 | 63 | 161 | 318 | 286 | 268 | 212 | 79 | 97 | 95 | 23.05% |
| Depreciation | 274 | 302 | 385 | 472 | 464 | 444 | 479 | 532 | 686 | 1077 | 16.41% |
| Profit from Ordinary Activities | 1323 | 1530 | 2213 | 1793 | 3382 | 4233 | 4652 | 6141 | 6426 | 6886 | 20.12% |
| Exceptional Item | - | - | - | - | - | 250 | 126 | (59) | 65 | 176 | - |
| Foreign Exchange Difference - Expense/(Income) | 10 !! | (10) !! | (29) !! | 161 | 93 | 8 | 85 | 5 | 51 | 25 | 10.52% |
| Profit before Tax | 1313 | 1540 | 2242 | 1632 | 3289 | 3975 | 4441 | 6195 | 6310 | 6685 | 19.82% |
| Current Tax | 409 | 309 | 223 | 150 | 423 | 941 | 1052 | 1559 | 1599 | 1561 | 16.05% |
| Deferred Tax | 17 | 34 | 140 | 18 | (25) | (6) | 45 | 29 | 25 | 105 | 22.52% |
| Profit after Tax for the year | 887 | 1197 | 1879 | 1464 | 2891 | 3040 | 3344 | 4607 | 4686 | 5018 | 21.24% |
| Add: Prior Year's Tax Provision written back | 20 | 2 | 4 | - | 44 | - | - | - | - | - | -100.00% |
| Profit after Tax | 907 | 1199 | 1883 | 1464 | 2935 | 3040 | 3344 | 4607 | 4686 | 5018 | 20.93% |
| Dividend on Equity Shares | 360 * | 443 * | 518 * | 518 * | 885 * | 1029 * | 1122 * | 1559 * | 1619 * | 1789 * | 19.51% |
| Dividend on Preference Shares | - | - | - ~ | 1 !! | - | - | - | - | - | - | - |
| Retained Earning | 547 | 756 | 1365 | 945 | 2050 | 2011 | 2222 | 3048 | 3067 | 3229 | 22.95% |
| Financial Position | | | | | | | | | | | |
| Capital-Equity | 252 | 252 | 253 | 253 | 506 | 506 | 508 | 513 | 513 | 513 | 8.19% |
| Capital-Preference | - | - | 29 | - | - | - | - | - | - | - | - |
| | 252 | 252 | 282 | 253 | 506 | 506 | 508 | 513 | 513 | 513 | 8.19% |
| Reserve (Less Revaluation Reserve & Misc. Expenditure) | 3866 | 4625 | 6143 | 7083 | 8880 | 10889 | 13265 | 16812 | 19883 | 22982 | 21.90% |
| Net Worth | 4118 | 4877 | 6425 | 7336 | 9386 | 11395 | 13773 | 17325 | 20396 | 23495 | 21.35% |
| Borrowings | 553 | 1383 | 5026 | 5580 | 4214 | 2867 | 2641 | 602 | 77 | 57 | - |
| Deferred Tax Liability (Net) | 305 | 339 | 423 | 441 | 415 | 410 | 454 | 484 | 508 | 545 | 6.66% |
| Funds Employed | 4976 | 6599 | 11874 | 13357 | 14015 | 14672 | 16868 | 18411 | 20981 | 24097 | 19.16% |
| Fixed Assets ** | | | | | | | | | | | |
| Gross Block | 4811 | 5554 | 8444 | 10166 | 10838 | 12051 | 13437 | 14694 | 16366 | 20043 | 17.18% |
| Depreciation | 1905 | 2182 | 2973 | 3433 | 3889 | 4310 | 4764 | 5270 | 5942 | 7162 | 15.85% |
| Net Block | 2906 | 3372 | 5471 | 6733 | 6949 | 7741 | 8673 | 9424 | 10424 | 12881 | 17.99% |
| Investments in | | | | | | | | | | | |
| - Overseas Subsidiaries | 225 # | 753 # | 1594 # | 2197 # | 2446 # | 2328 # | 2391 # | 2603 # | 3152 # | 3408 # | - |
| - Others | 134 | 139 | 30 | 210 | 2659 | 1669 | 937 | 2867 | 2586 | 3497 | 43.73% |
| Net Current Assets | 1711 | 2335 | 4779 | 4217 | 1961 | 2934 | 4867 | 3517 | 4819 | 4311 | 10.81% |
| Total Assets | 4976 | 6599 | 11874 | 13357 | 14015 | 14672 | 16868 | 18411 | 20981 | 24097 | 19.16% |

Figures for 2011-12, 2012-13 and 2013-14 are regrouped as per old Schedule VI for comparable purposes.

* Includes Tax on Dividend

** Excluding Revalued Assets and Depreciation thereon.

After deducting provision for diminution.

!! Included in Other Income/Expenses now reclassified/regrouped

~ Less than 1 million

(₹ in million)

| Highlights | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Funds Flow | | | | | | | | | | |
| Sources | | | | | | | | | | |
| Internal Generation | 1201 | 1536 | 2335 | 1949 | 3373 | 3727 | 3995 | < 5109 | < 5462 | 6378 |
| Increase in Capital & Reserve on Conversion of FCCB | - | - | 197 | - | - | - | 154 | 504 | - | - |
| Increase in Loans | - | 830 | 3643 | ^ 554 | - | - | - | - | 77 | - |
| Decrease in Investment - Other | 21 | - | 109 | - | - | 990 | 732 | - | 355 | - |
| Decrease in Working Capital | 1 | - | - | 563 | 2257 | - | - | 1410 | - | 132 |
| Decrease in Miscellaneous Expenditure | 2 | 2 | 3 | - | - | - | - | - | - | - |
| Total | 1225 | 2368 | 6287 | 3066 | 5630 | 4717 | 4881 | 7023 | 5894 | 6510 |
| Applications | | | | | | | | | | |
| Decrease in Preference Capital on redemption | - | - | - | 29 | - | - | - | - | - | - |
| Repayment of Loans | 57 | - | - | - | 1366 | 1347 | 226 | 2039 | 602 | 19 |
| Capital Expenditure (Net) > | 613 | 768 | 2484 | 1734 | 680 | 1236 | 1411 | 1284 | 1686 | 3535 |
| Investments in | | | | | | | | | | |
| - Overseas Subsidiaries | 195 | 528 | 841 | 603 | 251 | 132 | 189 | 265 | 549 | 256 |
| - Domestic Subsidiaries | - | - | - | - | - | - | - | - | 74 | 2 |
| - Others | - | 5 | - | 181 | 2448 | - | - | 1877 | - | 909 |
| Dividend | 360 | 443 | 518 | 519 | 885 | 1029 | 1122 | 1559 | 1619 | 1789 |
| Increase in Working Capital | - | 624 | 2444 | @ - | - | 973 | 1933 | - | 1364 | - |
| Total | 1225 | 2368 | 6287 | 3066 | 5630 | 4717 | 4881 | 7023 | 5894 | 6510 |
| Ratios | | | | | | | | | | |
| Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth) ## | 23.6 | 26.7 | 33.4 | ≡ 21.3 | ≡ 34.6 | 31.7 | 27.6 | 29.3 | 25.2 | 23.7 |
| Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed**)### | 30.0 | 29.3 | 27.1 | ≡ 16.0 | ≡ 27.0 | 32.3 | 31.2 | 36.2 | 33.7 | 31.6 |
| Long Term Debt/Cash Flow | 0.2 | 0.4 | 1.2 | 2.4 | 1.0 | 0.8 | 0.6 | 0.1 | - | - |
| Gross Gearing % (Debt as a percentage of Debt plus Equity) | 11.8 | 22.1 | 43.9 | 43.2 | 31.0 | 20.1 | 16.1 | 3.4 | 0.4 | 0.2 |
| Current Ratio | 2.2 | 2.3 | 3.1 | 2.5 | 1.5 | 1.6 | 1.8 | 1.6 | 1.8 | 1.7 |
| Assets Turnover (times) (Gross Sales divided by Total Assets) | 2.1 | 2.0 | 1.4 | 1.4 | 1.4 | 1.7 | 1.8 | 1.9 | 2.0 | 1.9 |

> Includes Cost of Brands, Patents, Trademarks & Acquisition of Businesses Acquired

≡ Includes Proceeds of FCCB bonds ₹ 1594.4 million

^ Excluding 6% Redeemable Preference Share Capital of ₹ 28.75 million issued on 31st March 2008 and redeemed on 5th September 2008.

< Includes security premium received on FCCB conversion

** Excluding Deferred Tax Liability (net)

@ Includes unutilised proceeds of FCCB bonds ₹ 1102.4 million

PAT & PBIT are excluding exceptional items

Directors' Report

To

The Members

Your Directors take pleasure in presenting the Forty Sixth Annual Report for the year ended 31st March, 2015.

Financial Results

| | (₹ in million) | |
|--|----------------|---------|
| | 2014-15 | 2013-14 |
| Gross Turnover | 46582 | 41037 |
| Turnover, Net of Excise | 43748 | 38561 |
| Profit Before Tax | 6685 | 6310 |
| Current Year's Tax | 1561 | 1599 |
| Profit After Current Year's Tax | 5124 | 4711 |
| Deferred Tax | 106 | 25 |
| Profit After Tax | 5018 | 4686 |
| Profit Brought Forward | 2184 * | 1792 |
| Profit available for appropriation | 7202 | 6478 |
| Appropriations | | |
| Proposed Dividend on Equity Shares | 1487 | 1384 |
| Tax on Dividend | 303 | 235 |
| Transfer to Debenture Redemption Reserve | - | 41 |
| Transfer to General Reserve | 750 | 2500 |
| Total | 2540 | 4160 |
| Balance Carried to Balance Sheet | 4662 | 2318 |
| | 7202 | 6478 |

*Net of depreciation of ₹ 133.93 million on transition to schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax).

Financial Performance

The Operating Profit for the year at ₹ 8058 million increased by 11.8% and Net Profit at ₹ 5018 million increased by 7.1%. Income tax for the current year at ₹ 1561 million is lower by 2.4%.

Due to the slow down in the overall economic environment and in particular in the second half of the year, sales of the Company's products were affected.

Sales of Consumer and Bazaar Products grew by 15%, lower than the growth rates recorded in the last 5 years.

Sales of Industrial Products grew at a much slower rate of 6.6% due to weak domestic environment and slowdown in exports.

Margins were adversely impacted by steep increase in input costs particularly in the first half of the year. Selective price increases were taken in a phased manner. Input prices also came down in the second half of the year and this along with the pricing action helped improve margins in the second half.

The Indian Rupee was at ₹ 62.62 to a US \$ as on 31st March, 2015 as compared to ₹ 60.05 to a US \$ as on 31st March, 2014.

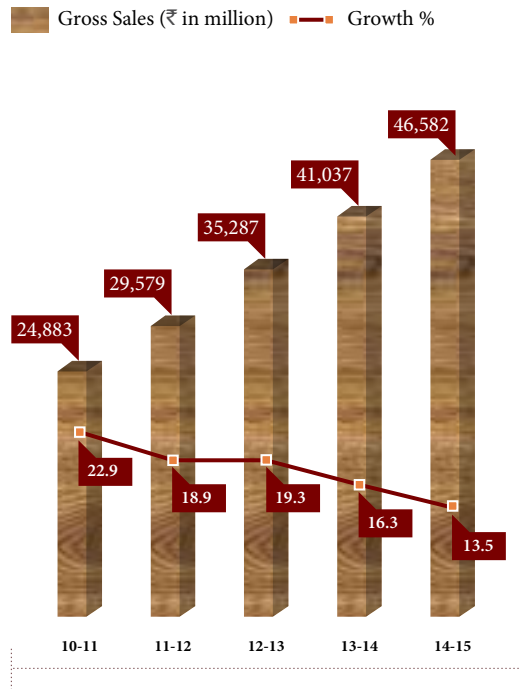
Dividend

The Directors recommend a dividend of ₹ 2.90 per equity share of ₹ 1 each, out of the current year's profit, on 512.66 million equity shares of ₹ 1 each (previous year @ ₹ 2.70 per equity share) amounting to ₹ 1487 million (previous year ₹ 1384 million). Dividend for the current year will be free of tax in the hands of shareholders. The dividend payout amount has grown at a CAGR of 14.8% during the last 5 years.

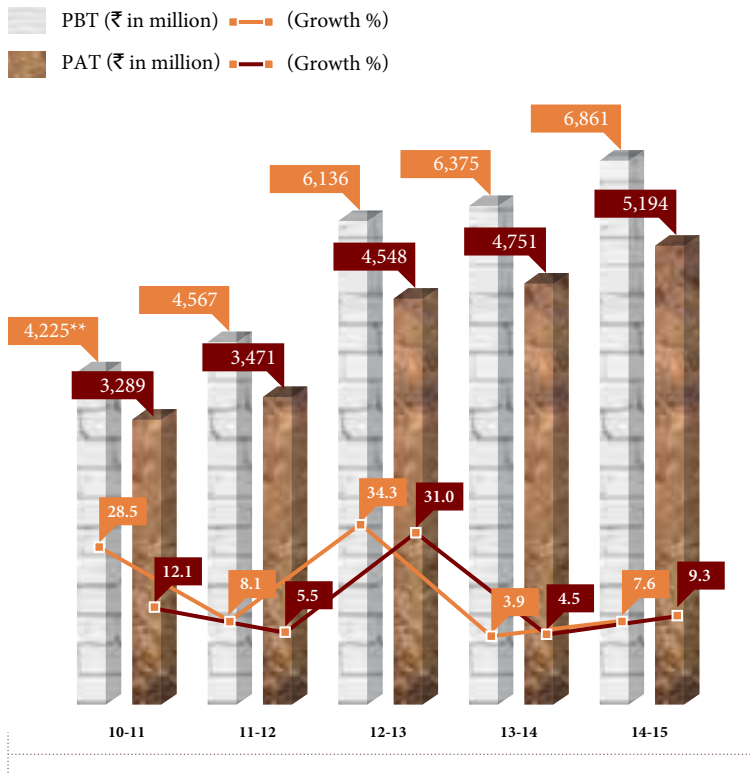
Term Finance

The Company has no outstanding term loans.

Gross Sales & Growth %



PBT, PAT & Growth (YOY)



** After deferred tax reversal of ₹ 6 million

Excludes exceptional items.

Capital Expenditure

The total expenditure during the year was ₹ 3747 million, spent on fixed assets for various manufacturing units, offices, laboratories, warehouses and on information technology. This also includes the acquisition cost for the adhesive business of Bluecoat Private Ltd.

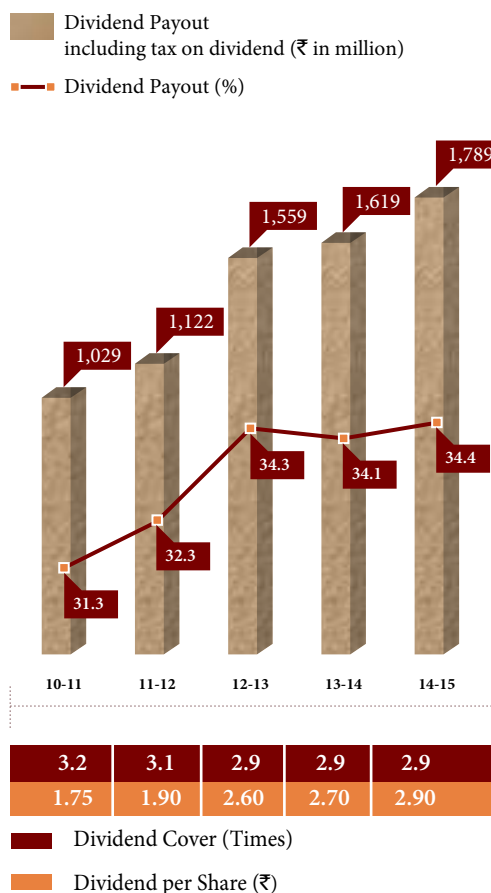
Synthetic Elastomer Project

As mentioned in the last year's report, the Company was in discussion with several interested parties with a view to finding a strategic partner for the project. While discussions have continued in the last year, they have not reached a conclusive stage. The total investment in the project stands at ₹ 3657.03 million.

Manufacturing Plants

The manufacturing facility at Guwahati to produce Fevikwik and M-seal, was commissioned and commercial despatches commenced from April, 2014.

Equity Dividend Payout & % of Net Profit (excluding exceptional items)



Integration process of the business acquired from Bluecoat Private Ltd. was completed during the year. Capacity expansions were undertaken in Kalaamb Unit 2 for select Fevicol products.

Operations at two units located at Panvel and Taloja were discontinued during the year and capacity augmented in other existing units.

Fixed Deposits

The Company has not accepted any fixed deposits during the year 2014-15.

Subsidiaries

Investment in Subsidiaries

During the year, investment of ₹ 384.7 million was made in subsidiaries. Of these ₹ 382.4 million was invested in overseas subsidiaries and ₹ 2.3 million was invested in a domestic subsidiary.

The investments in overseas subsidiaries were mainly in Pulvitec do Brazil Industria e Comercio de colas e adesivos Ltda. (₹ 179 million), Pidilite Middle East Ltd. (₹ 189.9 million) for onward investments in Jupiter Chemicals (LLC) and Pidilite Chemical PLC (₹ 12.1 million).

During the financial year, the Company acquired 70% shareholding in Nina Waterproofing Systems Private Ltd. (Nina), making Nina a domestic subsidiary of the Company. Subsequently, in April, 2015, Nina acquired the water proofing business of Nina Concrete Systems Private Ltd. on a slump sale basis. Nina is engaged in the business of supply and installation of waterproofing systems.

Performance of Domestic Subsidiaries

Percept Waterproofing Services Ltd which commenced operations in February, 2014 reported sales of ₹ 200 million and Profit after Tax of ₹ 7.7 million.

Hybrid Coatings reported sales of ₹ 88.6 million and a Profit after Tax of ₹ 10.3 million. Sales have improved in the second half as the Company's products gained greater acceptance with customers.

Performance of Overseas Subsidiaries

Total revenue grew by 15.1% in constant currency terms. However, due to an unfavourable translation impact, the reported growth is 14.2%.

The subsidiary in US reported sales growth of 11.2% at constant currency. The growth in business was driven by strong growth of Sargent Art business in retail segment. As a part of business strategy, the subsidiary invested in getting more products approved, improve visibility and

build up supply chain for supporting increased business in retail segment. The subsidiary in US reported 8% growth in profit before tax.

The subsidiary in Brazil reported sales growth of 3.1% at constant currency. This was partly due to slow growth in Brazilian economy. During the year, the company undertook various cost reduction and efficiency improvement initiatives. This resulted in 38% reduction in losses at EBITDA level over last year.

The subsidiary in Bangladesh reported net sales growth of 21.2% at constant currency. Higher sales coupled with pricing actions resulted in 21.3% growth in EBITDA.

The subsidiary in Egypt reported sales growth of 22.1% at constant currency. Margins were under stress due to sharp devaluation (~15%) of local currency against the USD.

The subsidiary reported marginal losses of ₹ 5 million at the EBITDA level.

Sales of the subsidiaries in Thailand grew by 10% at constant currency. Business was affected due to political disturbance / elections and slowdown in economy. Margins during the period improved by 200 bps driven by improved product mix. EBITDA grew by 8.5%.

The subsidiary in Dubai reported sales growth of 74.6% at constant currency on comparable basis. Effective November, 2014, the subsidiary expanded its business to include import and distribution of the parent company's products in the GCC and CIS countries. During the year, the subsidiary acquired a brand 'ROK' and hired a new management team. Losses at EBITDA level have reduced by 27% over last year.

The subsidiary in Singapore reported drop in sales by 20%. Losses were lower than last year by 10.3%.

Full year loss (PBT) incurred by overseas subsidiaries was ₹ 20.2 million as compared to loss of ₹ 180.1 million last year. Excluding extraordinary expenses, the overseas subsidiaries have made a profit of ₹ 4.4 million as compared to loss of ₹ 11.2 million last year.

During the year, Pidilite Chemical PLC was incorporated in Ethiopia, as a subsidiary of the Company. The Company has invested ₹ 12.1 million in Pidilite Chemical PLC (as on 31st March, 2015).

During the year the following companies became subsidiaries of the Company

1. Nina Waterproofing Systems Private Ltd.
2. Pidilite Chemical PLC

Consolidated Financial Statements

In accordance with the requirements of Accounting Standards AS 21 (read with AS 23), issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements of the Company and its subsidiaries and associate are annexed to this Annual Report. A statement containing the salient features of the Company's subsidiaries and associate company in the prescribed form is attached.

The consolidated financial statements have been prepared on the basis of audited financial statements of the Company, its subsidiaries and associate company, as approved by their respective Board of Directors except the newly incorporated subsidiary Pidilite Chemical PLC for which the financial statements have been approved by the management of the Company.

The consolidated financial statements of the Company for the financial year 2014-15 are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI).

Directors and Key Managerial Personnel

There has been a change in designation of Shri M B Parekh who ceased to be the Managing Director of the Company with effect from 10th April, 2015 and has been designated as a Whole Time Director and as the Executive Chairman of the Company.

The Board has appointed Shri Bharat Puri as the Managing Director of the Company for a period of 5 years with effect from 10th April, 2015.

Shri N K Parekh has ceased to be the Joint Managing Director of the Company and has been appointed as the Non Executive Vice Chairman of the Company with effect from 1st April, 2015.

The term of Shri A N Parekh as a Whole Time Director will expire on 1st July, 2015. The Board of Directors at their meeting held on 19th May, 2015 have re-appointed him for a further period of 5 years.

Shri R Sreeram, Director (Factories Operations) of the Company resigned with effect from 7th November, 2014 on account of taking up an entrepreneurship role.

Shri J L Shah was appointed as Director (Factories Operations) with effect from 4th November, 2014. He resigned with effect from 19th May, 2015 as he was planning to re-start his consultancy activity.

Shri Yash Mahajan, Independent Director of the Company resigned with effect from 4th November, 2014 on account of personal reasons.

The Directors place on record their sincere appreciation of the valuable services rendered by Shri R Sreeram, Shri J L Shah and Shri Yash Mahajan during their tenure as Directors of the Company.

In terms of Section 203 of Companies Act, 2013, Shri Sandeep Batra is the Chief Financial Officer of the Company (who was already functioning as Chief Financial Officer designated as Director – Finance).

Shri Sabyaschi Patnaik has been appointed as an Additional Director by the Board of Directors with effect from 19th May, 2015. In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of ensuing Annual General Meeting. Notice in writing with requisite deposit has been received from a member proposing his candidature for the office of Whole Time Director. The Board has also appointed him as Director - Operations, with effect from 19th May, 2015, subject to approval of members.

In accordance with the Articles of Association of the Company, Shri N K Parekh and Shri A N Parekh, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

Shri Sanjeev Aga is Non-Executive Independent Director of the Company, liable to retire by rotation. In terms of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, he is proposed to be re-appointed as a Director who will be an Independent Director for a term of 5 years from the date of this Annual General Meeting upto the conclusion of the Fifty First Annual General Meeting of the Company to be held in respect of financial year ending 31st March, 2020. The Company has received requisite notice in writing from a member, proposing Shri Sanjeev Aga for appointment as an Independent Director.

Shri Sanjeev Aga shall not be liable to retire by rotation. He has given the declaration of independence as per Section 149 (6) of the Companies Act, 2013.

The members' approval is being sought at the ensuing Annual General Meeting for the above appointments.

Directors' Responsibility Statement

Your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company

at the end of the financial year ended 31st March, 2015 and of the profit of the company for that period;

- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis; and
- the Board has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Annual Evaluation by the Board of its Own Performance, its Committees and individual Directors

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the Company.

Familiarisation Programme

Your Company has put in place an induction and familiarisation programme for all its Directors including the Independent Directors.

The familiarisation programme for Independent Directors in terms of provisions of Clause 49 of the Listing Agreement is uploaded on the website of the Company and can be accessed through the following link:

<https://www.pidilite.com/>

Number of Meetings of Board of Directors

Nine meetings of the Board of Directors of the Company were held during the year. For further details, please refer to Corporate Governance section of this Annual Report.

Statement of Declaration on Independence given by Independent Directors

Shri B S Mehta, Shri Ranjan Kapur, Shri Uday Khanna and Smt. Meera Shankar, Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Shri Sanjeev Aga has also given a declaration that he meets the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Corporate Governance

Reports on Corporate Governance and Management Discussion and Analysis, in accordance with Clause 49 of the Listing Agreements with Stock Exchanges, along with a certificate from M/s M M Sheth & Co., Practising Company Secretaries, are given separately in this Annual Report.

Statutory Auditors

In accordance with the provisions of Companies Act, 2013, at the Annual General Meeting held on 25th September, 2014, the shareholders had appointed M/s Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company, for a period of 4 years i.e. upto the conclusion of 49th Annual General Meeting to be held for the adoption of accounts for the financial year ending 31st March, 2018. M/s Deloitte Haskins & Sells, Chartered Accountants, have consented to be the Auditors of the Company, if their appointment is ratified by the members at the Annual General Meeting and have also confirmed that their appointment is as per the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR Committee) comprises of directors namely Shri N K Parekh, Shri Sanjeev Aga and Shri A B Parekh as members.

The report as per Section 135 of the Companies Act, 2013 read with Companies (CSR Policy) Rules, 2014 is attached as Annexure 1.

Audit Committee

The Audit Committee comprises of Directors namely Shri B S Mehta (Chairman), Shri N J Jhaveri, Shri Ranjan Kapur and Shri M B Parekh as other members. All the recommendations made by the Audit Committee were accepted by the Board.

Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil mechanism for Directors & employees and the same has been communicated to the Directors & employees of the Company and the same is also posted on the website of the Company.

Policy relating to Sexual Harassment

The Company has formulated a Sexual Harassment Policy and has formed an Internal Complaints Committee.

Cost Auditor and Cost Audit Report

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, cost audit records are maintained by the Company. As required under the Companies Act, 2013, a resolution seeking approval of the members in this regard is included in the Notice convening the Annual General Meeting.

Cost Audit Report for the year ended 31st March, 2015 will be submitted in due course.

The Company has filed the Cost Audit Report for the year ended March, 2014 with the Central Government.

Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s M M Sheth & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is attached as Annexure 2.

Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and Outgo

The particulars under Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are attached to this Report as Annexure 3.

Risk Management

During the year your Directors constituted a Risk Management Committee which has been entrusted with roles and powers which include a) Review and approval of risk management plan b) Review progress on the risk management plan c) Propose methodology on risk classification and measurement.

A Risk Management Policy was reviewed and approved by the Committee.

Contracts and arrangements with Related Parties

All Contracts/arrangements entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any contract/ arrangement/transaction with related parties which could be considered material.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed through the following link:

<http://www.pidilite.com/financials-policies.html>

Your Directors draw attention of the members to Note no. 42 to the financial statement which sets out related party disclosures.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Employees Stock Option Scheme

During the financial year 2013-2014, 49,000 options were granted in one tranche to the eligible employees of the Company in terms of Employees Stock Option Scheme – 2012 (ESOS- 2012). During the current financial year, 20,500 options were exercised by the employees. Accordingly, the Company made an allotment of 20,500 equity shares on 15th November, 2014.

The applicable disclosure as stipulated under the SEBI Guidelines as on 31st March, 2015 with regard to Employee Stock Option Scheme is provided in Annexure 4 to this report.

Extract of Annual Return

Extract of Annual Return of the Company is attached as Annexure 5 to this Report.

Particulars of Employees and related disclosures

Disclosure pertaining to remuneration as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is attached as Annexure 6 to this Report.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours and shall be made available to any shareholder on request.

Industry Structure and Development

There is no material change in the industry structure as was reported in the last year.

The Company operates under two major business segments i.e. Branded Consumer & Bazaar Products and Industrial Products.

Products such as Adhesives, Sealants, Art Material, Construction and Paint Chemicals are covered under branded Consumer & Bazaar Products segment.

These products are widely used by carpenters, painters, plumbers, mechanics, households, students, offices etc.

Industrial Products segment covers products such as industrial adhesives, synthetic resins, organic pigments, pigment preparations, surfactants etc and caters to various industries like packaging, textiles, paints, printing inks, paper, leather etc.

In both the above business segments, there are a few medium to large companies with national presence and a large number of small companies which are active regionally. There is a growing presence of multinationals in many of the product categories in which the Company operates. The share of imports is less than 10% of domestic volumes in most of the product categories.

The “Others” segment, largely comprises manufacture and sale of Speciality Acetates. As mentioned in last year’s report, the VAM plant has been modified to make a range of Speciality Acetates as import of VAM continues to remain more viable as opposed to in-house manufacture.

The technology for these Speciality Acetates has been indigenously developed and these products are gaining acceptance with customers.

Current Year Outlook

Recent trends suggest a weak economic scenario in the current year. This will have an impact on the demand for the Company’s products. It is expected that the economic scenario may improve only by the end of the year.

Prices of VAM, a key input for the Company’s products, had sharply increased towards end of last year and peaked in July / August 2014. Prices in \$ terms have since corrected and together with price increases, taken in last year, would have a positive impact on margins, in the short term.

The Company has 7 manufacturing units in Himachal Pradesh which enjoy exemption from excise duty and income tax. Three of these units will be completing their tax holiday period in 2015-16. While the excise benefit will cease on the 10th anniversary of the setting up of these units, no income tax exemption will be eligible on the profits from these three units for the financial year 2015-16.

The Company’s major subsidiaries are in USA, Brazil, Thailand, Egypt, Dubai and Bangladesh.

The economic situation in Brazil is challenging with several key sectors like construction and real estate showing contraction. This is likely to have a negative effect on the performance of Brazilian subsidiary. Other overseas subsidiaries, in aggregate, are working towards an improved performance, subject to no significant adverse impact on current business environment.

Outlook on Opportunities, Threats, Risks and Concerns

The Indian economy provides a large opportunity to the Company to market its differentiated products. Higher growth in select global economies could provide a boost to exports.

Slower growth of the Indian economy could impact the performance of the Company.

Overseas subsidiaries by virtue of their relatively smaller size remain vulnerable to the political and economic uncertainties of their respective countries.

Internal Control Systems and their Adequacy

The Company has adequate internal financial control procedures commensurate with its size and nature of business.

The Company has appointed Internal Auditors who periodically audit the adequacy and effectiveness of the internal controls laid down by the management and suggest improvements.

The Audit Committee of the Board of Directors periodically reviews the audit plans, internal audit reports, adequacy of internal controls and risks management plan.

Significant/Material orders passed by the Regulators

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

Human Resources

The company continues to place significant importance on its Human Resources and enjoys cordial relations at all levels.

The 'Talent Management Process', initiated in the previous year has now been strengthened.

The total number of employees as on 31st March, 2015 was 4,904.

Appreciation

Your Directors wish to place on record their appreciation of the contribution made by employees at all levels to the continued growth and prosperity of your Company. Your Directors also wish to place on record their appreciation to the shareholders, dealers, distributors, consumers, banks and other financial institutions for their continued support.

FOR AND ON BEHALF OF THE BOARD

Mumbai
Date : 19th May, 2015

M B Parekh
Executive Chairman

Social & Community Initiatives

Pidilite continues to support various projects such as the Triveni Kalyan Education Trust (TKET), Gram Nirman Samaj (GNS), Hanumant Hospital (managed by Shree Hanumant Seva Medicare Trust), Mahuva Education Trust, The Balvant Parekh Centre for General Semantics and other Human Sciences, Parkinson's Disease and Movement Disorder Society (PDMDS), B. K. Parekh Parkinson's Disease and Movement Disorder Society (BKP PDMDS), Shri N. N. Mehta Memorial Education Trust, Mahuva, Triveni Kalyan Foundation (TKF), Lokbharti Gram Vidyapeeth Trust and Shri Balvant Parekh Science City (Science City).



Triveni Kalyan Foundation, Well Recharge - Kalsar



Triveni Kalyan Foundation, Horticulture Nursery - Kalsar

Rural Development

Initiatives undertaken during the year to revive the supply of good quality water to the coastal areas of Gujarat included water management techniques like drip irrigation, farm ponds, canals etc. Exposing farmers to various horticulture improvement techniques such as mulching and trellises, resulted in farmers adopting these practices with the support of TKF and the subsidies given by the Government.

The foundation promoted Roof Rain Water Harvesting System and also provided drinking water pipeline connections to the village households with the help of WASMO, a government agency for water and sanitation management.

TKF collaborated with Coastal Salinity Prevention Cell to educate and undertake best farming practices amongst cotton growers. The 'Matrushri Triveni Agri Resource Centre' during the year helped the farmers by giving them information and details on iKisan, initiative launched by the Government.

Dairy being an important secondary source of income for farmers, a veterinary service was initiated successfully by the foundation with a full time veterinary doctor being available to perform basic surgeries, address illnesses and nutritional deficiencies. More than 500 cases were registered in the year. Workshops and training programmes were conducted on cattle care and sharing of best practices.

To promote women's empowerment and to make women self reliant, TKF established Self Help Groups for providing expert advice, training workshops on accounting systems, leadership skills etc.

GNS continued activities in water resource management, basic education, infrastructure development and empowering women.

During the financial year, the Company also contributed towards renovation of the campus of Lokbharti trust. This has enabled the conduct of more programmes, training sessions, workshops for farmers, rural youth, women and children of the nearby villages.

Education

A pilot project on 'Skill Development Initiatives' as a part of Industrial Training Institute (ITI) was launched in the ITIs of Mahuva and Bhavnagar. The courses include training in carpentry, plumbing and masonry. The Company, along with the Government of Gujarat through Kaushalya Vardhan Kendra Program (KVK) started courses on basic computers, basic tailoring, beautician, repairing of home appliances, mobile repairing and house wiring. Through these programmes, the youth in the rural areas were given opportunities to sharpen their skills.

Balvant Parekh Science City continued its programmes and facilities to provide knowledge in the field of science to

school children. The model of spreading knowledge and education on wheels has been successfully implemented through the Mobile Van initiative. The three organisations, namely Gram Nirman Samaj, Lok Bharati Sanosara and Balvant Parekh Science City, have provided fun-filled learning experiences to school children explaining various concepts of science, culture, country etc. More than 40,000 students have been covered in these Mobile Van initiatives.

During the year, the Company supported Shri N. N. Mehta Memorial Education Trust in Mahuva, which awarded scholarships to 51 students in the field of medicine, engineering, business administration and computers.



Carpentry class at ITI - Bhavnagar



Students experimenting at Balvant Parekh Science City - Bhavnagar



Kaushalya Vardhan Kendra Program, Embroidery Class - Mahuva



Gram Nirman Samaj, Children Education Initiative - Mahuva



Parkinson's Support Group - Vadodara



BKP PDMDS session at Bhavnagar - Gujarat

Healthcare

Hanumant Hospital joined hands with Narayana Health, one of India's largest healthcare service providers and is now known as Hanumant Narayana Health. Some new initiatives like clinical quality indicators, service excellence programmes, infection control programmes etc. were started at the hospital.

During the year, in the Urology department of the hospital, a Holmium YAG laser was installed. The ophthalmic department also has a new advanced Phaco machine now. An advanced endoscopy machine was installed in the surgery department. From November 2014, a mobile clinic facility was started in collaboration with GHCL Foundation Trust. Under this initiative, a doctor visits about three villages every day to provide free medical check-ups and treatment.

Free eye check-up camps were conducted using mobile ophthalmic vans in 22 schools of Mahuva and surrounding areas, covering 2158 students. Free eye check-up camps were also conducted in 16 villages and via this facility around 190 free cataract surgeries were performed in the hospital. The hospital is also facilitating the Rubella Vaccination Centre which has conducted 15 vaccination camps and awareness campaigns at different places, covering more than 560 girls.

In Gujarat, in collaboration with the Parkinson's Disease and Movement Disorder Society (PDMDS), a charitable

society named "B. K. Parekh Parkinson's Disease and Movement Disorder Society" (BKP PDMDS) was formed. The trust was formed in honour of late Shri B.K.Parekh, the Founder and Chairman of Pidilite Industries Limited. BKP PDMDS has initiated support groups in Bhavnagar, Mahuva, Surat, and Baroda.

Besides group-based rehabilitation, BKP PDMDS also provides individual support to patients who are homebound, as well as monetary support to economically disadvantaged patients in the form of medicines and medical aids and devices.



Free eye check-up camp - Gujarat

General Semantics

During the year, The Balvant Parekh Centre conducted National workshops on “General Semantics as a Human Science” and “Time Binding and Social Responsibility”. A certificate course was conducted on “Developing critical thinking through General Semantics” in collaboration with the Saurashtra University, Rajkot.

Prof. W.J.T Mitchell, ‘Gaylord Donnelley distinguished service professor of English and Art history’ from the University of Chicago, delivered a lecture titled “Seeing madness : Insanity, Media and Visual Culture” at the Balvant Parekh Memorial Lecture and Symposium.



Students and Professors at valedictory session of Certificate Course on General Semantics held at CHM College - Mumbai



CPAA “Caring with Style” Fashion Show - Mumbai

Other Initiatives

The Company and Cancer Patients Aid Association (CPAA) came together to conduct the 9th and the 10th “Caring with Style Fashion show”, which were held in May 2014 and in March 2015 respectively. The 10th “Caring with Style Fashion show” had Hon’ ble Chief Minister of Maharashtra Shri Devendra Fadnavis & Shri Aamir Khan as Chief Guests. Ms. Shaina NC & Shri Manish Malhotra, were the designers for the show. Many prominent personalities, achievers from different walks of life and celebrities including Ranbir Kapoor, Sadhana, Aditi Rao Hydari, Neil Nitin Mukesh, Vivek Oberoi, Ronnie & Zarina Screwvala, Piyush Pandey, Jackie Shroff, Vivek Jain etc participated in the show.

Annexure 1 to the Directors' Report

REPORT ON CORPORATE SOCIAL RESPONSIBILITIES

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

(a) Focus areas:

The Company supports various bodies in carrying out activities in the areas of rural development, education, health care, general semantics etc.

(b) CSR Objectives:

To attain its CSR objectives in a professional manner and integrated manner, the main objectives are:

- (1) To promote, carry out, support activities relating to: Education and Training including in Science and Technology, Humanities etc; Healthcare; Welfare of Children, Women, Senior Citizens, and Differently Aabled Persons; Employment enhancing Vocational skills; Sanitation; Water management; Agriculture; Horticulture; promotion of Culture; Art & Craft; Conservation of Natural Resources; Promotion and development of traditional Arts & Handicrafts; Employment Generation; Environment Sustainability; Science & Technology; Rural Development; Animal Welfare; welfare and development measures towards reducing inequalities faced by Socially and Economically Backward groups; and such activities may include establishing, supporting and/ or granting aid to institutions engaged in any of the activities referred to above.
- (2) To conduct and support studies & research; publish and support literature, publications & promotion material; conduct and support discussions, lectures, workshops & Seminar in any of the areas covered above.
- (3) To promote, carry out, support any activities covered in Schedule VII to the Companies Act, 2013, as amended from time to time.

Overview of projects or programs proposed to be undertaken:

In the Financial year 2014-15, the Company has undertaken activities relating to Promoting education, Healthcare, Sports and Rural development.

(c) Web-Link to the CSR Policy:

<http://www.pidilite.com/images/csr-policy.pdf>

2. The Composition of the CSR Committee as on 31st March, 2015 is as follows:

- (a) Mr Sanjeev Aga
- (b) Mr N K Parekh
- (c) Mr A B Parekh

3. Average net profit of the company for last three financial years:

(₹ in million)

| | Profit |
|---------------------------|----------------|
| 1) 2013-14 | 6,296.9 |
| 2) 2012-13 | 6,168.3 |
| 3) 2011-12 | 4,522.9 |
| Average Net profit | 5,662.7 |

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above):

₹ 113.25 million

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year - ₹ 113.25 million
- (b) Amount unspent, if any - Nil

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

(₹ in million)

| Sr. No. | CSR project or activities identified | Sector in which the projects are covered | Location where projects are undertaken (state/ district) | Amount outlay (budget) projects or program wise | Amount spent on the projects or programs: (Direct and Overhead expenditure on projects or programs) | Cumulative expenditure upto to the reporting period | Amount spent: Direct or through implementing agencies* |
|--------------------------------------|---|--|--|---|---|---|--|
| 1. | Empowering rural youth through the access to higher education; programmes for high school and secondary school teachers; providing professional, vocational courses for rural students; school & college with hostel only for girls and women; education for rural poor; supporting poor students for higher education etc. | Promoting education | Gujarat/ Maharashtra | 41.16 | 41.16 | 41.16 | Direct and through implementing agencies |
| 2. | Assistance to Cancer patients; supporting various activities of Hanumant hospital; awareness about mental health issues and providing the requisite treatment; society for rehabilitation of the differently abled; diagnosis and treatment of parkinson's disease; giving consessional treatments to poor patients etc. | Promoting health care | Gujarat/ Maharashtra | 39.41 | 39.41 | 39.41 | Direct and through implementing agencies |
| 3. | Water resource management; infrastructure development for agriculture; Gaushala; community science centre etc. | Rural development | Gujarat | 33.32 | 33.32 | 33.32 | Direct and through implementing agencies |
| 4. | Contribution towards Olympic gold quest. | Promoting sports | Maharashtra | 0.50 | 0.50 | 0.50 | Direct and through implementing agencies |
| Total expenditure towards CSR | | | | 114.39 | 114.39 | 114.39 | |

***Implementing agencies:** Shree Mahuva Education Trust; Balwant Parekh Centre for General Semantics; Arya Kanya Gurukul, Porbander; Triveni Kalyan Education Trust; Shri N. N. Mehta Memorial Education Trust, Mahuva; Cancer Patients Aid association; Gram Nirman Samaj; Hanumant Seva Medicare trust; Lokbharti; Psychoanalytic therapy research centre; PNR Society; Parkinson's Disease and Movement Disorder Society, Mumbai; Society for the Education of the Crippled; Triveni Kalyan Foundation; Lata Mangeshkar Medical Foundation; Hirwal Education Trust; Institute of Chemicals Technology; Lion Tarachand Bapa Hospital & Research Centre; Shri Janseva Mandal, Vapi; Rotary Charitable Trust, Vapi; Gnyan Dham Vapi Charitable Trust; Vapi Nagar Panchayat Education Trust, Vapi; Ravi Krupa Trust; Olympic gold quest.

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

7. Responsibility statement:

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Place: Mumbai
Date: 19th May, 2015

BHARAT PURI
Managing Director

SANJEEV AGA
Chairman CSR Committee

Annexure 2 to the Directors' Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015

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

To,

The Members,
Pidilite Industries Limited,
Regent Chambers, 7th Floor,
208, Nariman Point,
Mumbai-400 021.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pidilite Industries Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2015 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment (**During the Audit Period, there were no transactions pertaining to Foreign Direct Investment and External Commercial Borrowings**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period).**
- (vi) There are no specific laws applicable to the Company.
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards (SS) issued by The Institute of Company Secretaries of India. **(SS-1 and SS-2 were notified on 23rd April, 2015 and will be applicable with effect from 1st July, 2015)**
 - (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except when Board meetings were called by giving less than seven days notice in accordance with the provisions of S.173 of the Act and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company has no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **M. M. SHETH & CO.**
(Company Secretaries)

M. M. SHETH
(Prop)

FCS No. 1455
CP No. 729

Place: Mumbai

Date: 19th May, 2015

Annexure 3 to the Directors' Report

Statement containing particulars pursuant to Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the report of the Directors.

A] CONSERVATION OF ENERGY

1. The steps taken or impact on conservation of energy

All manufacturing units were mapped for their energy foot print and areas having significant energy saving potential were identified. A system to review energy consumption and benefits from improvement projects was implemented at individual factory level and also at the consolidated level. Various initiatives and steps taken by your Company's manufacturing units are given below:

a. Green fuel:

Boilers and Thermic fluid heaters have traditionally been operated on fossil fuel (Natural Gas, Diesel). In a measure directed to conserve fossil fuel, the use of Briquette as an alternative fuel was explored.

During the year, the PNG fired Steam Boiler and Thermic fluid heater was replaced with a Briquette fired Combi-system (Thermic fluid heater and steam generator) at the Vapi - 23 Unit.

The HSD fired Thermic fluid heater was replaced with a Briquette fired system at one of the Plants.

b. Energy Efficient Equipment

As a procurement philosophy, energy efficiency is a key criterion for the purchase of any new equipment. Further, regular mapping of energy efficiency is carried out for existing equipment and steps taken to improve efficiencies.

During the year, an initiative was undertaken to replace anchor type agitators with high energy efficient Hydrofoil type agitators for mixing vessels and reactors, at manufacturing units in Maharashtra.

c. Energy Efficient lighting

All manufacturing units continuously undertake steps to reduce lighting power consumption. An initiative was undertaken to replace conventional tube lights with LED tube lights. Over 5500 tube lights were replaced across all manufacturing units and offices.

LED tube lights, high bay lights, lamps and fixtures were made as a standard for all upcoming projects.

d. Air conditioning and Compressed air system

A study was carried out to save energy costs, by segregating areas requiring air conditioning, based on the criticality of the process. Based on the study, substantial savings accrued by segregation of air conditioning of packing and filling operations at the manufacturing unit in Himachal Pradesh.

A new technology to improve heat transfer and efficiencies of air conditioning systems, chillers by using an anti frictional compound was successfully piloted at the Mahad Unit. It is planned to roll out this technology to other selected units.

Modifications were carried out in compressed air distribution systems to optimize based on process requirements.

2. The steps taken by the Company for utilising alternate sources of energy

a. Wind Energy

Your Company is committed to use of renewable sources of energy to protect the environment. The power generated through our own Wind farm project at Gujarat and Maharashtra (total capacity of 4.83 MW) was utilised for our own manufacturing units and sold to the State Electricity Boards. The power generated from the windmill projects was also utilised at the Corporate Office in Mumbai. A total of 76 Lakh KWH was generated during the year and 23.7 lakhs units used in our facilities.

It is planned to extend 100% windmill generated power utilization to our own manufacturing units and Office from first quarter of 2015-16.

b. Solar Energy

A 30KL solar water heating system to support water heating requirement, in addition to waste process heat recovery system was installed at the manufacturing facility at Himachal Pradesh.

A similar system is under implementation at one of our manufacturing units in Maharashtra and is expected to be completed in the second quarter of 2015-16.

A pilot Solar roof top project of 25 KWp is being implemented at the Corporate Office. This project will be commissioned in the second quarter of 2015-16.

The initiatives on energy conservation undertaken during the year are estimated to have reduced the energy consumption by 4.2 Lacs KWH/Year.

3. The capital investments on energy conservation equipment

An amount of ₹ 121.43 million was invested on energy conservation equipment during the year 2014-15.

B] TECHNOLOGY ABSORPTION -

1. The efforts made towards technology absorption;

- The Company has undertaken collaborative efforts with institutes and research centres for development of new products.
- To build capability in technology, a technology platform group has been created to work on new areas. This year, new products in categories like Premium White glue, Joinery Adhesives, Water-proofing coatings, Hotmelt adhesives for packaging were introduced. Development work continued for improvement of existing products in the category of Synthetic Resins, Adhesives, Sealants, Pigments and Pigment Dispersions, Intermediates, Surfactants, Art Materials, Coatings, Fabric Care Products, Construction Chemicals, Maintenance Chemicals, Emulsions Polymers etc.

2. The benefits derived like product improvement, cost reduction, product development or import substitution.

R&D innovation in new products, improvements in existing products and formulation as well as process efficiency helped to increase product sales.

3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) -

There is no technology imported during the last 3 years.

4. The expenditure incurred on Research and Development:

Expenditure on R&D

(₹ in million)

| | Year ended 31 st March 2015 | Year ended 31 st March 2014 |
|---------------|---|---|
| i) Capital | 10.50* | 28.82* |
| ii) Recurring | 243.84 | 199.95 |
| TOTAL | 254.34 | 228.77 |

*Note - Capital work in progress on research & development for the year 14-15 worth ₹ 29.8 million (for the year 13-14 - ₹ 10.60 million) not included in above.

C] Foreign exchange earnings and outgo -

The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.

Total foreign exchange used and earned

(₹ in million)

| | Year ended 31 st March 2015 | Year ended 31 st March 2014 |
|----------------------------|---|---|
| i) Foreign exchange earned | 4,173 | 3,974 |
| ii) Foreign exchanged used | 6,398 | 5,848 |

For and on Behalf of the Board of Directors

Place: Mumbai
Date: 19th May, 2015

M B Parekh
Executive Chairman

Annexure 4 to the Directors' Report

Disclosure regarding Employee Stock Option Plan of the Company for the year ended 31st March, 2015.

| Sr. No. | Particulars | Employee Stock Option Scheme – 2012 | |
|---------|---|--|-----------------------------------|
| | | As at 31 st March 2015 | As at 31 st March 2014 |
| (A) | Number of Options granted | Nil | 49,000 |
| (B) | Pricing Formula | As approved by the Shareholders in the Annual General Meeting held on 24 th July, 2012, the exercise price shall be ₹ 1/- per option. | |
| (C) | Total number of Options vested | 20,500 | Nil |
| (D) | Total number of Options exercised: | 20,500 | Nil |
| (E) | Total number of Shares arising as a result of exercise of Options: | 20,500 | Nil |
| (F) | Total number of Options lapsed: | 14,000 | Nil |
| (G) | Variation of terms of Options: | None | None |
| (H) | Money realised by exercise of Options: (₹) | 20,500 | Nil |
| (I) | Total number of Options in force: | 14,500 | 49,000 |
| (J) | Details of Options granted during the year: | Nil | |
| | (i) Senior managerial personnel | | |
| | (ii) Any other employee who received grant in any one year of Options amounting to 5% or more of the Options granted during that year: | | |
| | (iii) Identified employees who were granted Options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant: | | |
| (K) | Diluted Earnings Per Share pursuant to issue of Ordinary Shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earnings Per Share' | ₹ 9.78 | |
| (L) | (i) Method of calculation of employee compensation cost: | The employee compensation cost has been calculated with the intrinsic value method of accounting for options issued under the Employee Stock Option Scheme | |
| | (ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options: | ₹ 0.22 million | |

| Sr. No. | Particulars | Employee Stock Option Scheme – 2012 | | |
|---------|---|--|----------------|---------|
| (iii) | The impact of this difference on profits and on Earnings Per Share of the Company: | The effect on the profits and earnings per share, had the fair value method been adopted is presented below: | | |
| | | Particulars | (₹ in million) | |
| | | Profit (as reported): | 5,018.59 | |
| | | Add: Stock based employee compensation (Intrinsic value) | 4.02 | |
| | | Less: Stock based compensation expenses determined under fair value method to the grants issued | 3.80 | |
| | | Net profit / loss (proforma) | 5,018.81 | |
| | | Earnings Per Share | Basic | Diluted |
| | | As reported | 9.79 | 9.78 |
| | | As proforma | 9.79 | 9.78 |
| (M) | Weighted-average exercise prices and Weighted-average fair values of Options granted whose exercise price either equals or exceeds or is less than the market price of the stock: | Weighted-average exercise price per option | ₹ 1/- | |
| | | Weighted-average fair value per option | ₹ 251.76 | |
| (N) | A description of the method and significant assumptions used during the year to estimate the fair values of Options: | The fair value of the option has been determined using the Black Scholes Model. The assumption used in this model for calculating fair value are as below: | | |
| | | a. Risk – Free interest rate | 8.76% | |
| | | b. Expected Life | 3.5 years | |
| | | c. Expected annual Volatility of shares | 26.15% | |
| | | d. Expected Dividends yield | 1.14% | |
| | | e. The price of the underlying share in market at the time of option grant | ₹ 263.05 | |

Annexure 5 to the Directors' Report

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2015

FORM NO. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| I. REGISTRATION AND OTHER DETAILS: | |
|------------------------------------|--|
| i | CIN L24100MH1969PLC014336 |
| ii | Registration Date 28/07/1969 |
| iii | Name of the Company Pidilite Industries Limited |
| iv | Category/ Sub-Category of the Company Public Company/ Limited by Shares |
| v | Address of the Registered office and contact details Regent Chambers, 7 th Floor, 208 Nariman Point, Mumbai 400 021. Maharashtra. Tel : 022-2835 7000 Fax: 022-2821 6007 |
| vi | Whether listed company Yes |
| vii | Name, Address and Contact details of Registrar and Transfer Agent, if any TSR Darashaw Limited 6-10, Haji Moosa Patrawala Ind. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai-400 011. Maharashtra. Tel : 022-6656 8484 Fax: 022-6656 8494 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|--|----------------------------------|------------------------------------|
| 1 | Manufacture of Adhesives and Glues, including Rubber based Glues and Adhesives | 20295 | 54.88% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---------|--|--|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Fevicol Company Ltd | 7 th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021 | U24295MH1979PLC021508 | Subsidiary | 100 | 2(87)(ii) |
| 2 | Madhumala Traders Pvt Ltd | 7 th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021 | U24114MH1989PTC052007 | Subsidiary | 100 | 2(87)(ii) |
| 3 | Bhimad Commercial Company Pvt Ltd | 7 th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021 | U24221MH1989PTC051999 | Subsidiary | 100 | 2(87)(ii) |
| 4 | Pagel Concrete Technologies Pvt Ltd | 7 th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021 | U26933MH1994PTC083342 | Subsidiary | 80 | 2(87)(ii) |
| 5 | Building Envelope Systems India Ltd | 7 th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021 | U24233MH2012PLC235431 | Subsidiary | 60 | 2(87)(ii) |
| 6 | Percept Waterproofing Services Ltd | 7 th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021 | U45400MH2013PLC249967 | Subsidiary | 80 | 2(87)(ii) |
| 7 | Nina Waterproofing Systems Pvt Ltd | B-901 & 902, Floor-9, Plot-1/268, B Wing, Raheja Atlantis, Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013 | U74120MH2014PTC259216 | Subsidiary | 70 | 2(87)(ii) |
| 8 | Pidilite International Pte Ltd | 80 Raffles Place #26-01 UOB Plaza Singapore 048624 | N.A | Subsidiary | 100 | 2(87)(ii) |
| 9 | Pidilite Middle East Ltd | TPOFCB06WS103, P.O. Box 17870, Dubai, UAE | N.A | Subsidiary | 100 | 2(87)(ii) |
| 10 | Jupiter Chemicals (LLC) | P O Box 120657 Dubai, UAE | N.A | Subsidiary | 49 | 2(87)(ii) |
| 11 | Pidilite Specialty Chemicals Bangladesh Pvt Ltd | House No. 167, Road No. 3, New DOHS Mohakhali, Dhaka, Bangladesh | N.A | Subsidiary | 100 | 2(87)(ii) |
| 12 | Pidilite Bamco Ltd | 699, Modern Form Tower, 15 th Floor, Srinakaran Road Suan Luang, Bangkok 10250 Thailand | N.A | Subsidiary | 100 | 2(87)(ii) |
| 13 | PT Pidilite Indonesia | JL. Boulevard Artha Gading Komplek Artha gading Niaya blok H No H/16, Kel Kelapa gading Barat, Jakarta | N.A | Subsidiary | 100 | 2(87)(ii) |
| 14 | Pidilite USA Inc | 160, Greentree Drive, Suite 101, Dover, Kent County, Delaware 19904 | N.A | Subsidiary | 100 | 2(87)(ii) |
| 15 | Pidilite Innovation Centre Pte Ltd | 61 Science Park Road, Unit # 03 -11/12 The Galen, Singapore Science Park II, Singapore 117525 | N.A | Subsidiary | 100 | 2(87)(ii) |
| 16 | Pidilite Industries Egypt SAE | 35 Abdel Hamid Awad Ground floor, from Moustafa Elnahass Nasr City Cairo, Egypt | N.A | Subsidiary | 100 | 2(87)(ii) |
| 17 | Pulvitec do Brazil Industria e Comercio de colas e adesivos Ltda | Av. Presidente Altino, 2468 Jaguare, State of Sao Paulo, Sao Paulo, Brazil, CEP 05323-903 | N.A | Subsidiary | 100 | 2(87)(ii) |
| 18 | Bamco Supply and Services Ltd | 699, Modern Form Tower 15 th Floor, Srinakaran Road Suan Luang, Bangkok 10250, Thailand | N.A | Subsidiary | 49 | 2(87)(ii) |
| 19 | PIL Trading (Egypt) Company | 35 Abdel Hamid Awad Ground floor, from Moustafa Elnahass Nasr City Cairo, Egypt | N.A | Subsidiary | 99.99 | 2(87)(ii) |
| 20 | Pidilite Industries Trading (Shanghai) Co Ltd | 1105, no. 8 Dong An Road, Xu Hui District, Shanghai, China | N.A | Subsidiary | 100 | 2(87)(ii) |
| 21 | Pidilite Chemical PLC | Arada K.K. Kebele 01/02. House # New Wereda 01. Apartment # B2. Addis Ababa, Ethiopia | N.A | Subsidiary | 100 | 2(87)(ii) |
| 22 | Vinyl Chemicals (India) Ltd | 7 th Floor, Regent Chambers, Jamnalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021 | L24100MH1986PLC039837 | Associate | 40.62 | 2(6) |

IV. SHAREHOLDING PATTERN (Equity share capital breakup as percentage of total Equity)
i) Category-wise Share Holding

| | Category of Shareholders | No. of Shares held at the beginning of the year (As on 01.04.2014) | | | | No. of Shares held at the end of the year (As on 31.03.2015) | | | | % Change during the year |
|------------|---|---|-----------|-------------|-------------------|---|-----------|-------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | Promoters | | | | | | | | | |
| (1) | Indian | | | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 270,364,008 | - | 270,364,008 | 52.74 | 270,915,868 | - | 270,915,868 | 52.84 | 0.11 |
| (b) | Central Government | - | - | - | - | - | - | - | - | - |
| (c) | State Governments(s) | - | - | - | - | - | - | - | - | - |
| (d) | Bodies Corporate | 85,907,932 | - | 85,907,932 | 16.76 | 86,607,932 | - | 86,607,932 | 16.89 | 0.14 |
| (e) | Financial Institutions/ Banks | - | - | - | - | - | - | - | - | - |
| (f) | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A) (1) | 356,271,940 | - | 356,271,940 | 69.50 | 357,523,800 | - | 357,523,800 | 69.74 | 0.24 |
| (2) | Foreign | | | | | | | | | |
| (a) | Individuals Non-Resident Individuals | 2,901,606 | - | 2,901,606 | 0.56 | - | - | - | - | (0.56) |
| (b) | Other Individuals | - | - | - | - | - | - | - | - | - |
| (c) | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| (d) | Bank / FI | - | - | - | - | - | - | - | - | - |
| (e) | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| (f) | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A) (2) | 2,901,606 | - | 2,901,606 | 0.56 | - | - | - | - | (0.56) |
| | Total Shareholding of Promoter and Promoter Group (A) | 359,173,546 | - | 359,173,546 | 70.06 | 357,523,800 | - | 357,523,800 | 69.74 | (0.32) |
| B. | Public Shareholding | | | | | | | | | |
| 1 | Institutions | | | | | | | | | |
| (a) | Mutual Funds | 11,669,669 | 50 | 11,669,719 | 2.28 | 17,054,366 | 50 | 17,054,416 | 3.33 | 1.05 |
| (b) | Financial Institutions/ Banks | 79,743 | - | 79,743 | 0.02 | 85,022 | - | 85,022 | 0.02 | - |
| (c) | Central Government | - | - | - | - | 442,084 | - | 442,084 | 0.09 | 0.09 |
| (d) | State Governments(s) | - | - | - | - | - | - | - | - | - |
| (e) | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| (f) | Insurance Companies | 6,756,825 | - | 6,756,825 | 1.32 | 4,555,052 | - | 4,555,052 | 0.89 | (0.43) |
| (g) | Foreign Institutional Investors | 79,561,029 | - | 79,561,029 | 15.52 | 74,066,270 | - | 74,066,270 | 14.45 | (1.07) |
| (h) | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| (i) | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| (i-1) | Foreign Portfolio Investors (Corporate) | - | - | - | - | 4,874,997 | - | 4,874,997 | 0.95 | 0.95 |
| (i-2) | UTI | 350 | - | 350 | - | 350 | - | 350 | - | - |
| | Sub-Total (B) (1) | 98,067,616 | 50 | 98,067,666 | 19.13 | 101,078,141 | 50 | 101,078,191 | 19.72 | 0.59 |
| (2) | Non-Institutions | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| i | Indian | 7,780,235 | 1,724 | 7,781,959 | 1.52 | 7,111,379 | 1,724 | 7,113,103 | 1.39 | (0.13) |
| ii | Overseas | - | - | - | - | - | - | - | - | - |
| (b) | Individuals | | | | | | | | | |
| i | Individual shareholders holding nominal share capital upto ₹ 1 lakh | 35,103,750 | 3,660,355 | 38,764,105 | 7.56 | 35,679,257 | 3,383,591 | 39,062,848 | 7.62 | 0.06 |
| ii | Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 8,735,054 | 1,20,000 | 8,855,054 | 1.73 | 7,669,546 | 1,20,000 | 7,789,546 | 1.52 | (0.21) |
| (c) | Any Other (specify) | | | | | | | | | |
| i | Trust | - | - | - | - | 95,342 | - | 95,342 | 0.02 | 0.02 |
| | Sub-total (B) (2) | 51,619,039 | 3,782,079 | 55,401,118 | 10.81 | 50,555,524 | 3,505,315 | 54,060,839 | 10.55 | (0.26) |
| | Total Public Shareholding (B) = (B) (1)+(B)(2) | 149,686,655 | 3,782,129 | 153,468,784 | 29.94 | 151,633,665 | 3,505,365 | 155,139,030 | 30.26 | 0.32 |
| C. | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | | | |
| | Grand Total (A) +(B)+(C) | 508,860,201 | 3,782,129 | 512,642,330 | 100.00 | 509,157,465 | 3,505,365 | 512,662,830 | 100.00 | - |

(ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01.04.2014) | | | Shareholding at the end of the year (As on 31.03.2015) | | | % change in shareholding during the year |
|---------|------------------------------------|--|----------------------------------|--|--|----------------------------------|--|--|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | |
| 1 | Madhukar Balvantray Parekh | 56,977,568 | 11.11 | 0.00 | 56,777,568 | 11.07 | 0.00 | (0.04) |
| 2 | Narendrakumar Kalyanji Parekh | 54,332,178 | 10.60 | 0.00 | 53,832,178 | 10.50 | 0.00 | (0.10) |
| 3 | Ajay Balvantray Parekh | 49,148,590 | 9.59 | 0.00 | 48,998,844 | 9.56 | 0.00 | (0.03) |
| 4 | Sushilkumar Kalyanji Parekh | 45,969,560 | 8.97 | 0.00 | 42,358,636 | 8.26 | 0.00 | (0.70) |
| 5 | Devkalyan Sales Private Ltd | 26,074,280 | 5.09 | 0.00 | 26,224,280 | 5.12 | 0.00 | 0.03 |
| 6 | Ishijas Chemicals Private Limited | 24,630,038 | 4.80 | 0.00 | 24,630,038 | 4.80 | 0.00 | 0.00 |
| 7 | Mala Madhukar Parekh | 9,360,992 | 1.83 | 0.00 | 12,162,598 | 2.37 | 0.00 | 0.54 |
| 8 | Harton Private Limited | 12,207,634 | 2.38 | 0.00 | 12,357,634 | 2.41 | 0.00 | 0.03 |
| 9 | The Vacuum Forming Company Pvt Ltd | 11,462,186 | 2.23 | 0.00 | 11,462,186 | 2.23 | 0.00 | 0.00 |
| 10 | Bharati Narendrakumar Parekh | 8,906,086 | 1.73 | 0.00 | 8,206,086 | 1.60 | 0.00 | (0.14) |
| 11 | Pidichem Pvt Ltd | 7,614,916 | 1.48 | 0.00 | 8,014,916 | 1.56 | 0.00 | 0.08 |
| 12 | Kalpna Apurva Parekh | 6,964,334 | 1.36 | 0.00 | 6,664,334 | 1.30 | 0.00 | (0.06) |
| 13 | Darshana Bimal Mody | 3,139,076 | 0.61 | 0.00 | 6,500,000 | 1.27 | 0.00 | 0.66 |
| 14 | Ami Ajay Parekh | 4,372,166 | 0.85 | 0.00 | 6,340,166 | 1.24 | 0.00 | 0.39 |
| 15 | Himatlal Kalyanji Parekh | 4,811,630 | 0.94 | 0.00 | 4,811,630 | 0.94 | 0.00 | 0.00 |
| 16 | Jasna Raoul Thackersey | 3,615,126 | 0.71 | 0.00 | 3,615,126 | 0.71 | 0.00 | 0.00 |
| 17 | Apurva Narendrakumar Parekh | 3,584,910 | 0.70 | 0.00 | 3,584,910 | 0.70 | 0.00 | 0.00 |
| 18 | Mrudula Sushilkumar Parekh | 3,483,120 | 0.68 | 0.00 | 3,362,120 | 0.66 | 0.00 | (0.02) |
| 19 | Kanta Balvantray Parekh | 3,385,410 | 0.66 | 0.00 | 3,385,410 | 0.66 | 0.00 | 0.00 |
| 20 | Rashmikant Himatlal Parekh | 2,357,378 | 0.45 | 0.00 | 2,357,378 | 0.45 | 0.00 | 0.00 |
| 21 | Harish Himatlal Parekh | 2,076,592 | 0.40 | 0.00 | 2,076,592 | 0.40 | 0.00 | 0.00 |
| 22 | Amrita Ajay Parekh | 1,968,000 | 0.38 | 0.00 | 1,968,000 | 0.38 | 0.00 | 0.00 |
| 23 | Kalva Marketing and Services Ltd | 1,382,628 | 0.27 | 0.00 | 1,382,628 | 0.27 | 0.00 | 0.00 |
| 24 | Parkem Dyes & Chemicals Pvt Ltd | 1,276,510 | 0.25 | 0.00 | 1,276,510 | 0.25 | 0.00 | 0.00 |
| 25 | Parul Harish Parekh | 1,039,208 | 0.20 | 0.00 | 1,039,208 | 0.20 | 0.00 | 0.00 |
| 26 | Kamalini Rashmikant Parekh | 821,934 | 0.16 | 0.00 | 821,934 | 0.16 | 0.00 | 0.00 |
| 27 | Purvee Apurva Parekh | 800,000 | 0.16 | 0.00 | 800,000 | 0.16 | 0.00 | 0.00 |
| 28 | Parekh Marketing Limited | 796,700 | 0.16 | 0.00 | 796,700 | 0.16 | 0.00 | 0.00 |
| 29 | Trivenikalyan Trading Pvt Ltd | 463,040 | 0.09 | 0.00 | 463,040 | 0.09 | 0.00 | 0.00 |
| 30 | Gulabben Himatlal Parekh | 261,716 | 0.05 | 0.00 | 261,716 | 0.05 | 0.00 | 0.00 |
| 31 | Monisha Harish Parekh | 200,000 | 0.04 | 0.00 | 200,000 | 0.04 | 0.00 | 0.00 |
| 32 | Anuja Ankur Shah | 187,600 | 0.04 | 0.00 | 187,600 | 0.04 | 0.00 | 0.00 |
| 33 | Malay Rashmikant Parekh | 161,600 | 0.03 | 0.00 | 161,600 | 0.03 | 0.00 | 0.00 |
| 34 | Pareet D Sanghavi | 95,600 | 0.02 | 0.00 | 95,600 | 0.02 | 0.00 | 0.00 |
| 35 | Jimeet D Sanghavi | 91,900 | 0.02 | 0.00 | 91,900 | 0.02 | 0.00 | 0.00 |
| 36 | Panna Deepak Sanghavi | 80,166 | 0.02 | 0.00 | 80,166 | 0.02 | 0.00 | 0.00 |
| 37 | Harshada Harvadan Vakil | 51,900 | 0.01 | 0.00 | 51,900 | 0.01 | 0.00 | 0.00 |
| 38 | Harvadan | 42,300 | 0.01 | 0.00 | 42,300 | 0.01 | 0.00 | 0.00 |
| 39 | Indumati Chimanlal Parekh | 40,368 | 0.01 | 0.00 | 40,368 | 0.01 | 0.00 | 0.00 |
| 40 | Urvi Malay Parekh | 40,000 | 0.01 | 0.00 | 40,000 | 0.01 | 0.00 | 0.00 |
| 41 | Abha Ajay Parekh | 1,968,000 | 0.38 | 0.00 | 0 | 0.00 | 0.00 | (0.38) |
| 42 | Ishita Rajiv Amersey | 2,901,606 | 0.57 | 0.00 | 0 | 0.00 | 0.00 | (0.57) |
| 43 | Sanket Sushilkumar Parekh | 29,000 | 0.01 | 0.00 | 0 | 0.00 | 0.00 | (0.01) |
| | | 359,173,546 | 70.06 | 0.00 | 357,523,800 | 69.74 | 0.00 | (0.32) |

(iii) Change In Promoters' Shareholding

| Sr. No. | Date | Reason | Shareholding as on 01.04.2014 | | Cumulative Shareholding during 2014-15 | |
|---------|------------------------------|------------------|-------------------------------|----------------------------------|--|----------------------------------|
| | | | No. of shares | % of total Shares of the Company | No. of shares | % of total Shares of the Company |
| | At the beginning of the year | | 359,173,546 | 70.06 | | |
| 1 | 09.06.2014 | Purchase | 254 | 0.00 | 254 | 0.00 |
| 2 | 25.06.2014 | Interse transfer | 29,000 | 0.01 | 29,254 | 0.01 |
| 3 | 25.06.2014 | Interse transfer | (29,000) | (0.01) | 254 | 0.00 |
| 4 | 05.08.2014 | Sale | (300,000) | (0.06) | (299,746) | (0.06) |
| 5 | 22.08.2014 | Interse transfer | (3,360,924) | (0.66) | (3,660,670) | (0.71) |
| 6 | 22.08.2014 | Interse transfer | 3,360,924 | 0.66 | (299,746) | (0.06) |
| 7 | 21.11.2014 | Sale | (1,000,000) | (0.20) | (1,299,746) | (0.25) |
| 8 | 30.12.2014 | Interse transfer | 4,869,606 | 0.95 | 3,569,860 | 0.70 |
| 9 | 30.12.2014 | Interse transfer | (4,869,606) | (0.95) | (1,299,746) | (0.25) |
| 10 | 20.03.2015 | Sale | (150,000) | (0.03) | (1,449,746) | (0.28) |
| 11 | 24.03.2015 | Purchase | 700,000 | 0.14 | (749,746) | (0.15) |
| 12 | 24.03.2015 | Sale | (900,000) | (0.18) | (1,649,746) | (0.32) |
| | At the end of the year | | | | 357,523,800 | 69.74 |

(iv) Shareholding Pattern of top 10 shareholders

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

| Sr. No. | Shareholder's Name | No. of Shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shares during the year | % of total shares of the company during the year |
|------------|--|---|----------------------------------|------------|------------------------------------|-----------|-----------------------------------|--|
| 1 | Genesis Indian Investment Company Limited - General Sub Fund | 39,863,145 | 7.78 | 01.04.2014 | | | | |
| | | | | 20.03.2015 | (409,336) | Transfer | 39,453,809 | 7.70 |
| | | | | 31.03.2015 | | | | |
| 2 | Government Pension Fund Global | 5,471,196 | 1.07 | 01.04.2014 | | | | |
| | | | | 04.04.2014 | 52,226 | Transfer | 5,523,422 | 1.08 |
| | | | | 11.04.2014 | 40,846 | Transfer | 5,564,268 | 1.09 |
| | | | | 18.04.2014 | 30,438 | Transfer | 5,594,706 | 1.09 |
| | | | | 25.04.2014 | 41,565 | Transfer | 5,636,271 | 1.10 |
| | | | | 02.05.2014 | 31,138 | Transfer | 5,667,409 | 1.11 |
| | | | | 04.07.2014 | (67,002) | Transfer | 5,600,407 | 1.09 |
| | | | | 11.07.2014 | (91,712) | Transfer | 5,508,695 | 1.07 |
| | | | | 18.07.2014 | (55,322) | Transfer | 5,453,373 | 1.06 |
| | | | | 25.07.2014 | (3,373) | Transfer | 5,450,000 | 1.06 |
| 3 | Wasatch Emerging Markets Small Cap Fund | 5,012,566 | 0.98 | 01.04.2014 | | | | |
| | | | | 02.05.2014 | (126,300) | Transfer | 4,886,266 | 0.95 |
| | | | | 09.05.2014 | (156,700) | Transfer | 4,729,566 | 0.92 |
| | | | | 20.06.2014 | (140,300) | Transfer | 4,589,266 | 0.90 |
| | | | | 25.07.2014 | (176,800) | Transfer | 4,412,466 | 0.86 |
| | | | | 08.08.2014 | (162,800) | Transfer | 4,249,666 | 0.83 |
| | | | | 17.10.2014 | (59,345) | Transfer | 4,190,321 | 0.82 |
| | | | | 07.11.2014 | (33,409) | Transfer | 4,156,912 | 0.81 |
| | | | | 14.11.2014 | (273,064) | Transfer | 3,883,848 | 0.76 |
| | | | | 21.11.2014 | (146,178) | Transfer | 3,737,670 | 0.73 |
| | | | | 09.01.2015 | (412,570) | Transfer | 3,324,800 | 0.65 |
| | | | | 16.01.2015 | (409,849) | Transfer | 2,914,951 | 0.57 |
| | | | | 06.02.2015 | (112,200) | Transfer | 2,802,751 | 0.55 |
| | | | | 27.02.2015 | (152,763) | Transfer | 2,649,988 | 0.52 |
| 06.03.2015 | (35,592) | Transfer | 2,614,396 | 0.51 | | | | |
| 20.03.2015 | (79,700) | Transfer | 2,534,696 | 0.49 | | | | |
| | 2,435,869 | 0.48 | 31.03.2015 | (98,827) | Transfer | 2,435,869 | 0.48 | |

| Sr. No. | Shareholder's Name | No. of Shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shares during the year | % of total shares of the company during the year |
|---------|---|---|----------------------------------|------------|------------------------------------|------------------------------|-----------------------------------|--|
| 4 | General Insurance Corporation of India | 2,750,000 | 0.54 | 01.04.2014 | | | | |
| | | | | 12.09.2014 | (7,428) | Transfer | 2,742,572 | 0.53 |
| | | | | 19.09.2014 | (42,572) | Transfer | 2,700,000 | 0.53 |
| | | | | 27.03.2015 | (60,000) | Transfer | 2,640,000 | 0.51 |
| | | 2,600,000 | 0.51 | 31.03.2015 | (40,000) | Transfer | 2,600,000 | 0.51 |
| 5 | Franklin Templeton Investment Funds | 2,532,625 | 0.49 | 01.04.2014 | | | | |
| | | | | 04.04.2014 | 20,357 | Transfer | 2,552,982 | 0.50 |
| | | | | 23.05.2014 | 650,000 | Transfer | 3,202,982 | 0.62 |
| | | | | 13.06.2014 | 500,000 | Transfer | 3,702,982 | 0.72 |
| | | | | 05.12.2014 | 530,000 | Transfer | 4,232,982 | 0.83 |
| | | | | 31.12.2014 | 200,000 | Transfer | 4,432,982 | 0.86 |
| | | 4,432,982 | 0.86 | 31.03.2015 | | | | |
| 6 | National Westminster Bank Plc As Depository of First State Indian Subcontinent Fund A Sub Fund of First State Investments Icv | 2,301,294 | 0.45 | 01.04.2014 | | | | |
| | | | | 21.11.2014 | (237,814) | Transfer | 2,063,480 | 0.40 |
| | | | | 28.11.2014 | (65,094) | Transfer | 1,998,386 | 0.39 |
| | | | | 05.12.2014 | (220,164) | Transfer | 1,778,222 | 0.35 |
| | | | | 09.01.2015 | (56,652) | Transfer | 1,721,570 | 0.34 |
| | | | | 16.01.2015 | (119,937) | Transfer | 1,601,633 | 0.31 |
| | | | | 06.02.2015 | (157,244) | Transfer | 1,444,389 | 0.28 |
| | | | | 13.03.2015 | (31,847) | Transfer | 1,412,542 | 0.28 |
| | | | | 20.03.2015 | (467,289) | Transfer | 945,253 | 0.18 |
| | 9,45,253 | 0.18 | 31.03.2015 | | | | | |
| 7 | Neerav A Parekh | 2,145,600 | 0.42 | 01.04.2014 | | Nil Movement during the year | 2,145,600 | 0.42 |
| | | 2,145,600 | 0.42 | 31.03.2015 | | | | |
| 8 | Maithili Apurva Parekh | 2,140,560 | 0.42 | 01.04.2014 | | | | |
| | | | | 01.08.2014 | (300,000) | Transfer | 1,840,560 | 0.36 |
| | | | | 08.08.2014 | (400,000) | Transfer | 1,440,560 | 0.28 |
| | 1,440,560 | 0.28 | 31.03.2015 | | | | | |
| 9 | HDFC Trustee Company Ltd- A/C HDFC Mid-Cap opportunities Fund | 1,800,000 | 0.35 | 01.04.2014 | | | | |
| | | | | 23.05.2014 | 40,000 | Transfer | 1,840,000 | 0.36 |
| | | | | 30.05.2014 | 648,886 | Transfer | 2,488,886 | 0.49 |
| | | | | 06.06.2014 | 116,000 | Transfer | 2,604,886 | 0.51 |
| | | | | 20.06.2014 | 259,074 | Transfer | 2,863,960 | 0.56 |
| | | | | 30.06.2014 | 117,150 | Transfer | 2,981,110 | 0.58 |
| | | | | 04.07.2014 | 86,346 | Transfer | 3,067,456 | 0.60 |
| | | | | 11.07.2014 | 34,386 | Transfer | 3,101,842 | 0.61 |
| | | | | 25.07.2014 | (30,000) | Transfer | 3,071,842 | 0.60 |
| | | 20.03.2015 | (100,000) | Transfer | 2,971,842 | 0.58 | | |
| | 2,971,842 | 0.58 | 31.03.2015 | | | | | |
| 10 | Acacia Partners, LP | 1,615,200 | 0.32 | 01.04.2014 | | | | |
| | | | | 05.09.2014 | (42,000) | Transfer | 1,573,200 | 0.31 |
| | | | | 10.09.2014 | (270,000) | Transfer | 1,303,200 | 0.25 |
| | | | | 12.09.2014 | (110,000) | Transfer | 1,193,200 | 0.23 |
| | | | | 19.09.2014 | (363,300) | Transfer | 829,900 | 0.16 |
| | | | | 25.09.2014 | (109,900) | Transfer | 720,000 | 0.14 |
| | | | | 21.11.2014 | (720,000) | Transfer | 0 | 0.00 |
| | | 0 | 0.00 | 31.03.2015 | | | | |

| Sr. No. | Shareholder's Name | No. of Shares at the beginning of the year (01.04.2014)/ end of the year (31.03.2015) | % of total shares of the company | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shares during the year | % of total shares of the company during the year |
|---------|---|---|----------------------------------|------------|------------------------------------|------------|-----------------------------------|--|
| 11 | Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Long Term Equity Fund | 0 | 0.00 | 01.04.2014 | | | | |
| | | | | 21.11.2014 | 915,000 | Transfer | 915,000 | 0.18 |
| | | | | 28.11.2014 | 750,000 | Transfer | 1,665,000 | 0.32 |
| | | | | 05.12.2014 | 300,000 | Transfer | 1,965,000 | 0.38 |
| | | | | 12.12.2014 | 50,000 | Transfer | 2,015,000 | 0.39 |
| | | | | 19.12.2014 | 20,000 | Transfer | 2,035,000 | 0.40 |
| | | | | 31.12.2014 | 60,000 | Transfer | 2,095,000 | 0.41 |
| | | | | 09.01.2015 | 150,000 | Transfer | 2,245,000 | 0.44 |
| | | | | 23.01.2015 | (50,000) | Transfer | 2,195,000 | 0.43 |
| | | | | 30.01.2015 | 50,000 | Transfer | 2,245,000 | 0.44 |
| | | | | 27.02.2015 | 50,000 | Transfer | 2,295,000 | 0.45 |
| | | | | 06.03.2015 | 50,000 | Transfer | 2,345,000 | 0.46 |
| | | | | 20.03.2015 | 100,000 | Transfer | 2,445,000 | 0.48 |
| | | | | 2,545,000 | 0.50 | 31.03.2015 | 100,000 | Transfer |
| 12 | Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Inde X Fund | 0 | 0.00 | 01.04.2014 | | | | |
| | | | | 27.02.2015 | 36,707 | Transfer | 36,707 | 0.01 |
| | | | | 06.03.2015 | 53,116 | Transfer | 89,823 | 0.02 |
| | | | | 13.03.2015 | 76,185 | Transfer | 166,008 | 0.03 |
| | | | | 20.03.2015 | 112,484 | Transfer | 278,492 | 0.05 |
| | | | | 27.03.2015 | 1,625,643 | Transfer | 1,904,135 | 0.37 |
| | | | | 2,053,214 | 0.40 | 31.03.2015 | 149,079 | Transfer |

(v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | Name | Shareholding | | Date | Increase/ (Decrease) in shareholding | Reason | Cumulative Shareholding during the year (01.04.2014 to 31.03.2015) | |
|-----------------------------------|---|---|----------------------------------|------------|--------------------------------------|--------------------------------|--|----------------------------------|
| | | No. of Shares at the beginning of the year (01.04.14)/ end of the year (31.03.15) | % of total Shares of the company | | | | No. of shares | % of total Shares of the Company |
| Shareholding of Directors: | | | | | | | | |
| 1 | Madhukar Balvantray Parekh | 56,977,568 | 11.11 | 01.04.2014 | | | | |
| | | | | 24.03.2015 | (200,000) | Sale | 56,777,568 | 11.08 |
| | | 56,777,568 | 11.08 | 31.03.2015 | | | | |
| 2 | Narendrakumar Kalyanji Parekh | 54,332,178 | 10.60 | 01.04.2014 | | | | |
| | | | | 21.11.2014 | (500,000) | Sale | 53,832,178 | 10.50 |
| | | 53,832,178 | 10.50 | 31.03.2015 | | | | |
| 3 | Sushilkumar Kalyanji Parekh (upto 03.04.2014) | 45,969,560 | 8.97 | 01.04.2014 | | NIL movement during the period | 45,969,560 | 8.97 |
| | | 45,969,560 | 8.97 | 03.04.2014 | | | | |
| 4 | Ajay Balvantray Parekh | 49,148,590 | 9.59 | 01.04.2014 | | | | |
| | | | | 09.06.2014 | 254 | Purchase | 49,148,844 | 9.59 |
| | | | | 20.03.2015 | (150,000) | Sale | 48,998,844 | 9.56 |
| | | 48,998,844 | 9.56 | 31.03.2015 | | | | |
| 5 | Narendra Jamnadas Jhaveri | 10,000 | 0.00 | 01.04.2014 | | NIL movement during the year | 10,000 | 0 |
| | | 10,000 | 0 | 31.03.2015 | | | | |
| 6 | Bansidhar S Mehta | 24,716 | 0 | 01.04.2014 | | NIL movement during the year | 24,716 | 0 |
| | | 24,716 | 0 | 31.03.2015 | | | | |
| 7 | Apurva Narendrakumar Parekh | 3,584,910 | 0.70 | 01.04.2014 | | NIL movement during the year | 3,584,910 | 0.70 |
| | | 3,584,910 | 0.70 | 31.03.2015 | | | | |
| 8 | Ranjan Kapur | 0 | 0 | 01.04.2014 | | NIL movement during the year | 0 | 0 |
| | | 0 | 0 | 31.03.2015 | | | | |
| 9 | Yash Mahajan (upto 04.11.2014) | 15000 | 0 | 01.04.2014 | | NIL movement during the period | 15,000 | 0 |
| | | 15000 | 0 | 04.11.2014 | | | | |

| Sr. No. | Name | Shareholding | | Date | Increase/ (Decrease) in shareholding | Reason | Cumulative Shareholding during the year (01.04.2014 to 31.03.2015) | |
|---------|-----------------------------------|---|----------------------------------|------------|--------------------------------------|---------------------------------|--|----------------------------------|
| | | No. of Shares at the beginning of the year (01.04.14)/ end of the year (31.03.15) | % of total Shares of the company | | | | No. of shares | % of total Shares of the Company |
| 10 | Bharat Puri | 0 | 0 | 01.04.2014 | | NIL movement during the year | 0 | 0 |
| | | 0 | 0 | 31.03.2015 | | | | |
| 11 | D Bhattacharya (upto 20.05.2014) | 0 | 0 | 01.04.2014 | | NIL movement during the period | 0 | 0 |
| | | 0 | 0 | 20.05.2014 | | | | |
| 12 | Sanjeev Aga | 0 | 0 | 01.04.2014 | | NIL movement during the year | 0 | 0 |
| | | 0 | 0 | 31.03.2015 | | | | |
| 13 | Uday Khanna (w.e.f. 03.04.2014) | 5,000 | 0 | 03.04.2014 | | NIL movement during the year | 5,000 | 0 |
| | | 5,000 | 0 | 31.03.2015 | | | | |
| 14 | Meera Shankar (w.e.f. 30.07.2014) | 0 | 0 | 30.07.2014 | | NIL movement during the period | 0 | 0 |
| | | 0 | 0 | 31.03.2015 | | | | |
| 15 | R Sreeram (upto 07.11.2014) | 0 | 0 | 01.04.2014 | | NIL movement during the period* | 0 | 0 |
| | | 0 | 0 | 07.11.2014 | | | | |
| 16 | J L SHAH (w.e.f. 04.11.2014) | 525 | 0 | 04.11.2014 | | NIL movement during the period | 525 | 0 |
| | | 525 | 0 | 31.03.2015 | | | | |

* Increase by 1,500 shares allotted as ESOPs on 15.11.2014

| Shareholding of Key Managerial Personnel: | | | | | | | | |
|---|-----------------|-------|---|------------|-------|--|-------|---|
| 1 | Savithri Parekh | 0 | 0 | 01.04.2015 | | NIL movement during the year | 0 | 0 |
| | | 0 | 0 | 31.03.2015 | | | | |
| 2 | Sandeep Batra | 2,500 | 0 | 01.04.2015 | | | 2,500 | 0 |
| | | | | 15.11.2014 | 2,000 | Increase (on allotment of shares (ESOP)) | 2,000 | 0 |
| | | 4,500 | 0 | 31.03.2015 | | | | |

(₹ in million)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

| | | Secured Loans (Excluding deposits) | Unsecured Loans | Deposits | Total Indebtedness |
|---|------------------------------|------------------------------------|-----------------|------------|--------------------|
| Indebtedness at the beginning of the financial year (as on 01.04.2014) | | | | | |
| i. | Principal Amount | 76.84 | - | - | 76.84 |
| ii. | Interest due but not paid | - | - | - | - |
| iii. | Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 76.84 | - | - | 76.84 |
| Change in Indebtedness during the financial year | | | | | |
| | Addition | - | - | - | - |
| | Reduction (Repayment) | (19.04) | - | - | (19.04) |
| | Net Change | (19.04) | - | - | (19.04) |
| Indebtedness at the end of the financial year (as on 31.03.2015) | | | | | |
| i. | Principal Amount | 57.80 | - | - | 57.80 |
| ii. | Interest due but not paid | - | - | - | - |
| iii. | Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 57.80 | NIL | NIL | 57.80 |

(Amount in ₹)

| VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- | | | | | | | | |
|--|---|---|--|--|--|--|---------------------------------------|--------------------|
| A. Remuneration to Managing Director, Whole-Time Directors and/or Manager: | | | | | | | | |
| Sr. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | | | Total |
| | | M B Parekh (Chairman & Managing Director) | N K Parekh (Jt. Managing Director) | A B Parekh (Whole Time Director) | A N Parekh (Whole Time Director) | R Sreeram (Whole Time Director)* | J L Shah (Whole Time Director)* | |
| 1. | Gross salary | | | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 24,234,996 | 11,883,823 | 11,481,495 | 9,629,313 | 12,246,233 | 2,940,000 | 72,415,860 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 8,596,269 | 1,849,531 | 3,374,339 | 1,221,808 | - | - | 15,041,947 |
| | (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961 | - | - | - | - | - | - | - |
| 2 | Stock Option | - | - | - | - | 621,750 | - | 621,750 |
| 3 | Sweat Equity | - | - | - | - | - | - | - |
| 4 | Commission - as % of profit - others, specify | 110,206,667 | 16,206,862 | 22,689,608 | 16,206,862 | - | - | 165,309,999 |
| 5 | Others : | | | | | | | |
| | Provident Fund | 1,374,780 | 687,386 | 589,190 | 513,515 | 230,718 | 21,600 | 3,417,189 |
| | Gratuity | 466,471 | 233,235 | 199,916 | 174,239 | 78,284 | 119,707 | 1,271,852 |
| | Personal Accident premium | 12,584 | 6,292 | 6,292 | 4,719 | 1,260 | 1,927 | 33,074 |
| | Superannuation Contribution | - | - | 99,996 | 99,996 | 60,275 | - | 260,267 |
| | NPS Contribution | - | - | - | - | 202,280 | - | 202,280 |
| | Total (A) | 144,891,767 | 30,867,129 | 38,440,836 | 27,850,452 | 13,440,800 | 3,083,234 | 258,574,218 |
| | Ceiling as per the Act | Remuneration paid is within the ceiling limits calculated as per Section 198 of the Companies Act, 2013 | | | | | | |
| | * was associated with the Company for part of the year. | | | | | | | |

(Amount in ₹)

| B. Remuneration to other Directors: | | | | | |
|---|--|------------|--------|------------------|--|
| 1. Independent Directors: | | | | | |
| Name of Director | Fee for attending Board/ committee meetings | Commission | Others | Total | |
| Shri N J Jhaveri | 260,000 | 900,000 | - | 1,160,000 | |
| Shri Bansi S Mehta | 380,000 | 900,000 | - | 1,280,000 | |
| Shri Ranjan Kapur | 380,000 | 900,000 | - | 1,280,000 | |
| Shri Bharat Puri | 160,000 | 900,000 | - | 1,060,000 | |
| Shri Yash Mahajan # (upto 04.11.2014) | 20,000 | 900,000 | - | 920,000 | |
| Shri Sanjeev Aga | 226,000 | 900,000 | - | 1,126,000 | |
| Shri Uday Khanna@ (wef 03.04.2014) | 180,000 | - | - | 180,000 | |
| Smt. Meera Shankar@ (wef 30.07.2014) | 80,000 | - | - | 80,000 | |
| Shri D Bhattacharya # (upto 20.05.2014) | - | 900,000 | - | 900,000 | |
| Total (1) | | | | 7,986,000 | |
| 2. Non-Executive/ Promoter Directors: | | | | | |
| Shri S K Parekh # (upto 03.04.2014) | - | 900,000 | - | 900,000 | |
| Total (2) | | | | 900,000 | |
| Total (B)(1+2) | | | | 8,886,000 | |

Ceiling limit as per Section 198 of the Companies Act, 2013.

Resigned as Directors of the Company

@ Appointed as Directors of the Company

The remuneration shown above is for part of the financial year 2014-15 with respect to # & @.

(Amount in ₹)

| C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: | | | | |
|--|---|---|---|-------------------|
| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total |
| | | Shri Sandeep Batra Chief Financial Officer | Smt. Savithri Parekh Company Secretary | |
| 1. | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 21,636,487 | 7,687,280 | 29,323,767 |
| | (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 | 32,400 | - | 32,400 |
| | (c) Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961 | - | - | - |
| 2 | Stock Option | 826,550 | - | 826,550 |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission - as % of profit - others, specify | - | - | - |
| 5 | Others: | | | |
| | Provident Fund | 448,992 | 146,736 | 595,728 |
| | Gratuity | 152,346 | 49,788 | 202,134 |
| | Personal Accident premium | 2,452 | 801 | 3,253 |
| | Superannuation Contribution | 99,996 | 99,996 | 199,992 |
| | NPS Contribution | 370,920 | - | 370,920 |
| | Total (C) | 23,570,143 | 7,984,601 | 31,554,744 |

Annexure 6 to the Directors' Report

Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

A. Ratio of remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2014-15 is as follows:

| Name of Director | Total Remuneration (₹) | Ratio of remuneration of Director to the Median remuneration |
|---------------------------------------|------------------------|--|
| Shri M B Parekh | 144,891,767 | 380.09 |
| Shri N K Parekh | 30,867,129 | 80.97 |
| Shri A B Parekh | 38,440,836 | 100.84 |
| Shri A N Parekh | 27,850,452 | 73.06 |
| Shri S K Parekh # upto 03.04.2014 | 9,00,000 | * |
| Shri N J Jhaveri | 1,160,000 | 3.04 |
| Shri Banshi S Mehta | 1,280,000 | 3.36 |
| Shri Ranjan Kapur | 1,280,000 | 3.36 |
| Shri Yash Mahajan # upto 04.11.2014 | 920,000 | * |
| Shri Bharat Puri | 1,060,000 | 2.78 |
| Shri D Bhattacharya # upto 20.05.2014 | 900,000 | * |
| Shri Sanjeev Aga | 1,126,000 | 2.95 |
| Shri Uday Khanna @ wef 03.04.2014 | 180,000 | * |
| Smt. Meera Shankar @ wef 30.07.2014 | 80,000 | * |
| Shri R Sreeram # upto 07.11.2014 | 13,440,800 | * |
| Shri J L Shah @ wef 04.11.2014 | 3,083,234 | * |

Notes:

1. The information provided above is on standalone basis.
2. # resigned as Directors of the Company.
3. @ appointed as Directors of the Company.
4. *Percentage increase in remuneration not reported as they were holding Directorship for the part of the financial year.
5. The aforesaid details are calculated on the basis of remuneration paid during the financial year 2014-15.
6. The remuneration to Non Executive Directors includes sitting fees and commission paid to them during the financial year 2014-15.
7. Median remuneration of the Company for all employees who were there in employment throughout the year (4085 employees) is ₹ 3,81,204 for the financial year 2014-15.

B. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the financial year 2014-15 are as follows:

| Name of Director | Chairman & Managing Director | Remuneration (₹) | | % increase |
|----------------------|------------------------------|------------------|-------------|------------|
| | | 2014-15 | 2013-14 | |
| Shri M B Parekh | Chairman & Managing Director | 144,891,767 | 141,767,113 | 2.20 |
| Shri N K Parekh | Jt. Managing Director | 30,867,129 | 29,952,227 | 3.05 |
| Shri S K Parekh | Vice Chairman | 900,000 | 900,000 | - |
| Shri A B Parekh | Whole Time Director | 38,440,836 | 36,448,864 | 5.47 |
| Shri A N Parekh | Whole Time Director | 27,850,452 | 26,8,21,998 | 3.83 |
| Shri N J Jhaveri | Director | 1,160,000 | 1,060,000 | 9.43 |
| Shri Banshi S Mehta | Director | 1,280,000 | 1,140,000 | 12.28 |
| Shri Ranjan Kapur | Director | 1,280,000 | 1,120,000 | 14.28 |
| Shri Yash Mahajan | Director | 920,000 | 960,000 | * |
| Shri Bharat Puri | Director | 1,060,000 | 1,020,000 | 3.92 |
| Shri D Bhattacharya | Director | 900,000 | 9,00,000 | - |
| Shri Sanjeev Aga | Director | 1,126,000 | 1,006,000 | 11.92 |
| Shri Uday Khanna | Director | 180,000 | NA | * |
| Smt. Meera Shankar | Director | 80,000 | NA | * |
| Shri R Sreeram | Whole Time Director | 13,440,800 | 14,521,410 | * |
| Shri J L Shah | Whole Time Director | 3,083,234 | NA | * |
| Shri Sandeep Batra | Chief Financial Officer | 23,570,143 | 20,255,046 | 16.37 |
| Smt. Savithri Parekh | Company Secretary | 7,984,601 | 6,895,804 | 15.79 |

Notes:

- *Percentage increase in remuneration not reported as they were holding Directorship for the part of the financial year.
- The remuneration of Non Executive Directors includes sitting fees and commission paid to them for the financial year 2014-15.
- The remuneration to Directors is within the overall limits approved by the shareholders.

C. Percentage increase in the median remuneration of all employees in the financial year 2014-15:

| | 2014-15 (₹) | 2013-14 (₹) | % increase |
|--|-------------|-------------|------------|
| Median remuneration of all employees per annum | 381,204 | 327,572 | 16.37 |

The median remuneration for each year has been arrived at, basis the remuneration of employees in employment throughout the relevant financial year.

D. Number of permanent employees on the rolls of the Company as on 31st March, 2015 – 4904.**E. Explanation on the relationship between average increase in remuneration and Company Performance:**

The increase in average remuneration of all employees in the financial year 2014-15 as compared to the financial year 2013-14 was 12.67%.

The Key indices of the Company's performance are :

| | 2014-15 | 2013-14 | Growth (%) |
|---|-----------|-----------|------------|
| Net Revenue from Operations | 43,980.74 | 38,782.40 | 13.40 |
| Operating Profit Before Tax (i.e. PBT excluding other income & exceptional items) | 6,433.74 | 5,945.55 | 8.21 |
| Profit Before Tax (including other income & after exceptional items) | 6,685.38 | 6,310.01 | 5.95 |
| Profit After Tax | 5,018.59 | 4,686.08 | 7.10 |

(₹ in million)

Increase in remuneration is based on (a) Company's Performance (b) Individual Performance & Potential (c) External factors impacting the environment.

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

The remuneration of Key Managerial Personnel increased by 4.46% in 2014-15 compared to 2013-14 whereas the Operating Profit Before Tax (i.e. PBT excluding other income & exceptional items) increased by 8.21 % in 2014-15 compared to 2013-14.

G. Details of Share price and market capitalisation:

- The details of variation in the market capitalisation and price earnings ratio at the closing date of the current and previous financial years are as follows:

| | As on 31 st March, 2015 | As on 31 st March, 2014 | % Increase |
|--------------------------------------|------------------------------------|------------------------------------|------------|
| Price Earning Ratio | 61.38 | 33.41 | 83.72 |
| Market Capitalisation (₹ in million) | 308,059 | 156,560 | 96.77 |

- Percentage increase over/ decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with the last public offer in the year:

The Company had come out with initial public offer (IPO) in 1993. An amount of ₹ 1,000 invested in the said IPO would be worth ₹ 4.37 lakhs as on 31st March, 2015.

H. Comparison of average percentage increase in salary of all employees and the percentage increase in salary of Key Managerial Personnel:

| | |
|--|--------|
| Average increase in salary of all employees in 2014-15 compared to 2013-14 | 12.67% |
| Average increase in salary of Key Managerial personnel in 2014-15 compared to 2013-14 (Chairman & MD, CFO & CS) | 4.46% |

I. Key parameters for any variable component of remuneration availed by the Directors:

The key parameters for variable component of the remuneration to the Directors are recommended by the Nomination and Remuneration Committee in accordance with the laid down remuneration policy. The Board approves the compensation of Executive Directors. The remuneration to Directors is within the overall limits approved by the shareholders.

J. There are no employees of the Company who receive remuneration in excess of the highest paid Director of the Company.**K. Affirmation:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior Management is as per the Remuneration Policy of the Company.

Independent Auditors' Report

To the Members of Pidilite Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of PIDILITE INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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 32A to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

B. P. SHROFF
Partner
(Membership No. 034382)

Place: Mumbai
Date: 19th May, 2015

Annexure to Independent Auditors' Report

To the Members of Pidilite Industries Limited on the standalone financial statements for the year ended 31st March, 2015

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

i) In respect of its fixed assets:

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

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

ii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(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 were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.

iv) In our opinion and according to the information and explanations given to us, there is an adequate

internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.

v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Value Added Tax and Excise Duty which have not been deposited as on 31st March, 2015 on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved (₹ in million) |
|--------------------|-------------------------------|---|--|--------------------------------|
| Sales Tax Act | Sales Tax in Various States | Deputy Joint commissioner of Sales Tax | 1994-95, 1998-99 & 2001-02 & 2004-05 to 2013-14 | 574.79 |
| | Sales Tax in Various States | Sales Tax Tribunal | 1994-95, 1995-96, 1999-2000, 2000-01, 2002-03, 2005-06 & 2006-07 | 45.01 |
| | Sales Tax in Various States | High Court | 2003-04 & 2006-07 to 2009-10 | 2.92 |
| Central Excise Act | Excise Duty in Various States | Commissioner of Central Excise (Appeals) | 2007-08 to 2009-10 | 4.86 |
| | Excise Duty in Various States | The Customs, Excise & Service Tax Appellate Tribunal (CESTAT) | 1997-98, 2005-06 to 2013-14 | 18.73 |
| Income-tax Act | Income tax | Commissioner (Appeals) | AY 2007-08, 2010 -11 & 2011-12 | 92.47 |

There are no dues of Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited as on March 31, 2015 on account of disputes.

- (d) The Company has been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions and banks. The Company has not issued any debentures.
- x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.
- xi) In our opinion and according to the information and explanations given to us, no term loans have been obtained by the Company during the year.
- xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

B. P. SHROFF
Partner
(Membership No. 034382)

Place: Mumbai
Date: 19th May, 2015

Balance Sheet

As at 31st March, 2015

(₹ in million)

| Particulars | Note No. | As at 31 st March 2015 | As at 31 st March 2014 |
|---|----------|--------------------------------------|--------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 512.66 | 512.64 |
| Reserves and Surplus | 4 | 22,981.81 | 19,882.51 |
| | | 23,494.47 | 20,395.15 |
| Non-Current liabilities | | | |
| Deferred Tax Liabilities (net) | 5 | 544.89 | 508.27 |
| Long-Term Provisions | 6 | 186.78 | 196.65 |
| | | 731.67 | 704.92 |
| Current liabilities | | | |
| Short-Term Borrowings | 7 | 57.80 | 76.84 |
| Trade Payables | 8 | 2,940.39 | 3,011.38 |
| Other Current Liabilities | 9 | 3,409.80 | 2,859.59 |
| Short-Term Provisions | 10 | 2,036.45 | 1,844.23 |
| | | 8,444.44 | 7,792.04 |
| TOTAL | | 32,670.58 | 28,892.11 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 11 | 5,496.04 | 5,351.31 |
| Intangible Assets | 12 | 2,782.27 | 761.67 |
| Capital Work-In-Progress | | 4,603.05 | 4,310.89 |
| | | 12,881.36 | 10,423.87 |
| Non-Current Investments | 13 | 4,213.24 | 3,396.62 |
| Long-Term Loans and Advances | 14 | 1,015.35 | 641.05 |
| Other Non-Current Assets | 15 | 67.80 | 59.29 |
| | | 18,177.75 | 14,520.83 |
| Current Assets | | | |
| Current Investments | 16 | 2,691.65 | 2,341.34 |
| Inventories | 17 | 5,347.18 | 5,082.01 |
| Trade Receivables | 18 | 5,145.83 | 4,536.00 |
| Cash and Cash Equivalents | 19 | 580.95 | 1,451.81 |
| Short-Term Loans and Advances | 20 | 675.35 | 851.50 |
| Other Current Assets | 21 | 51.87 | 108.62 |
| | | 14,492.83 | 14,371.28 |
| TOTAL | | 32,670.58 | 28,892.11 |
| Significant Accounting Policies | 2 | | |
| See accompanying notes forming part of the financial statements | 3 to 54 | | |

In terms of our Report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

B. P. SHROFF

Partner

Place: Mumbai

Date: 19th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI

Managing Director

SANDEEP BATRA

Chief Financial Officer

M B PAREKH

Executive Chairman

SAVITHRI PAREKH

Company Secretary

Place: Mumbai

Date: 19th May, 2015

Statement of Profit and Loss

For The Year Ended 31st March, 2015

(₹ in million)

| Particulars | Note No. | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
|---|----------|---|---|
| INCOME | | | |
| Revenue from Operations (gross) | 22 | 46,814.47 | 41,258.68 |
| Less: Excise Duty | | 2,833.73 | 2,476.28 |
| Revenue from Operations (net) | | 43,980.74 | 38,782.40 |
| Other Income | 23 | 427.69 | 429.42 |
| Total Income | | 44,408.43 | 39,211.82 |
| EXPENSES | | | |
| Cost of Materials Consumed | 24 | 22,688.13 | 20,022.84 |
| Purchases of Stock-in-Trade (Traded goods) | 25 | 1,661.09 | 1,800.49 |
| Change in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 26 | (67.80) | (422.63) |
| Employee Benefits Expense | 27 | 4,093.86 | 3,582.58 |
| Finance Costs | 28 | 95.05 | 96.90 |
| Depreciation and Amortisation Expense | 29 | 1,077.20 | 686.25 |
| Other Expenses | 30 | 7,999.47 | 7,070.42 |
| Total Expenses | | 37,547.00 | 32,836.85 |
| Profit before Exceptional Items and Tax | | 6,861.43 | 6,374.97 |
| (Add)/Less: Exceptional Items (net) | 31 | 176.05 | 64.96 |
| Profit before Tax | | 6,685.38 | 6,310.01 |
| Tax Expense | | | |
| Current Tax | | 1,561.00 | 1,599.29 |
| Deferred Tax | | 105.79 | 24.64 |
| Net Tax expense | | 1,666.79 | 1,623.93 |
| Profit for the year | | 5,018.59 | 4,686.08 |
| Earnings Per Share: | | | |
| | 40 | | |
| Basic (₹) | | 9.79 | 9.14 |
| Diluted (₹) | | 9.78 | 9.14 |
| Face Value of Share (₹) | | 1.00 | 1.00 |
| Significant Accounting Policies | 2 | | |
| See accompanying notes forming part of the financial statements | 3 to 54 | | |

In terms of our Report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 19th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

SANDEEP BATRA
Chief Financial Officer

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 19th May, 2015

Notes

1 Corporate information

Since its inception in 1959, Pidilite Industries Limited has been a pioneer in consumer and industrial specialty chemicals in India. The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention on a going concern basis. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 49.

2.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialised.

2.3 Fixed Assets (Tangible/ Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46A of AS 11 “The Effects of Changes in Foreign Exchange Rates”, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.4 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortised over their estimated useful life on the straight-line method as follows:

- a) Goodwill (acquired) - 10 years
- b) Other intangibles (Copyrights, Trademarks, Technical Knowhow etc. acquired by the Company) - 10 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.5 Research and development expenses

Revenue expenditure pertaining to research is charged to respective heads in the Statement of Profit and Loss in the year it is incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

2.6 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.7 Inventories

Raw Materials and Packing Materials are valued at the lower of weighted average cost and net realisable value.

Finished Goods, Stock-in-Trade and Work-in-Progress are valued at lower of weighted average cost and net realisable value. Cost for this purpose includes direct materials, direct labour, excise duty and appropriate overheads.

Consumable stores and spares are valued at the lower of weighted average cost and net realisable value, as estimated by the management. Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for.

2.8 Revenue recognition

Income from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales are net of - Sales Tax/ VAT, returns, rebates and discounts. Interest income is recognised on accrual basis.

Claims / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt. Dividend is accounted for when right to receive dividend is established.

2.9 Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items (other than forward contracts) of the Company, outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

In respect of the foreign offices / branches, which are integral foreign operations, all revenues and expenses during the month are reported at monthly average rates. Outstanding balances in respect of monetary assets and liabilities are restated at the year end exchange rates. Outstanding balances in respect of non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction. Net gain / loss on foreign currency translation is recognised in the Statement of Profit and Loss.

2.10 Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.11 Employee benefits

Employee benefits include Provident Fund, Superannuation Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Anniversary Awards, Premature Death Pension Scheme and Total Disability Pension Scheme.

Defined contribution plans

The Company's contribution to Provident Fund, Superannuation Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. Anniversary Awards, Premature Death Pension Scheme and Total Disability Pension Scheme are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.12 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and Deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

2.13 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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 disclosed in the Notes. Contingent assets are not recognised nor disclosed in the financial statements.

2.14 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

2.16 Impairment of assets

The carrying value of assets/ cash generating units at each Balance Sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is an indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.17 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of cost plus margins. 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”.

2.18 Employee share based payments

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e., the difference between the closing market price on the day prior to the grant of the options under ESOS over the exercise price to be paid by the option holder. In accordance with the SEBI Guidelines; the excess, if any, is amortised on a straight-line basis over the vesting period of the options.

2.19 Operating cycle

Based on the varied nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has considered its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(₹ in million)

| | | As at 31 st March 2015 | As at 31 st March 2014 |
|--|--|---|---|
| 3 | Share Capital | | |
| Authorised Capital: | | | |
| 700,000,000 | (700,000,000) Equity Shares of ₹ 1 each | 700.00 | 700.00 |
| TOTAL | | 700.00 | 700.00 |
| Issued, Subscribed and Paid up Capital: | | | |
| 512,662,830 | (512,642,330) Equity Shares of ₹ 1 each, fully paid-up | 512.66 | 512.64 |
| TOTAL | | 512.66 | 512.64 |

| a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period | | | | |
|---|--------------------------------------|---------------|--------------------------------------|--------------|
| | As at 31 st March 2015 | | As at 31 st March 2014 | |
| | Number of Shares | ₹ in million | Number of Shares | ₹ in million |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 512,642,330 | 512.64 | 512,642,330 | 512.64 |
| Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012 | 20,500 | 0.02 | - | - |
| Shares outstanding at the end of the year | 512,662,830 | 512.66 | 512,642,330 | 512.64 |
| b. Terms/ Rights attached to equity shares | | | | |

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

During the year ended 31st March, 2015, the amount of per share dividend recognised as distributions to equity shareholders is ₹ **2.90** (₹ 2.70).

| c. Details of shareholders holding more than 5% shares in the Company: | | | | |
|---|--------------------------------------|-----------------|--------------------------------------|-----------------|
| | As at 31 st March 2015 | | As at 31 st March 2014 | |
| | Number of Shares held | % of Holding | Number of Shares held | % of Holding |
| Shri Madhukar Balvantray Parekh | 56,777,568 | 11.08 | 56,977,568 | 11.11 |
| Shri Narendrakumar Kalyanji Parekh | 53,832,178 | 10.50 | 54,332,178 | 10.59 |
| Shri Ajay Balvantray Parekh | 48,998,844 | 9.56 | 49,148,590 | 9.58 |
| Shri Sushilkumar Kalyanji Parekh | 42,358,636 | 8.26 | 45,969,560 | 8.97 |
| Genesis Indian Investment Co. Ltd. - General Sub fund | 39,453,809 | 7.70 | 39,863,145 | 7.78 |
| Devkalyan Sales Pvt. Ltd. | 26,224,280 | 5.12 | 26,074,280 | 5.09 |

| d. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years, immediately preceding the reporting date: | | |
|---|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| | Number of Shares | Number of Shares |
| Equity Shares | | |
| Allotted as fully paid bonus shares (in 2009-10) | 253,067,306 | 253,067,306 |
| Allotted on Conversion of FCCB (in 2011-12 and 2012-13) | 6,507,718 | 6,507,718 |
| e. The Company had issued on 6 th December, 2007, 400 Foreign Currency Convertible Bonds (FCCB) of US\$100,000 each, which were convertible into Equity shares at any time upto 1 st December, 2012. The due date for redemption of FCCBs was 7 th December, 2012. As on 7 th December, 2012, the balance outstanding FCCBs aggregating 205 Bonds were redeemed by the Company. | | |
| f. Equity Shares reserved for issuance under Employee Stock Option Scheme, 2012 towards Stock Options granted/ available for grant (Refer Note 47): | | |
| | As at 31 st March 2015 | As at 31 st March 2014 |
| | Number of Shares | Number of Shares |
| Equity Shares of ₹ 1 each | 279,500 | 300,000 |

(₹ in million)

| 4 Reserves and Surplus | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| Capital Reserve | 3.37 | 3.37 |
| Securities Premium Account | | |
| Balance as per last financial statements | 650.97 | 650.97 |
| Add: Premium on Shares issued against ESOP | 5.38 | - |
| Closing Balance | 656.35 | 650.97 |
| Debenture Redemption Reserve | | |
| Balance as per last financial statements | - | 259.11 |
| Add: Transferred from Statement of Profit and Loss | - | 40.89 |
| Less: Transferred to General Reserve* | - | 300.00 |
| Closing Balance | - | - |
| Cash Subsidy Reserve | 9.47 | 9.47 |
| Employee Stock Options Outstanding | | |
| Employee Stock Options Outstanding | | |
| Balance as per last financial statements | 12.85 | - |
| Add: Options granted during the year | - | 12.85 |
| Less: Transferred to Securities Premium on Options exercised during the year | 5.38 | - |
| Less: Lapsed during the year | 3.67 | - |
| Closing Balance (A) | 3.80 | 12.85 |
| Deferred Employees Stock Options Cost | | |
| Balance as per last financial statements | (8.79) | - |
| Add: Options granted during the year | - | (12.85) |
| Less: Exercised during the year | 3.11 | - |
| Less: Amortisation during the year | 1.90 | 4.06 |
| Less: Lapsed during the year | 2.68 | - |
| Closing Balance (B) | (1.10) | (8.79) |
| Closing Balance (A-B) | 2.70 | 4.06 |
| General Reserve | | |
| Balance as per last financial statements | 16,897.02 | 14,097.02 |
| Add: Transferred from Statement of Profit and Loss | 750.00 | 2,500.00 |
| Add: Transferred from Debenture Redemption Reserve* | - | 300.00 |
| Closing Balance | 17,647.02 | 16,897.02 |
| Surplus in Statement of Profit and Loss | | |
| Balance as per last financial statements | 2,317.62 | 1,791.79 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (Net of deferred tax) (Refer Note 49) | 133.93 | - |
| Add: Profit for the year | 5,018.59 | 4,686.08 |
| Less: Proposed final equity dividend [Amount per share ₹ 2.90 (₹ 2.70)] | 1,486.72 | 1,384.13 |
| Tax on proposed equity dividend | 302.66 | 235.23 |
| Transferred to: | | |
| • Debenture Redemption Reserve | - | 40.89 |
| • General Reserve | 750.00 | 2,500.00 |
| Total | 2,539.38 | 4,160.25 |
| Closing Balance | 4,662.90 | 2,317.62 |
| TOTAL | 22,981.81 | 19,882.51 |

* The transfer of Debenture Redemption Reserve to General Reserve is on account of redemption/ conversion of Foreign Currency Convertible Bonds and 11.9% Redeemable Non Convertible Debentures.

(₹ in million)

| 5 Deferred Tax Liabilities (net) | | |
|--|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Tax effect of items constituting Deferred Tax Liabilities | | |
| On difference between book and tax depreciation | 715.97 | 654.47 |
| Tax effect of items constituting Deferred Tax Liabilities | 715.97 | 654.47 |
| Tax effect of items constituting Deferred Tax Assets | | |
| Provision for Employee Benefits | 86.96 | 80.12 |
| Provision for doubtful debts | 50.16 | 44.72 |
| Disallowance under Section 35DDA and 43B of Income Tax Act, 1961 | 32.56 | 19.97 |
| Others | 1.40 | 1.39 |
| Tax effect of items constituting Deferred Tax Assets | 171.08 | 146.20 |
| TOTAL | 544.89 | 508.27 |

| 6 Long-Term Provisions | | |
|---|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Provision for Employee Benefits: | | |
| Compensated Absences | 173.02 | 185.48 |
| Anniversary Awards | 7.58 | 6.58 |
| Premature Death Pension Scheme | 5.10 | 3.57 |
| Total Disability Pension Scheme | 1.08 | 1.02 |
| TOTAL | 186.78 | 196.65 |

| 7 Short-Term Borrowings | | |
|---|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Loans repayable on demand from banks: | | |
| Secured Working Capital Loan (Cash Credit accounts) | 57.80 | 76.84 |
| TOTAL | 57.80 | 76.84 |

Working Capital Loan from Banks (Cash Credit accounts) are secured by way of first charge on the stock of Raw Material, Finished Goods, Packing Material, Stock in Process, Bills Receivable and Book Debts and by way of second charge on the entire Plant and Machinery of the Company including Stores and Spares. Further, these loans are secured by way of an Equitable Mortgage on the Land and Building of the Company's unit at Kondivita, Mumbai.

| 8 Trade Payables | | |
|-------------------------|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Trade Payables | | |
| Other than acceptances | 2,940.39 | 3,011.38 |
| TOTAL | 2,940.39 | 3,011.38 |

(₹ in million)

| 9 Other Current Liabilities | As at 31 st March 2015 | As at 31 st March 2014 |
|--------------------------------------|---|---|
| Other Liabilities | | |
| Unclaimed Dividend | 7.49 | 7.27 |
| Other Payables | | |
| Statutory remittances | 320.78 | 365.07 |
| Payables on purchase of fixed assets | 72.51 | 20.10 |
| Employee related liabilities | 269.47 | 231.53 |
| Contractually reimbursible expenses | 2.69 | 12.64 |
| Trade/ Security Deposit received | 709.97 | 635.28 |
| Advance from customers | 101.45 | 70.71 |
| Accrued liabilities for expenses | 1,925.44 | 1,516.99 |
| TOTAL | 3,409.80 | 2,859.59 |

| 10 Short-Term Provisions | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| Provision for Employee Benefits | | |
| Gratuity (net) (Refer Note 43) | 33.18 | 36.43 |
| Compensated Absences | 80.92 | 55.93 |
| Anniversary Awards | 0.98 | 0.85 |
| Premature Death Pension Scheme | 1.04 | 0.72 |
| Total Disability Pension Scheme | 0.16 | 0.15 |
| Provision for Tax [Net of Advance Tax ₹ 863.29 million (₹ 863.29 million)] | 130.79 | 130.79 |
| Provision for proposed equity dividend | 1,486.72 | 1,384.13 |
| Provision for tax on proposed equity dividend | 302.66 | 235.23 |
| TOTAL | 2,036.45 | 1,844.23 |

PIDILITE INDUSTRIES LIMITED FIXED ASSET SCHEDULE AS AT 31-03-2015

(₹ in million)

| Particulars | GROSS BLOCK | | | ACCUMULATED DEPRECIATION | | | | | NET BLOCK |
|-----------------------------|---------------------------------|-------------------------------|-------------------------|---------------------------------|-------------------------------|-----------------------------|-------------------------|--|-------------------------------|
| | As at 1.4.2014 | Additions | Deductions/ Adjustments | As at 31.03.2015 | As at 1.4.2014 | Provided during the year | Deductions | Transition adjustment recorded against Surplus balance in Statement of Profit & Loss | As at 31.3.2015 |
| 11 Tangible Assets | | | | | | | | | |
| Freehold Land | 418.41 (361.96) | 56.37 (56.45) | - | 474.78 (418.41) | - | - | - | - | 474.78 (418.41) |
| Leasehold Land | 214.43 (196.15) | 13.33 (18.28) | - | 227.76 (214.43) | 13.12 (11.04) | 2.11 (2.08) | - | - | 15.23 (13.12) |
| Buildings | 1,654.13 (1,570.41) | 149.73 (83.72) | - | 1,803.86 (1,654.13) | 467.64 (422.25) | 51.11 (45.39) | - | 5.89 | 524.64 (467.64) |
| Plant & Machinery | 6,514.30 (6,048.51) | 838.41 (480.15) | 51.02 (14.36) | 7,301.69 (6,514.30) | 3695.85 (3,234.93) | 617.87 (470.56) | 46.48 (9.64) | 161.66 | 4,428.90 (3,695.85) |
| Vehicles | 185.66 (173.15) | 15.69 (17.56) | 17.02 (5.05) | 184.33 (185.66) | 103.46 (93.56) | 18.73 (13.54) | 12.82 (3.64) | 0.31 | 109.68 (103.46) |
| Furniture | 510.56 (480.18) | 47.92 (32.17) | 0.92 (1.79) | 557.56 (510.56) | 242.43 (217.06) | 57.37 (26.27) | 0.72 (0.90) | 12.65 | 311.73 (242.43) |
| Office Equipments | 764.07 (634.37) | 74.33 (127.47) | 0.90 (2.23) | 837.50 (764.07) | 387.75 (365.88) | 91.78 (21.66) | 0.86 (0.21) | 22.59 | 501.26 (387.75) |
| TOTAL | 10,261.56 (9,464.73) | 1,195.78 (815.80) | 69.86 (18.97) | 11,387.48 (10,261.56) | 4,910.25 (4,344.72) | 838.98 (579.50) | 60.88 (13.97) | 203.10 | 5,891.44 (4,910.25) |
| 12 Intangible Assets | | | | | | | | | |
| Goodwill | 95.29 (73.61) | 888.57 (21.68) | - | 983.86 (95.29) | 74.18 (72.09) | 48.59 (2.09) | - | - | 122.77 (74.18) |
| Trademarks | 979.25 (665.00) | 1,342.51 (314.25) | - | 2,321.76 (979.25) | 631.92 (594.65) | 110.78 (37.27) | - | - | 742.70 (631.92) |
| Computer Software | 361.08 (194.01) | 17.64 (167.07) | - | 378.72 (361.08) | 170.94 (128.57) | 47.47 (42.37) | - | - | 218.41 (170.94) |
| Copyrights | 81.85 (59.80) | 10.10 (22.05) | - | 91.95 (81.85) | 37.32 (31.05) | 7.42 (6.27) | - | - | 44.74 (37.32) |
| Technical Knowhow Fees | 230.51 (138.67) | (91.84) | - | 230.51 (230.51) | 105.00 (89.38) | 18.73 (15.62) | - | - | 123.73 (105.00) |
| Non Compete Fees | 45.62 (11.22) | (34.40) | - | 45.62 (45.62) | 12.57 (9.44) | 5.23 (3.13) | - | - | 17.80 (12.57) |
| TOTAL | 1,793.60 (1,142.31) | 2,258.82 (651.29) | - | 4,052.42 (1,793.60) | 1,031.93 (925.18) | 238.22 (106.75) | - | - | 1,270.15 (1,031.93) |
| GRAND TOTAL | 12,055.16 (10,607.04) | 3,454.60 (1,467.09) | 69.86 (18.97) | 15,439.90 (12,055.16) | 5,942.18 (5,269.90) | 1,077.20 (686.25) | 60.88 (13.97) | 203.10 | 7,161.59 (5,942.18) |
| | | | | | | | | | 8,278.31 (6,112.98) |

Note:

a Assets given under Operating Lease included in Note 11 above are as under:

(₹ in million)

| Particulars | GROSS BLOCK | | | ACCUMULATED DEPRECIATION | | | | | NET BLOCK | |
|----------------------------------|--------------------|-----------------|----------------------------|---------------------------|-------------------|--------------------------------|------------|---|-------------------------|--------------------------|
| | As at 1.4.2014 | Additions | Deductions/ Adjustments | As at 31.03.2015 | As at 1.4.2014 | Provided during the year | Deductions | Transition adjustment recorded against Surplus balance in Statement of Profit & Loss | As at 31.3.2015 | As at 31.3.2015 |
| Freehold Land | | | | | | | | | | |
| - Given under Operating lease | 16.33 (16.33) | 121.56 | - | 137.89 (16.33) | - | - | - | - | - | 137.89 (16.33) |
| Leasehold Land | | | | | | | | | | |
| - Given under Operating lease | 21.17 (21.17) | 19.31 | - | 40.48 (21.17) | 1.34 (1.14) | 0.49 (0.20) | - | - | 1.83 (1.34) | 38.65 (19.83) |
| Buildings | | | | | | | | | | |
| - Given under Operating lease | 112.08 (108.83) | 30.87 (3.25) | - | 142.95 (112.08) | 33.72 (30.36) | 6.84 (3.36) | - | - | 40.56 (33.72) | 102.39 (78.36) |

b Figures in bracket indicate previous year's figures.

c Buildings includes shares of cooperative societies of ₹ 0.07 million (₹ 0.07 million).

d During the year, management reassessed that the economic benefits derived from goodwill will be for atleast 10 years and accordingly has revised the amortisation of goodwill from 5 years to 10 years. Due to the revision, depreciation for the year ended 31st March 2015 is lower by ₹ 49.3 million and profit before tax is higher by ₹ 49.3 million.

(₹ in million)

| 13 Non-Current Investments | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| Long Term Investments (at cost less provision for other than temporary diminution) | | |
| A] Trade: | | |
| (a) Investment in Subsidiaries | | |
| In Equity Instruments (unquoted) (fully paid up) | | |
| • 19,229,316 (19,229,316) Equity Shares of USD 1 each of Pidilite International Pte Ltd | 871.24 | 871.24 |
| • 63,329,163 (51,992,654) Equity Shares of AED 1 each of Pidilite Middle East Ltd | 899.23 | 709.33 |
| • 62,436,448 (55,389,073) Equity Shares of BRL 1 each of Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda | 1,529.62 | 1,350.63 |
| • 14,780,000 (14,780,000) Equity Shares of USD 1 each of Pidilite USA Inc | 647.75 | 647.75 |
| • 6,428 (4,600) Equity shares of EGP 100 each of Pidilite Industries Egypt SAE | 4.54 | 3.00 |
| • Nil (24,000) Equity Shares of THB 5 each of Pidilite Southeast Asia Ltd | - | 0.15 |
| • 39,497 (Nil) Equity Shares of BIRR 100 each of Pidilite Chemical PLC | 12.09 | - |
| • 50,000 (50,000) Equity Shares of ₹ 10 each of Fevicol Company Ltd | 0.50 | 0.50 |
| • 80,000 (80,000) Equity Shares of ₹ 10 each of Pagel Concrete Technologies Pvt Ltd | 8.41 | 8.41 |
| • 10,000 (10,000) Equity Shares of ₹ 10 each of Bhimad Commercial Company Pvt Ltd | 0.17 | 0.17 |
| • 10,000 (10,000) Equity Shares of ₹ 10 each of Madhumala Traders Pvt Ltd | 0.17 | 0.17 |
| • 2,430,000 (2,430,000) Equity Shares of ₹ 10 each of Building Envelope Systems India Ltd | 24.30 | 24.30 |
| • 4,800,000 (4,800,000) Equity Shares of ₹ 10 each of Percept Waterproofing Services Ltd | 48.00 | 48.00 |
| • 233,333 (Nil) Equity Shares of ₹ 10 each of Nina Waterproofing Systems Private Limited | 2.33 | - |
| TOTAL (a) | 4,048.35 | 3,663.65 |
| (b) Investment in Associates | | |
| In Equity Instruments (quoted) (fully paid up) | | |
| • 7,451,540 (7,451,540) Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd [Market Value ₹ 487.70 million (₹ 124.44 million)] | 11.79 | 11.79 |
| TOTAL (b) | 11.79 | 11.79 |
| Total of trade investments (A) (a+b) | 4,060.14 | 3,675.44 |
| B] Other Investments: | | |
| (a)(i) In Equity Instruments (quoted) (fully paid up) | | |
| • Nil (6,848) Equity Shares of ₹ 10 each of Menon Pistons Ltd [Market Value ₹ Nil (₹ 0.46 million)] | - | 0.48 |
| TOTAL (a)(i) | - | 0.48 |
| (a)(ii) In Equity Instruments (unquoted) (fully paid up) | | |
| • 121,300 (121,300) Equity Shares of ₹ 10 each of Pal Peugeot Ltd | 1.21 | 1.21 |
| TOTAL (a)(ii) | 1.21 | 1.21 |
| Total (a)[(i)+(ii)] | 1.21 | 1.69 |

(₹ in million)

| | As at 31 st March 2015 | As at 31 st March 2014 |
|---|---|---|
| (b) Investments in Mutual Funds | | |
| • Nil (5,000,000) Units of DSP-Black Rock FMP-Series 37-14M-Reg-Growth | - | 50.00 |
| • Nil (10,000,000) Units of HDFC-FMP 441D Feb 2014 (1)Series 29- Growth | - | 100.00 |
| • 10,922,740 (Nil) Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Growth Option | 109.23 | - |
| • 10,000,000 (Nil) Units of HDFC-FMP 370D Feb 2014 (1)Series 29-Growth | 100.00 | - |
| • 10,000,000 (Nil) Units of DSP-Black Rock FMP- S146-12M-reg | 100.00 | - |
| • 10,000,000 (Nil) Units of HDFC-FMP 369D Feb 2014 (2)Series 29-Growth | 100.00 | - |
| • 10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 366 days Plan A-Regular-Growth | 100.00 | - |
| • 10,000,000 (Nil) Units of Birla Sun life Fixed Term Plan series KN (1099 days) GR Regular | 100.00 | - |
| • 10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 368 days Plan D-Regular-Growth | 100.00 | - |
| Total (b) | 709.23 | 150.00 |
| Total (B) (a+b) | 710.44 | 151.69 |
| Total [A+B] | 4,770.58 | 3,827.13 |
| Less: Provision for Diminution in value of Investments | 557.34 | 430.51 |
| TOTAL | 4,213.24 | 3,396.62 |
| Aggregate amount of quoted investments | 11.79 | 12.27 |
| Aggregate amount of unquoted investments | 4,758.79 | 3,814.86 |
| Aggregate market value of quoted investments | 487.70 | 124.90 |

| 14 Long -Term Loans and Advances | | |
|--|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Unsecured, considered good | | |
| Capital Advances | 257.25 | 93.35 |
| Security Deposit | 118.55 | 108.04 |
| Prepaid Expenses | 2.93 | 2.47 |
| Loans and Advances to Employees & Others* | 75.90 | 93.36 |
| Advance Payment of Taxes [Net of Provisions ₹ 6,768.19 million (₹ 5,207.19 million)] | 336.19 | 196.15 |
| Balance with Government Authorities | 224.53 | 147.68 |
| TOTAL | 1,015.35 | 641.05 |

* Loans given for business purpose

| 15 Other Non-Current Assets | | |
|------------------------------------|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Fixed Deposits* | 0.89 | 2.63 |
| Export Benefits receivable | 49.47 | 39.22 |
| Other Receivables | 17.44 | 17.44 |
| TOTAL | 67.80 | 59.29 |

* Of the above, Fixed Deposit amounting to ₹ 0.79 million (₹ 2.63 million) is under lien.

(₹ in million)

| 16 Current Investments | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| A] Current Portion of Long Term Investments (at cost) | | |
| a) Investments in Mutual Funds | | |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 66 420 days Plan A-Regular -Growth | - | 100.00 |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 66 407 days Plan C-Regular -Growth | - | 100.00 |
| • Nil (10,000,000) Units of DSP-Black Rock FMP- Series 91-12M -Reg-Growth | - | 100.00 |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 67 371 days Plan E-Regular-Growth | - | 100.00 |
| • Nil (10,922,740) Units of ICICI Prudential FMP Series 68-368 Days -Plan-G-Growth Option | - | 109.23 |
| • Nil (10,000,000) Units of Birla Sun life Fixed Term Plan series KN (366 days) GR Regular | - | 100.00 |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 73 366 days Plan A-Regular-Growth | - | 100.00 |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 73 368 days Plan D-Regular-Growth | - | 100.00 |
| • Nil (10,000,000) Units of HDFC-FMP 370D Feb 2014(1)Series 29-Growth | - | 100.00 |
| • Nil (10,000,000) Units of HDFC-FMP 369D Feb 2014(2)Series 29-Growth | - | 100.00 |
| • Nil (5,000,000) Units of Reliance Fixed Horizon Fund XXIII series I-Growth | - | 50.00 |
| • Nil (10,011,163) Units of IDFC-Fixed Term Plan Series 9-Regular Plan-Growth | - | 100.11 |
| • 10,000,000 (Nil) Units of HDFC FMP 370D April 2014 (2) Series 31-Regular-Growth | 100.00 | - |
| • Nil (10,000,000) Units of DSP-Black Rock FMP-S146-12M-reg | - | 100.00 |
| • 5,000,000 (Nil) Units of DSP-Black Rock FMP-Series 37-14M-Reg-Growth | 50.00 | - |
| • 10,000,000 (Nil) Units of HDFC-FMP 441D Feb 2014(1) Series 29-Growth | 100.00 | - |
| • 10,000,000 (Nil) Units of Reliance Fixed Horizon Fund XXV-Series 28-Growth Plan | 100.00 | - |
| • 10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 369 days Plan A-Regular-Growth | 100.00 | - |
| Total (a) | 450.00 | 1,259.34 |
| Total A | 450.00 | 1,259.34 |
| B] Other Current Investments (at lower of cost or fair value) | | |
| a) Investments in Mutual Funds | | |
| • 7,885,875 (7,885,875) Units of DWS-Guilt Fund-Regular-Growth | 100.00 | 100.00 |
| • 6,497,383 (6,497,383) Units of ICICI Prudential Blended Plan B-Regular-Growth | 115.10 | 115.10 |
| • 7,067,750 (7,067,750) Units of IDFC-Dynamic Bond Fund-Regular Plan-Growth | 100.21 | 100.21 |
| • 7,687,522 (7,687,522) Units of ICICI Prudential Dynamic Bond Fund-Regular-Growth | 101.14 | 101.14 |
| • 4,422,923 (473,144) Units of Birla Sunlife Saving Fund Inst. Growth | 1,169.91 | 115.28 |
| • 6,096,371(6,096,371) Units of ICICI Prudential Short Term Fund-Growth Option | 150.00 | 150.00 |
| • Nil (19,240) Units of Reliance Liquid Fund-Treasury Plan-Growth | - | 60.00 |
| • Nil (10,000,000) Units of Reliance Fixed Horizon Fund XXV-Series 28-Growth Plan | - | 100.00 |
| • Nil (8,037,378) Units of HDFC-Liquid Fund-Growth Option | - | 201.41 |
| • 9,103,616 (Nil) Units of IDFC Banking Debt Fund-Regular Growth Fund | 100.00 | - |
| • 28,902,735 (Nil) Units of ICICI Prudential Ultra Short Term-Regular-Growth (LP) | 405.29 | - |
| Total (a) | 2,241.65 | 1,043.14 |
| b) Investments in Insurance Fund | | |
| • Nil (3,012,341) Units of Aviva Life Insurance | - | 38.86 |
| Total (b) | - | 38.86 |
| Total B (a+b) | 2,241.65 | 1,082.00 |
| TOTAL [A+B] | 2,691.65 | 2,341.34 |
| Aggregate amount of unquoted investments | 2,691.65 | 2,341.34 |

(₹ in million)

| 17 Inventories (At lower of cost and net realisable value) | | |
|--|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Raw Material and Packing Material [Including Goods in Transit: ₹ 69.94 million (₹ 146.44 million)] | 1,762.16 | 1,578.92 |
| Work-in-Progress [Including Goods in Transit: ₹ 17.88 million (₹ 23.30 million)] | 518.59 | 561.02 |
| Finished Goods [Including Goods in Transit: ₹ 359.92 million (₹ 296.44 million)] | 2,710.66 | 2,591.30 |
| Stock-in-Trade (acquired for trading) [Including Goods in Transit: ₹ 17.5 million (₹ 54.03 million)] | 316.72 | 321.26 |
| Stores and Spares | 39.05 | 29.51 |
| TOTAL | 5,347.18 | 5,082.01 |
| 18 Trade Receivables | | |
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Outstanding for period exceeding six months from the date they were due for payment | | |
| • Secured, considered good | 8.97 | 15.22 |
| • Unsecured, considered good | 118.98 | 87.77 |
| • Considered doubtful | 144.95 | 131.58 |
| | 272.90 | 234.57 |
| Less: Provision for doubtful receivables | 144.95 | 131.58 |
| Total (A) | 127.95 | 102.99 |
| Other Trade Receivables - considered good | | |
| • Secured, considered good | 480.66 | 402.46 |
| • Unsecured, considered good | 4,537.22 | 4,030.55 |
| Total (B) | 5,017.88 | 4,433.01 |
| TOTAL (A+B) | 5,145.83 | 4,536.00 |
| 19 Cash and Cash Equivalents | | |
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Cash and Cash Equivalents (As per AS 3 Cash Flow Statements) | | |
| Cash on Hand | 2.13 | 2.15 |
| Cheques on Hand | 197.89 | 396.99 |
| Balance with Banks | | |
| In Current Account (Refer Note a & b) | 154.01 | 76.10 |
| In EEFC Account | 91.67 | 408.11 |
| Total Cash and Cash Equivalents (As per AS 3 Cash Flow Statements) | 445.70 | 883.35 |
| Other Bank Balances | | |
| • In Fixed Deposit Accounts with original maturity of more than 12 months | 4.15 | 1.70 |
| • In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months (Refer Note c) | 119.08 | 554.80 |
| Earmarked Account | | |
| Dividend Payment Bank Account | 12.02 | 11.96 |
| Total Other Bank Balances | 135.25 | 568.46 |
| TOTAL | 580.95 | 1,451.81 |

Note:

- Balance with banks in Current Account includes debit balance of Cash Credit Accounts amounting to ₹ 32.28 million (₹ 28.68 million).
- Balance with banks in Current Account includes the balances having restriction on repatriation amounting to ₹ 6.06 million (₹ 6.86 million).
- Of the above, Fixed Deposit amounting to ₹ 22.28 million (₹ 26.5 million) is under lien.

(₹ in million)

| 20 Short-Term Loans and Advances | | |
|---|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Unsecured, considered good | | |
| Security Deposit | 22.88 | 11.15 |
| Loans and advances to related parties* (Refer Note a) | 44.22 | 32.25 |
| Advances to vendors | 163.61 | 302.90 |
| Other loans and advances | | |
| • Prepaid Expenses | 47.69 | 27.28 |
| • Balances with Government Authorities | 285.05 | 375.34 |
| • Loans and Advances to Employees & Others* | 111.06 | 100.20 |
| • Share Application Money | 0.84 | 2.38 |
| TOTAL | 675.35 | 851.50 |

*Loans given for business purpose.

a. Details of Loans and advances to related parties are as follows:

| | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| Name of Party | | |
| • Parekh Marketing Ltd | 0.02 | 0.11 |
| • Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda | 14.62 | 10.43 |
| • Jupiter Chemicals (LLC) | 2.89 | 0.41 |
| • Pidilite USA Inc | 8.97 | 4.49 |
| • Pidilite Speciality Chemicals Bangladesh Pvt Ltd | 7.55 | 5.51 |
| • Pidilite Bamco Ltd | 0.16 | 1.37 |
| • Bamco Supply and Services Ltd | 0.16 | 0.53 |
| • Pidilite Innovation Centre Pte Ltd | 0.02 | 0.02 |
| • Pidilite Industries Egypt SAE | 6.53 | 1.03 |
| • Pagel Concrete Technologies Pvt Ltd | 3.25 | 3.25 |
| • PIL Trading (Egypt) Company | 0.05 | - |
| • Nitin Enterprises | - | 5.10 |
| TOTAL | 44.22 | 32.25 |

| 21 Other Current Assets | | |
|--|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Unsecured, considered good | | |
| • Interest Receivable on Bank Deposits | 8.67 | 7.21 |
| • Deferred Premium on Forward Contract | 2.86 | 2.61 |
| • Export Benefits receivable | 34.25 | 91.56 |
| • Other Receivables | 6.09 | 7.24 |
| TOTAL | 51.87 | 108.62 |

(₹ in million)

| 22 Revenue from Operations | | |
|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Revenue from Operations (gross) | | |
| Sale of Products | | |
| Finished Goods | 43,747.42 | 38,447.48 |
| Traded Goods | 2,834.33 | 2,589.48 |
| TOTAL (A) | 46,581.75 | 41,036.96 |
| Other Operating Revenue | | |
| Scrap Sales | 128.61 | 113.03 |
| Cash Discount Received | 31.02 | 24.29 |
| Export Incentives | 73.09 | 84.40 |
| TOTAL (B) | 232.72 | 221.72 |
| Revenue from Operations (gross) (A+B) | 46,814.47 | 41,258.68 |
| Less: Excise Duty | 2,833.73 | 2,476.28 |
| TOTAL | 43,980.74 | 38,782.40 |

| Details of Products sold | | |
|--------------------------|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Finished Goods | | |
| Chemicals | 35,246.09 | 30,590.95 |
| Dyes | 6,531.19 | 6,073.61 |
| Others | 1,970.14 | 1,782.92 |
| TOTAL | 43,747.42 | 38,447.48 |
| Traded Goods | | |
| Chemicals | 2,414.38 | 2280.66 |
| Dyes | 27.98 | 23.85 |
| Others | 391.97 | 284.97 |
| TOTAL | 2,834.33 | 2,589.48 |

(₹ in million)

| 23 Other Income | | |
|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Interest on: | | |
| Bank Deposit | 90.59 | 98.37 |
| Overdue Trade Receivables | 15.52 | 12.31 |
| Others | 4.70 | 0.51 |
| Dividend on: | | |
| Current Investments - Others | 0.03 | 0.79 |
| Long-term Investments - Associates | 7.45 | 5.96 |
| Net Gain on Sale of: | | |
| Current Investments | 94.01 | 94.85 |
| Long-Term Investments | 54.64 | 38.19 |
| Other Non-Operating Income: | | |
| Windmill Income | 27.42 | 33.79 |
| Royalty & Technical Knowhow Income | 16.48 | 10.07 |
| Insurance claim received | 8.28 | 6.47 |
| Liabilities/ provisions no longer required written back* | 31.14 | 51.30 |
| Rental income from operating leases | 10.74 | 9.26 |
| Miscellaneous Income | 66.69 | 67.55 |
| TOTAL | 427.69 | 429.42 |

* Includes writeback of Provision for Doubtful Debts ₹ Nil (₹ 30.32 million)

| 24 Cost of Materials Consumed | | |
|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Inventory at the beginning of the year | 1,578.92 | 1,439.81 |
| Add: Purchases | 22,871.37 | 20,161.95 |
| | 24,450.29 | 21,601.76 |
| Less: Inventory at the end of the year | 1,762.16 | 1,578.92 |
| TOTAL | 22,688.13 | 20,022.84 |

| Details of Materials Consumed | | |
|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Vinyl Acetate Monomer | 3,668.86 | 2,536.30 |
| Other Raw Materials (Gross of resale of Raw Materials) | 14,041.88 | 12,911.69 |
| Packing Material | 4,977.39 | 4,574.85 |
| TOTAL | 22,688.13 | 20,022.84 |

| 25 Details of Purchase of Stock-in-Trade (Traded goods) | | |
|---|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Dyes | 1,169.46 | 1,563.76 |
| Chemicals | 23.03 | 24.35 |
| Others | 468.60 | 212.38 |
| TOTAL | 1,661.09 | 1,800.49 |

(₹ in million)

| 26 Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | | |
|---|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Inventories at the end of the year | | |
| Stock-in-Trade | 316.72 | 321.26 |
| Work-in-Progress | 518.59 | 561.02 |
| Finished Goods | 2,710.66 | 2,591.30 |
| (A) | 3,545.97 | 3,473.58 |
| Inventories at beginning of the year | | |
| Stock-in-Trade | 321.26 | 250.58 |
| Work-in-Progress | 561.02 | 380.81 |
| Finished Goods | 2,591.30 | 2,412.80 |
| (B) | 3,473.58 | 3,044.19 |
| TOTAL (B)-(A) | (72.39) | (429.39) |
| Increase / (Decrease) of Excise Duty on inventory of Finished Goods | 4.59 | 6.76 |
| TOTAL | (67.80) | (422.63) |
| 27 Employee Benefits Expense | | |
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Salaries and Wages | 3,762.50 | 3,311.74 |
| Contribution to Provident and Other Funds | 228.06 | 176.78 |
| Expense on Employee Stock Option Scheme (ESOS) | 4.02 | 4.06 |
| Staff Welfare Expenses | 99.28 | 90.00 |
| TOTAL | 4,093.86 | 3,582.58 |
| 28 Finance Costs | | |
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Interest expense on: | | |
| Borrowings | 42.34 | 49.79 |
| Dealer Deposits & others | 52.71 | 47.11 |
| TOTAL | 95.05 | 96.90 |
| 29 Depreciation and Amortisation Expense | | |
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Depreciation on Tangible Assets (Refer Note 11) | 838.98 | 579.50 |
| Amortisation of Intangible Assets (Refer Note 12) | 238.22 | 106.75 |
| TOTAL | 1,077.20 | 686.25 |

(₹ in million)

| 30 Other Expenses | | | |
|---|-------|--|--|
| | | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Consumption of Stores and Spares | | 147.74 | 124.63 |
| Clearing, Forwarding and Octroi Duty | | 2,077.06 | 1,646.41 |
| Power and Fuel | | 484.78 | 412.83 |
| Water Charges | | 21.98 | 21.52 |
| Rent | | 247.47 | 205.91 |
| Rates and Taxes | | 17.25 | 18.36 |
| Insurance | | 27.70 | 29.15 |
| License Fees | | 6.29 | 4.43 |
| Repairs: | | | |
| Buildings | 37.31 | | 31.16 |
| Machinery | 98.51 | | 81.71 |
| Others | 36.24 | | 31.96 |
| | | 172.06 | 144.83 |
| Directors' Fees | | 1.69 | 2.44 |
| Advertisement and Publicity | | 1,785.47 | 1,737.56 |
| Legal, Professional and Consultancy Fees | | 300.98 | 265.99 |
| Communication Expenses | | 121.38 | 108.19 |
| Printing and Stationery | | 43.63 | 36.32 |
| Travelling and Conveyance Expenses | | 762.50 | 636.82 |
| Bad Debts | | 19.82 | 52.17 |
| Provision for Doubtful Debts | | 13.37 | - |
| Processing and Packing Charges | | 618.50 | 587.33 |
| Sales Commission | | 33.40 | 30.41 |
| Payments to Auditor (Refer Note 46) | | 6.67 | 5.38 |
| Donations | | 3.23 | 87.12 |
| Corporate Social Responsibility Expenses (Refer Note 51) | | 114.39 | - |
| Provision for Diminution in the value of Investments | | - | 0.07 |
| Loss on Fixed Assets Sold / Discarded (net) | | 3.42 | 3.74 |
| Net loss on foreign currency transactions and translation | | 24.61 | 51.26 |
| Miscellaneous Expenses | | 944.08 | 857.55 |
| TOTAL | | 7,999.47 | 7,070.42 |

| 31 Exceptional Items (net) | | | |
|---|--|--|--|
| | | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Provision for Diminution in value of Investment in Subsidiary Company | | 127.00 | - |
| Voluntary Retirement Scheme | | 49.05 | 64.96 |
| TOTAL | | 176.05 | 64.96 |

(₹ in million)

| 32 Contingent Liabilities and Commitments | | | | As at 31 st March 2015 | As at 31 st March 2014 |
|--|--|-----------------------------|---|---|---|
| A) Contingent liabilities not provided for: | | | | | |
| 1 Claims against the Company not acknowledged as debts comprise of: | | | | | |
| a) | Income Tax demand against the Company not provided for and relating to issues of deduction and allowances in respect of which the Company is in appeal | | | 133.26 | 43.57 |
| b) | Excise Duty claims disputed by the Company relating to issues of classifications | | | 25.34 | 5.57 |
| c) | Sales Tax claims disputed by the Company relating to issues of declaration forms and classifications | | | 662.68 | 238.63 |
| d) | Other Matters (relating to disputed electricity duty, Gram Panchayat Tax, open access charges, etc.) | | | 31.58 | 25.59 |
| 2 a) Guarantees given by Banks in favour of Government and others | | | | | |
| | b) Guarantees given by Company* | | | 201.43 | 221.74 |
| | Pidilite USA Inc. | | | 375.66 | 360.30 |
| | Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda | | | 150.27 | 144.12 |
| | Pidilite Bamco Ltd | | | 97.95 | 94.00 |
| | Jupiter Chemicals (LLC) | | | 90.33 | 86.33 |
| | Pidilite Industries Egypt SAE | | | - | 48.04 |
| | Bamco Supply and Services Ltd | | | 19.24 | 18.47 |
| | TOTAL | | | 733.45 | 751.26 |
| *Guarantee given for business purpose | | | | | |
| B) Commitments: | | | | | |
| a) | Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for | | | 435.57 | 351.67 |
| b) | Other Commitments - Non Cancellable Operating Leases (Refer Note 48) | | | | |
| 33 | The net amount of exchange differences (credited)/ debited to Statement of Profit and Loss | | | 24.61 | 51.26 |
| 34 Disclosure as per clause 32 of the listing agreements with the Stock Exchanges | | | | | |
| a) Loans and Advances in the nature of loans given to subsidiaries, associates, firms/ companies in which directors are interested: | | | | | |
| Name of the Companies | Relationship | 31 st March 2015 | | 31 st March 2014 | |
| | | Amount Outstanding | Maximum Balance Outstanding during the year | Amount Outstanding | Maximum Balance Outstanding during the year |
| i) Pagel Concrete Technologies Private Limited | Subsidiary | 3.25 | 3.25 | 3.25 | 3.25 |
| Notes: | | | | | |
| a) Loans and Advances shown above, fall under the category of 'Loans & Advances' in the nature of loans where there is no repayment schedule and re-payable on demand. | | | | | |
| b) Loans and Advances referred above are not bearing any interest. | | | | | |

(₹ in million)

| 35 Details of consumption of Imported and Indigenous Raw Materials and Packing Materials and percentage thereof: | | | | |
|---|--|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| | (₹ in million) | | % | |
| Raw Materials | | | | |
| Imported | 7,776.85 | 6,366.72 | 43.91 | 41.21 |
| Indigenous | 9,933.89 | 9,081.27 | 56.09 | 58.79 |
| TOTAL | 17,710.74 | 15,447.99 | 100.00 | 100.00 |
| Packing Materials | | | | |
| Imported | 2.22 | 1.35 | 0.04 | 0.03 |
| Indigenous | 4,975.17 | 4,573.50 | 99.96 | 99.97 |
| TOTAL | 4,977.39 | 4,574.85 | 100.00 | 100.00 |
| Consumables and Spares | | | | |
| Imported | 20.17 | 5.39 | 13.65 | 4.32 |
| Indigenous | 127.57 | 119.24 | 86.35 | 95.68 |
| TOTAL | 147.74 | 124.63 | 100.00 | 100.00 |

| 36 Value of imports calculated on CIF basis | | | |
|--|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 | |
| Raw Materials and Packing Materials | 5,340.98 | 4,792.54 | |
| Capital Goods | 103.74 | 55.06 | |
| Traded Goods | 561.93 | 622.24 | |
| Stores and Spares | 17.50 | 5.39 | |
| TOTAL | 6,024.15 | 5,475.23 | |

| 37 Expenditure in foreign currency (accrual basis) | | | |
|---|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 | |
| Foreign Travel | 42.15 | 39.27 | |
| Professional fees | 82.15 | 82.20 | |
| Royalty | 36.96 | 28.76 | |
| Others | 212.76 | 222.21 | |
| TOTAL | 374.02 | 372.44 | |

| 38 Earnings in Foreign Exchange | | | |
|--|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 | |
| Export of goods calculated on FOB basis* | 4,148.85 | 3,954.42 | |
| Royalty and Technical Know How | 16.48 | 10.07 | |
| Others | 7.93 | 9.45 | |
| TOTAL | 4,173.26 | 3,973.94 | |

* This does not include export sales made to Nepal in Indian currency

39 Segment information

Business Segment: The Company has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily: Consumer & Bazaar Products, Industrial Products and Others. This segmentation is based around customers. Consumer & Bazaar Products consist of mainly Adhesives, Sealants, Art Materials and Construction Chemicals. Industrial Products consist of Organic Pigments, Industrial Resins and Industrial Adhesives. Others largely comprises of Speciality Acetates. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment, manpower efforts, etc. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Geographical segments of the Company are India and Other Countries. Segment revenues are allocated based on the location of the customer.

(₹ in million)

| Business Segments | Consumer & Bazaar Products | Industrial Products | Others | Total |
|--|----------------------------|------------------------|---------------------|-------------------------------|
| Revenue | | | | |
| Segment Revenue | 35,774.39 (31,108.87) | 8,692.07 (8,156.66) | 451.43 (341.13) | 44,917.89 (39,606.66) |
| Less: Inter Segment Revenue (at cost plus fixed margin) | 51.13 (19.74) | 1,118.74 (1,024.87) | - (1.37) | 1,169.87 (1,045.98) |
| Net Revenue | 35,723.26 (31,089.13) | 7,573.33 (7,131.79) | 451.43 (339.76) | 43,748.02 (38,560.68) |
| Segment Result | 7,675.50 (7,132.30) | 966.65 (802.52) | (107.18) (71.63) | 8,534.97 (7,863.19) |
| Unallocable Expenses | | | | 2,335.83 (2,107.42) |
| Unallocable Income | | | | 463.00 (533.20) |
| Operating Income | | | | 6,662.14 (6,288.97) |
| Interest Expenses | | | | 95.05 (96.90) |
| Interest / Dividend Income | | | | 118.29 (117.94) |
| Profit Before Tax | | | | 6,685.38 (6,310.01) |
| Tax Expense | | | | 1,666.79 (1,623.93) |
| Profit for the year | | | | 5,018.59 (4,686.08) |
| Segment Assets | 13,920.27 (10,198.86) | 3,888.77 (3,921.57) | 453.87 (462.65) | 18,262.91 (14,583.08) |
| Unallocable Assets | | | | 14,407.67 (14,309.03) |
| Total Assets | | | | 32,670.58 (28,892.11) |
| Segment Liabilities | 4,794.71 (4,066.09) | 1,415.23 (1,430.42) | 60.33 (54.46) | 6,270.27 (5,550.97) |
| Unallocable Liabilities | | | | 2,905.84 (2,946.00) |
| Total Liabilities | | | | 9,176.11 (8,496.97) |
| Other Information | | | | |
| Capital Employed | | | | 23,494.47 (20,395.15) |
| Capital Expenditure (including Capital Work-in-Progress) (allocable) | 3,202.30 (1,032.42) | 242.81 (255.16) | 47.06 (27.85) | 3,492.17 (1,315.43) |
| Capital Expenditure (unallocable) | | | | 254.61 (375.44) |
| Depreciation and Amortisation (allocable) | 610.90 (328.49) | 136.62 (121.88) | 19.69 (29.96) | 767.21 (480.33) |
| Depreciation and Amortisation (unallocable) | | | | 309.99 (205.92) |

(₹ in million)

| Information about Geographical Segments | | | |
|--|--------------|------------------------|--------------|
| Geographical Segments | India | Other Countries | Total |
| Revenue for the year | 39,309.71 | 4,438.31 | 43,748.02 |
| | (34,342.04) | (4,218.64) | (38,560.68) |
| Segment Assets | 17,225.91 | 1,037.00 | 18,262.91 |
| | (13,607.77) | (975.31) | (14,583.08) |
| Capital Expenditure incurred during the year | 3,746.44 | 0.34 | 3,746.78 |
| | (1,690.87) | - | (1,690.87) |

40 Earnings Per Share (EPS)

The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:

| | As at 31st March 2015 | As at 31st March 2014 |
|---|---|---|
| Basic: | | |
| Total Operations for the year | | |
| Profit for the year | 5,018.59 | 4,686.08 |
| Weighted average number of equity shares in calculating basic EPS | 512,650,979 | 512,642,330 |
| Par value per share (₹) | 1.00 | 1.00 |
| Earning per share (Basic) (₹) | 9.79 | 9.14 |
| Diluted: | | |
| Total Operations for the year | | |
| Profit for the year | 5,018.59 | 4,686.08 |
| Weighted average number of equity shares in calculating basic EPS | 512,650,979 | 512,642,330 |
| Add: Effect of ESOS | 279,500 | 300,000 |
| Weighted average number of equity shares in calculating diluted EPS | 512,930,479 | 512,942,330 |
| Par value per share (₹) | 1.00 | 1.00 |
| Earning per share (Diluted) (₹) | 9.78 | 9.14 |

41 Details of Forward Contract and Unhedged Foreign Currency Exposure as at the end of year.

| | Foreign Currency | | ₹ in million | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31 st March 2015 | 31 st March 2014 | 31 st March 2015 | 31 st March 2014 |
| (a) Forward Contract outstanding | | | | |
| USD - Buy | 4,149,388.75 | 4,174,489.82 | 259.79 | 250.68 |
| EUR - Buy | - | 38,640.00 | - | 3.19 |
| (b) Number of Contracts outstanding | 12 | 19 | | |
| (c) The purpose of taking the forward cover is to hedge the risk arising due to foreign currency exposure. | | | | |
| (d) Foreign currency exposures as at the Balance Sheet date that have not been hedged by the Company under a forward cover are given below: | | | | |

| | Foreign Currency | | ₹ in million | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31 st March 2015 | 31 st March 2014 | 31 st March 2015 | 31 st March 2014 |
| Amounts recoverable / (advance) in foreign currency on account of the following: | | | | |
| EUR | 944,516.49 | 983,105.13 | 63.89 | 81.16 |
| GBP | (6,785.00) | (3,181.48) | (0.63) | (0.32) |
| USD | 14,440,508.34 | 13,897,959.46 | 904.12 | 834.57 |
| ZAR | 41,593.82 | 124,113.00 | 0.21 | 0.70 |
| Amounts payable / (advance) in foreign currency on account of the following: | | | | |
| AED | 50,210.96 | 345,891.61 | 0.86 | 5.65 |
| AUD | 49,915.00 | 49,724.75 | 2.38 | 2.77 |
| BDT | 2,707,360.66 | 5,718,319.26 | 2.18 | 4.41 |
| BRL | 249,143.28 | 249,143.28 | 4.83 | 6.62 |
| CHF | 37,185.15 | 3,749.00 | 2.40 | 0.25 |
| EGP | (109,066.97) | (269.00) | (0.90) | (0.00) |
| EUR | 708,378.17 | 123,449.05 | 47.91 | 10.19 |
| GBP | (29,873.64) | 4,097.21 | (2.76) | 0.41 |
| GHC | (34,153.21) | (22,839.66) | (0.56) | (0.51) |
| JPY | 558,000.00 | (1,727,000.00) | 0.29 | (101.53) |
| SGD | (232,765.13) | (122,756.17) | (10.59) | (5.84) |
| USD | (1,968,698.91) | (10,021,384.15) | (123.26) | (601.78) |
| ZAR | 83,985.69 | (6,823.29) | 0.43 | (0.04) |

42 Related Party Disclosures

Related Party Disclosures as required by AS-18, "Related Party Disclosure" are given below:

(i) Relationships:

| | | |
|----|--|--|
| a. | Parekh Marketing Ltd | Significant Influence |
| b. | Vinyl Chemicals (India) Ltd | Substantial Interest in Voting Power (Associate) |
| c. | Kalva Marketing and Services Ltd | Significant Influence |
| d. | Nitin Enterprises | Subsidiary |
| e. | Fevicol Company Ltd | Subsidiary |
| f. | Bhimad Commercial Company Pvt Ltd | Subsidiary |
| g. | Madhumala Traders Pvt Ltd | Subsidiary |
| h. | Pagel Concrete Technologies Pvt Ltd | Subsidiary |
| i. | Building Envelope Systems India Ltd | Subsidiary |
| j. | Percept Waterproofing Services Ltd | Subsidiary |
| k. | Hybrid Coatings | Subsidiary |
| l. | Nina Waterproofing Systems Private Limited | Subsidiary |
| m. | Pidilite International Pte Ltd | Subsidiary |
| n. | Pidilite Middle East Ltd | Subsidiary |
| o. | Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda | Subsidiary |
| p. | Pidilite USA Inc | Subsidiary |
| q. | Jupiter Chemicals (LLC) | Subsidiary |
| r. | PT Pidilite Indonesia | Subsidiary |
| s. | Pidilite Speciality Chemicals Bangladesh Pvt Ltd | Subsidiary |
| t. | Pidilite Innovation Centre Pte Ltd | Subsidiary |
| u. | Pidilite Industries Egypt SAE | Subsidiary |
| v. | Pidilite Bamco Ltd | Subsidiary |
| w. | Bamco Supply and Services Ltd | Subsidiary |
| x. | PIL Trading (Egypt) Company | Subsidiary |
| y. | Pidilite Industries Trading (Shanghai) Co Ltd | Subsidiary |
| z. | Pidilite Chemical PLC | Subsidiary |

(ii) Key Management Personnel:

| | | |
|----|---|---|
| a. | Shri M B Parekh | Executive Chairman and Managing Director* |
| b. | Shri N K Parekh | Joint Managing Director** |
| c. | Shri A B Parekh | Whole Time Director |
| d. | Shri A N Parekh | Whole Time Director |
| e. | Shri R Sreeram (upto 7 th November, 2014) | Whole Time Director |
| f. | Shri J L Shah (w.e.f. 4 th November, 2014 upto 19 th May, 2015) | Whole Time Director |

* W.e.f. 10th April, 2015, Shri Bharat Puri is appointed as the Managing Director of the Company and Shri M B Parekh ceased to be the Managing Director of the Company but continues as a Whole Time Director and as the Executive Chairman of the Company.

** W.e.f. 1st April, 2015, Shri N K Parekh cease to be the Joint Managing Director of the Company. He has been appointed as Non-Executive Vice Chairman of the Company effective 1st April, 2015.

(iii) Relatives of Key Management Personnel:

| | | |
|----|-------------------|--|
| a. | Smt Mala M Parekh | Wife of Executive Chairman & Managing Director |
|----|-------------------|--|

42 (iv) Transactions with Related Parties for the year ended 31st March, 2015 are as follows:

| Nature of Transaction | Remuneration to Directors | Parekh Marketing Ltd | Vinyl Chemicals (India) Ltd | Nitin Enterprises | Fevicol Company Ltd | Bhimad Commercial Company Pvt Ltd | Madhumala Traders Pvt Ltd | Pageel Concrete Technologies Pvt Ltd | Pidlite International Pte Ltd | Pidlite Middle East Ltd | Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda | Pidlite USA Inc | Jupiter Chemicals (LLC) | PT Pidilite Indonesia |
|--|---------------------------|----------------------|-----------------------------|--------------------|---------------------|-----------------------------------|---------------------------|--------------------------------------|-------------------------------|-------------------------|--|------------------|-------------------------|-----------------------|
| a. Sales and Related Income | | 710.66 (772.42) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (0.55) | 69.36 (55.00) | 187.35 (5.52) | NIL (NIL) |
| b. Other Income | | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 0.30 (0.89) | 4.37 (3.12) | 2.89 (1.38) | NIL (NIL) |
| c. Purchases and Other Related Services | | NIL (NIL) | 3605.96 (2321.39) | 262.31 (193.27) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 2.41 (2.51) | NIL (NIL) | NIL (NIL) | 10.34 (5.72) | NIL (NIL) | 4.68 (3.93) |
| d. Remuneration to Directors: - Chairman & Managing Director/ It Managing Director | 179.68 (173.09) | | | | | | | | | | | | | |
| - Whole Time Directors | 88.86 (79.31) | | | | | | | | | | | | | |
| e. Investment in Share Capital | | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (2.00) | NIL (40.79) | 189.90 (264.68) | 178.99 (244.29) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| f. Sale of Fixed Assets | | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1.59 (NIL) | NIL (NIL) |
| g. Advance paid | | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1.98 (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| h. Salary & Allowances paid | | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| i. Rent Paid / (Received) | | NIL (0.50) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 0.40 (0.55) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| j. Reimbursement of expenses made | | 0.45 (0.31) | NIL (1.49) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 6.48 (10.86) | 34.29 (26.78) | 0.38 (NIL) |
| k. Reimbursement of expenses received | | NIL (0.29) | NIL (1.29) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 2.39 (1.69) | 6.92 (8.19) | NIL (0.53) | NIL (NIL) |
| l. Diminution in value of Investment | | | | | | | | | | 127.00 (NIL) | | | | |
| m. Corporate guarantee given to bank | | | | | | | | | | | | | NIL (86.33) | |
| n. Outstanding Balances: - Debtors including advances | | 122.88 (151.04) | - | NIL (4.63) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 3.25 (3.25) | NIL (NIL) | NIL (NIL) | 14.62 (10.43) | 52.63 (28.49) | 189.93 (0.50) | NIL (NIL) |
| - Creditors | | - | 253.23 (279.75) | 5.76 - | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 0.91 (0.62) | NIL (NIL) | NIL (NIL) | 2.20 (3.55) | NIL (NIL) | 0.57 (NIL) |
| - Net Outstanding Receivable/(Payable) | | 122.88 (151.04) | (253.23) (279.75) | (5.76) (4.63) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 3.25 (3.25) | (0.91) (0.62) | NIL (NIL) | 14.62 (10.43) | 50.43 (24.94) | 189.93 (0.50) | (0.57) (NIL) |

42 (iv) Transactions with Related Parties for the year ended 31st March, 2015 are as follows:

| Nature of Transaction | Pidlite Speciality Chemicals Bangladesh Pvt Ltd | Pidlite Innovation Centre Pte Ltd | Pidlite Industries Egypt SAE | Pidlite Bamco Ltd | Bamco Supply and Services Limited | Pidlite Industries Trading (Shanghai) Co Ltd | PIL Trading (Egypt) Company | Building Envelope Systems India Ltd | Percept Waterproofing Services Ltd | Hybrid Coatings | Pidlite Chemical PLC | Waterproofing Systems Pvt. Ltd | Mala Parekh | Total |
|--|---|--|---------------------------------------|-------------------------|---|--|--------------------------------------|--|--|--------------------|----------------------------|--------------------------------------|----------------|----------------------|
| a. Sales and Related Income | 67.03 (53.82) | 4.39 (6.11) | 44.14 (41.53) | 9.36 (9.18) | NIL (NIL) | NIL (NIL) | 33.05 (34.60) | NIL (NIL) | 136.21 (12.11) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1261.55 (990.84) |
| b. Other Income | 7.55 (4.62) | 0.15 (0.11) | 5.63 (3.59) | 2.12 (1.04) | 0.74 (0.58) | NIL (NIL) | NIL (0.12) | NIL (NIL) | NIL (NIL) | 1.30 (0.54) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 25.05 (15.99) |
| c. Purchases and Other Related Services | NIL (NIL) | 84.14 (66.66) | NIL (NIL) | 1.32 (6.65) | NIL (NIL) | 16.03 (20.37) | NIL (NIL) | NIL (NIL) | 2.53 (NIL) | 96.41 (24.52) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 4086.13 (2645.02) |
| d. Remuneration to Directors: - Chairman & Managing Director/ It Managing Director | | | | | | | | | | | | | | 179.68 (173.09) |
| - Whole Time Directors | | | | | | | | | | | | | | 88.86 (79.31) |
| e. Investment in Share Capital | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (24.00) | NIL (48.00) | NIL (NIL) | 12.09 (NIL) | 2.33 (NIL) | NIL (NIL) | 383.31 (623.76) |
| f. Sale of Fixed Assets | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1.59 (NIL) |
| g. Advance paid | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1.98 (NIL) |
| h. Salary & Allowances paid | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) |
| i. Rent Paid / (Received) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 0.07 (NIL) | NIL (NIL) | NIL (NIL) | 5.68 (4.53) | 5.35 (3.48) |
| j. Reimbursement of expenses made | NIL (0.62) | 0.54 (0.34) | NIL (0.55) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 0.24 (0.30) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 42.38 (41.25) |
| k. Reimbursement of expenses received | NIL (0.51) | NIL (0.13) | NIL (NIL) | NIL (0.56) | NIL (0.11) | NIL (NIL) | 0.22 (NIL) | NIL (NIL) | 0.01 (NIL) | NIL (0.31) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 9.54 (13.61) |
| l. Diminution in value of Investment | | | | | | | | | | | | | | 127.00 (NIL) |
| m. Corporate guarantee given to bank | NIL (NIL) | NIL (NIL) | NIL (48.04) | NIL (94.00) | NIL (18.47) | | | | | | | | | NIL (751.26) |
| n. Outstanding Balances: - Debtors including advances | 20.49 (18.44) | 1.83 (0.67) | 56.42 (43.40) | 3.93 (5.17) | 0.16 (0.53) | NIL (NIL) | 30.83 (24.86) | NIL (NIL) | 66.59 (12.11) | NIL (0.47) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 563.56 (303.99) |
| - Creditors | NIL (NIL) | 10.70 (5.77) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 1.28 (1.76) | NIL (0.12) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 274.65 (291.57) |
| - Net Outstanding Receivable/ (Payable) | 20.49 (18.44) | (8.87) (5.10) | 56.42 (43.40) | 3.93 (5.17) | 0.16 (0.53) | (1.28) (1.76) | 30.83 (24.74) | NIL (NIL) | 66.59 (12.11) | NIL (0.47) | NIL (NIL) | NIL (NIL) | NIL (NIL) | 288.91 (12.42) |

43 Employee Benefits

The Company has classified various employee benefits as under:

(A) Defined Contribution Plans

- (a) Provident Fund
- (b) Superannuation Fund
- (c) State Defined Contribution Plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss:

(₹ in million)

| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
|--|--|--|
| (i) Contribution to Provident Fund | 95.09 | 96.98 |
| (ii) Contribution to Employees' Superannuation Fund | 6.14 | 7.06 |
| (iii) Contribution to Employees' State Insurance Scheme | 2.77 | 4.42 |
| (iv) Contribution to Employees' Pension Scheme 1995 | 46.31 | 29.12 |
| (v) Contribution to National Pension Scheme | 4.64 | 4.13 |
| TOTAL | 154.95 | 141.71 |
| (B) Defined Benefit Plans | | |
| (a) Gratuity | | |
| (b) Compensated Absences | | |
| (c) Anniversary Awards | | |
| (d) Premature Death Pension Scheme | | |
| (e) Total Disability Pension Scheme | | |
| Valuations in respect of above have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions: | | |
| (i) Discount Rate (per annum) | 7.75% | 9.00% |
| (ii) Rate of increase in Compensation levels (per annum) | 6.50% | 6.50% |
| (iii) Expected Rate of Return on Assets | 9.00% | 9.00% |
| (iv) Attrition Rate | upto 5 yrs - 19%, 5 - 10 yrs - 9%, Above 10 yrs - 8% | upto 5 yrs - 18%, 5 - 10 yrs - 9%, Above 10 yrs - 6% |
| (v) Retirement Age | 60 years | 60 years |
| (vi) | The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified. | |
| (vii) | The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. | |
| (viii) | The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. | |

(₹ in million)

| | | 31 st March 2015 | 31 st March 2014 | | |
|---------------|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | | Gratuity Funded | Gratuity Funded | | |
| (i) | Changes in Present value of Obligation | | | | |
| a. | Opening Present value of Obligation | 386.99 | 348.53 | | |
| b. | Interest Cost | 33.41 | 29.22 | | |
| c. | Current Service Cost | 30.70 | 24.54 | | |
| d. | Benefits Paid | (31.60) | (28.98) | | |
| e. | Actuarial (Gain)/Loss | 42.09 | 13.68 | | |
| f. | Closing Present value of Obligation | 461.59 | 386.99 | | |
| (ii) | Changes in Fair value of Plan Assets | | | | |
| a. | Opening Present value of Plan Assets | 350.56 | 315.59 | | |
| b. | Expected Return on Plan Assets | 33.57 | 28.71 | | |
| c. | Actuarial Gain/(Loss) | (0.62) | (0.48) | | |
| d. | Employer's Contributions | 76.50 | 35.72 | | |
| e. | Benefits Paid | (31.60) | (28.98) | | |
| f. | Closing Fair value of Assets | 428.41 | 350.56 | | |
| (iii) | Actual Return on Plan Assets | | | | |
| a. | Expected Return on Plan Assets | 33.57 | 28.71 | | |
| b. | Actuarial Gain/(Loss) on Plan Assets | (0.62) | (0.48) | | |
| c. | Actual Return on Plan Assets | 32.95 | 28.23 | | |
| (iv) | Percentage of each category of Plan Assets to Total Closing Fair value | | | | |
| a. | Administered by Life Insurance Corporation of India | 428.41 | 350.56 | | |
| (v) | Reconciliation of the Present value of Defined Present Obligations and Fair value of Assets | | | | |
| a. | Closing Present value of Funded Obligation | 461.59 | 386.99 | | |
| b. | Closing Fair value of Plan Assets | 428.41 | 350.56 | | |
| c. | Funded (Asset)/Liability recognised in the Balance Sheet | 33.18 | 36.43 | | |
| (vi) | Amounts recognised in the Balance Sheet | | | | |
| a. | Closing Present value of Obligation | 461.59 | 386.99 | | |
| b. | Closing Fair value of Plan Assets | 428.41 | 350.56 | | |
| c. | (Asset)/Liability recognised in the Balance Sheet | 33.18 | 36.43 | | |
| (vii) | Expenses recognised in the Statement of Profit and Loss | | | | |
| a. | Current Service Cost | 30.70 | 24.54 | | |
| b. | Interest Cost | 33.41 | 29.22 | | |
| c. | Expected Return on Plan Assets | (33.57) | (28.71) | | |
| d. | Net Actuarial (Gain) / Loss | 42.71 | 14.16 | | |
| e. | Total Expenses recognised in the Statement of Profit and Loss | 73.25 | 39.21 | | |
| (viii) | Experience adjustments | | | | |
| | | 31 st March 2015 | 31 st March 2014 | 31 st March 2013 | 31 st March 2012 |
| | Fair value of Plan Assets, End of Period | 428.41 | 350.56 | 315.59 | 278.46 |
| | Projected Benefit Obligation, End of Period | 461.59 | 386.99 | 348.53 | 305.63 |
| | (Surplus)/Deficit in the Plan | 33.18 | 36.43 | 32.94 | 27.17 |
| | Experience Adjustments on Plan Assets | (0.62) | (0.48) | 3.92 | - |
| | (Gain)/Loss due to change in Assumptions | 34.05 | (13.14) | 2.88 | 11.27 |
| | Experience (Gain)/Loss on PBO | 8.04 | 26.81 | 12.54 | 2.11 |
| | Total (Gain)/Loss | 42.09 | 13.67 | 15.42 | 13.38 |
| (ix) | Expected Company contribution for the next year | 108.51 | 84.65 | | |

(₹ in million)

| 44 Research & Development Expenditure | | | |
|---|--|--|--|
| | | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Capital expenditure included in fixed assets | | 10.50 | 28.82 |
| Revenue expenditure charged to Statement of Profit and Loss | | 243.84 | 199.95 |
| TOTAL | | 254.34 | 228.77 |

| 45 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006 | | | |
|---|---|---|---|
| | | As at 31 st March 2015 | As at 31 st March 2014 |
| (i) | Principal amount remaining unpaid to any SME supplier as at the end of the accounting year | 142.05 | 171.21 |
| (ii) | Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | - | - |
| (iii) | The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) | The amount of interest due and payable for the year | - | - |
| (v) | The amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| (vi) | The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | - |
| TOTAL | | 142.05 | 171.21 |

The above information regarding dues to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information collected with the Company. This has been relied upon by the auditors.

| 46 Details of Payments to Auditor (Net of Service Tax) | | | |
|---|--|--|--|
| | | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Audit fees | | 3.00 | 3.00 |
| Other Services: | | | |
| Limited Review | | 1.50 | 1.50 |
| Certification Fees* | | 1.96 | 0.84 |
| Reimbursement of expenses | | 0.21 | 0.04 |
| TOTAL | | 6.67 | 5.38 |

* Certification fees include the fees paid to previous auditors ₹ NIL (₹ 0.16 million)

47 Employee Stock Option Scheme

- a) In the Annual General Meeting of the Company held on 24th July, 2012, the shareholders approved the issue of 5,076,486 equity shares under the Scheme titled "Employee Stock Option Scheme - 2012" (ESOS 2012). At the meeting of the Board of Directors of the Company held on 28th May, 2013, the Board approved Employees Stock Option Scheme covering 300,000 Stock Options, in terms of the regulations of the Securities and Exchange Board of India.

The ESOS-2012 allows the issue of options to employees of the Company. Each option comprises one underlying equity share. The HR & Remuneration Committee of the Company at its meeting held on 29th October, 2013 has granted 49,000 Stock Options pursuant to ESOS-2012 to the eligible employees of the Company. The exercise price of each option shall be ₹ 1/- per equity share. The options are granted, vesting in two equal installments over a period of two years from the date of the grant in a manner as specified in the Scheme. Options may be exercised within 5 years from the date of vesting.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

b) Employee Stock Options details as at the Balance Sheet date are as follows:

| | For the year ended 31 st March 2015 | | For the year ended 31 st March 2014 | |
|---|---|---|---|--|
| | Options (Nos) | Weighted average exercise price per option (₹) | Options (Nos) | Weighted average exercise price per option (₹) |
| Options outstanding at the beginning of the year: | 49,000 | ₹ 1 | Nil | Nil |
| - ESOS 2012 | | | | |
| Granted during the year: | Nil | ₹ 1 | 49,000 | ₹ 1 |
| Vested during the year: | 20,500 | ₹ 1 | Nil | ₹ 1 |
| Exercised during the year: | 20,500 | ₹ 1 | Nil | ₹ 1 |
| Lapsed during the year: | 14,000 | ₹ 1 | Nil | ₹ 1 |
| Options outstanding at the end of the year: | 14,500 | ₹ 1 | 49,000 | ₹ 1 |
| Options available for grant: | 265,000 | ₹ 1 | 251,000 | ₹ 1 |
| The weighted average share price at the date of exercise for Stock Options exercised during the year | | ₹ 413.53 | | NA |
| Range of exercise price for Options outstanding at the end of the year | ₹ 1 | ₹ 1 | ₹ 1 | ₹ 1 |

c) The impact on Earnings per Share if the 'fair value' of the Options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

(₹ in million)

| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
|--|---|---|
| Profit (as reported) | 5,018.59 | 4,686.08 |
| Add: stock based employee compensation (intrinsic value) | 4.02 | 4.06 |
| Less: stock based compensation expenses determined under fair value method for the grants issued (See note (d) below) | 3.80 | 3.90 |
| Net Profit/ (Loss) (proforma) | 5,018.81 | 4,686.24 |
| Basic earnings per share (as reported) (₹) | 9.79 | 9.14 |
| Basic earnings per share (proforma) (₹) | 9.79 | 9.14 |
| Diluted earnings per share (as reported) (₹) | 9.78 | 9.14 |
| Diluted earnings per share (proforma) (₹) | 9.78 | 9.14 |

d) The fair value of the Options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

| Assumptions | 31 st March 2015 | 31 st March 2014 |
|--------------------------------------|--------------------------------|--------------------------------|
| Risk Free Interest Rate | 8.76% | 8.76% |
| Expected Life | 3.5 yrs | 3.5 yrs |
| Expected Annual Volatility of Shares | 26.15% | 26.15% |
| Expected Dividend Yield | 1.14% | 1.14% |

48 Operating Lease

a) Operating lease payment recognised in Statement of Profit and Loss under the head 'Rent' in Other Expenses amounting to ₹ 247.47 million (₹ 205.91 million) (Refer Note 30)

b) General description of the leasing arrangement:

- i) Leased Assets: Godowns, Company Flat, Office space, etc.
- ii) Future lease rentals are determined on the basis of agreed terms.
- iii) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

The Company has entered into operating lease arrangements for certain facilities. The lease is non-cancellable for a period of 11 months to 5 years and may be renewed for a further period based on mutual agreement of the parties.

(₹ in million)

| Future minimum lease payments | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
|---|--|--|
| not later than one year | 33.52 | 29.38 |
| later than one year and not later than five years | 40.61 | 89.64 |
| later than five years | - | - |

49 As per the requirement of the provisions of Schedule II of the Companies Act, 2013 (the "Act"), the Management has decided to adopt the useful lives as suggested in Part C of Schedule II of the Act with effect from 1st April, 2014 for all its fixed assets. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied and revised useful life are as follows:

| Assets | Previous useful life | Revised useful life |
|---|-------------------------|------------------------|
| General Plant and Machinery other than continuous process plant | 20 years | 15 years |
| Continuous process plant | 18 years | 25 years |
| Office Equipment | 20 years | 5 years |
| Desktops, Laptops, etc. | 6 years | 3 years |
| Electrical Installations | 20 years | 10 years |
| Furniture & fittings | 15 years | 10 years |
| Roads | 60 years | 10 years |

Pursuant to the transition provisions prescribed in Schedule II of the Companies Act, 2013, the Company has fully depreciated the carrying value of assets net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 133.93 million (net of deferred tax of ₹ 69.17 million) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 199 million consequent to the change in the useful life of the assets.

50 In the opinion of the Management, all assets other than Fixed Assets and Non- Current investments have a realisable value in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.

51 In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Company during the year was ₹ 113.25 million and the Company has paid / spent ₹ 114.39 million.

52 During the year, the Company has acquired, on a slump sale basis, the adhesive business of Bluecoat Private Limited. Also, with its wholly owned subsidiary Pidilite International Pte Ltd., the Company has incorporated a subsidiary named "Pidilite Chemical PLC" in Ethiopia for manufacture of adhesives, mastics, paints, varnishes or similar coatings, printing, writing and painting inks, etc. The Company has also acquired a subsidiary named "Nina Waterproofing Systems Private Limited" having 70% holding in its Share Capital. The said subsidiary company is engaged in the business of supply and installation of waterproofing systems, including but not limited to waterproofing products or thermal insulation systems for construction projects, infrastructure projects.

53 Figures in brackets indicate previous year's figures.

54 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Cash Flow Statement

For The Year Ended 31st March, 2015

(₹ in million)

| | 31 st March 2015 | 31 st March 2014 |
|--|-----------------------------|-----------------------------|
| A Cash Flows From Operating Activities | | |
| Profit before tax | 6,685.38 | 6,310.01 |
| Adjustments to reconcile profit before tax to net cash flows | | |
| Depreciation / amortisation | 1,077.20 | 686.25 |
| Provision for Diminution in value of Investment | 126.83 | 0.07 |
| Finance Costs | 95.05 | 96.90 |
| Dividend income | (7.48) | (6.75) |
| Interest income | (110.81) | (111.19) |
| (Profit) / Loss on sale of Investment | (148.65) | (133.04) |
| (Profit) / Loss on sale of Assets | 3.42 | 3.74 |
| Unrealised Foreign Exchange Loss / (Gain) | 0.13 | 0.53 |
| Provision for employee benefits | 12.33 | 72.87 |
| Deferred Employee compensation expense | 4.02 | 4.06 |
| Bad debts w/off / provision for doubtful debts | 13.37 | (30.32) |
| | 1,065.41 | 583.12 |
| Operating Profit before Working Capital changes | 7,750.79 | 6,893.13 |
| Movements in working capital: | | |
| Increase/ (decrease) in trade payables | (50.67) | 923.45 |
| Increase/ (decrease) in other current liabilities | 497.61 | (203.17) |
| Decrease/ (increase) in inventories | (265.17) | (570.37) |
| Decrease/ (increase) in trade receivables | (650.79) | (823.52) |
| Decrease/ (increase) in long-term loans and advances | (70.36) | (147.63) |
| Decrease/ (increase) in short-term loans and advances | 174.61 | (373.26) |
| Decrease/ (increase) in other current assets | 58.21 | (73.26) |
| Decrease/ (increase) in other non-current assets | (8.51) | (11.75) |
| | (315.07) | (1,279.51) |
| Cash generated from/ (used in) operations | 7,435.72 | 5,613.62 |
| Direct taxes paid (net of refunds) | (1,701.04) | (1,632.18) |
| Net Cash flows from/ (used in) Operating Activities (A) | 5,734.68 | 3,981.44 |
| B Cash Flows From Investing Activities | | |
| Purchase of Fixed Assets including intangible assets, CWIP | (3,858.26) | (1,710.34) |
| Proceeds from sale of Fixed Assets | 5.56 | 1.39 |
| Purchase of Investments (current & non-current) | (15,363.95) | (11,770.00) |
| Proceeds from sale/ maturity of current Investments | 14,218.84 | 11,634.41 |
| (Increase)/decrease in share application money | 1.54 | (0.85) |
| (Increase)/decrease in bank deposits (having maturity of more than three months) | 433.21 | 289.77 |
| Interest received | 109.35 | 144.60 |
| Dividend received | 7.48 | 6.75 |
| Net Cash flows from/(used in) Investing Activities (B) | (4,446.23) | (1,404.27) |

Cash Flow Statement

For The Year Ended 31st March, 2015

(₹ in million)

| | 31 st March 2015 | 31 st March 2014 |
|--|-----------------------------|-----------------------------|
| C Cash Flows From Financing Activities | | |
| Repayment of Long-Term Borrowings | - | (602.43) |
| Net increase/ (decrease) in Short-Term Borrowings | (19.04) | 76.84 |
| Finance Costs | (95.05) | (119.79) |
| Dividend paid (Including Dividend Tax, where applicable) | (1,619.14) | (1,559.97) |
| Net Cash Flows from/ (used in) Financing Activities (C) | (1,733.23) | (2,205.35) |
| Net Increase in Cash and Cash Equivalents (A+B+C) | (444.78) | 371.82 |
| Cash and Cash Equivalents at the beginning of the year | 881.89 | 510.07 |
| Cash and Cash Equivalents at the end of the year | 437.11 | 881.89 |
| | (444.78) | 371.82 |
| Reconciliation of Cash and Cash equivalents with the Balance Sheet: | | |
| Cash and Bank Balances as per Balance Sheet (Refer Note 19) | 445.70 | 883.35 |
| Unrealised gain on foreign currency cash and cash equivalents | (8.59) | (1.46) |
| Cash and Cash equivalents as restated as at the year end | 437.11 | 881.89 |

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statement".
- Cash and Cash Equivalents comprise cash on hand, cheques on hand, Current Accounts and EEFC Accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- Balance with banks in Current Account includes the balances having restriction on repatriation amounting to ₹ 6.06 million (₹ 6.86 million).
- In respect of Corporate Social Responsibility activities, the Company has paid / spent ₹ 114.39 million.
- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

See accompanying notes forming part of the financial statements

In terms of our Report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 19th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

SANDEEP BATRA
Chief Financial Officer

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 19th May, 2015

Corporate Governance Report

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the following report:

1. Company's Philosophy on Code of Governance

The Company is committed to good Corporate Governance and has complied in all material respects with the requirements specified in the Listing Agreement with the Stock Exchanges.

2. Board of Directors

During the Financial Year 2014-15, 9 Board Meetings were held on 3rd April, 2014*, 28th May, 2014, 30th July, 2014, 22nd September, 2014, 25th September, 2014, 4th November, 2014, 28th January, 2015, 27th February, 2015 and 30th March, 2015.

Details of composition of the Board, category, attendance of Directors at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee Memberships as on 31st March, 2015 are given below:

| Sr. No. | Name | DIN No. | Category | No. of Board Meetings attended | Attendance at last AGM | No. of Directorships held in other Companies(**) | No. of Committee positions held in other Companies *** | |
|---------|---|----------|----------|--------------------------------|------------------------|--|--|----------------|
| | | | | | | | Member-ships | Chairman-ships |
| 1. | Shri S K Parekh**** (Vice Chairman upto 03.04.2014) | 00036265 | NED(P) | NA | NA | NA | NA | NA |
| 2. | Shri M B Parekh# (Chairman & Managing Director) | 00180955 | ED(P) | 9 | Yes | 9 | 1 | - |
| 3. | Shri N K Parekh## (Jt. Managing Director) | 00111518 | ED(P) | 9 | Yes | 10 | 1 | - |
| 4. | Shri A B Parekh (Whole Time Director) | 00035317 | ED(P) | 8 | Yes | 14 | - | - |
| 5. | Shri A N Parekh (Whole Time Director) | 00111366 | ED(P) | 9 | Yes | 15 | - | - |
| 6. | Shri N J Jhaveri | 00198912 | NED (I) | 7 | Yes | 8 | 3 | 2 |
| 7. | Shri Bansi S Mehta | 00035019 | NED (I) | 7 | Yes | 8 | 6 | 2 |
| 8. | Shri Ranjan Kapur | 00035113 | NED (I) | 7 | Yes | 7 | - | 1 |
| 9. | Shri Yash Mahajan**** (upto 04.11.2014) | 00066570 | NED (I) | 1 | No | NA | NA | NA |
| 10. | Shri Bharat Puri### | 02173566 | NED (I) | 4 | Yes | - | - | - |
| 11. | Shri D Bhattacharya**** (upto 20.05.2014) | 00033553 | NED (I) | 0 | NA | NA | NA | NA |
| 12. | Shri Sanjeev Aga | 00022065 | NED (I) | 9 | Yes | 5 | 4 | 2 |
| 13. | Shri R Sreeram**** (Whole Time Director upto 07.11.2014) | 05105972 | ED | 6 | Yes | NA | NA | NA |
| 14. | Shri Uday Khanna @ (wef 03.04.2014) | 00079129 | NED (I) | 8 | Yes | 9 | 5 | 5 |
| 15. | Smt. Meera Shankar @ (wef 30.07.2014) | 06374957 | NED (I) | 4 | Yes | 1 | - | - |
| 16. | Shri J L Shah @@ | 00045662 | ED | 2 | NA | - | - | - |

* Meeting was held on 3rd April, 2014 and continued up to 5th April, 2014.

** Including Directorships held in Private Limited Companies, Section 8 Companies (as per Companies Act, 2013), Alternate Directorships and Directorships in entities incorporated outside India.

*** position in Audit Committee and Stakeholders Relationship Committee only.

**** Resigned as a Director.

Shri M B Parekh was Chairman & Managing Director of the Company upto 10th April, 2015 and is presently the Executive Chairman of the Company. He is also the Chairman & Managing Director of Vinyl Chemicals (India) Limited.

Shri N K Parekh was appointed as a Non-Executive Vice Chairman wef 1st April, 2015.

Shri Bharat Puri was an Independent Director during the financial year and has been appointed as Managing Director of the Company wef 10th April, 2015.

@ Appointed as an Independent Director.

@@ Shri J L Shah was appointed as a Whole Time Director wef 4th November, 2014 and ceased to be a Director wef 19th May, 2015

ED- Executive Director, ED (P) - Executive Director, Promoter, NED (P) - Non-Executive Director, Promoter, NED (I) - Non-Executive Director, Independent.

Shri S K Parekh and Shri N K Parekh are related to each other. Shri M B Parekh and Shri A B Parekh are related to each other. Shri A N Parekh is related to Shri N K Parekh.

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a meeting of the Independent Directors of the Company was held on 27th February, 2015, without the attendance of Non-Independent Directors and members of the management.

3. Audit Committee

During the financial year 2014-15, 7 meetings of the Committee were held on 19th May, 2014, 28th May, 2014, 26th June, 2014, 29th July, 2014, 25th September, 2014, 3rd November, 2014 and 27th January, 2015.

Details of composition of the Committee and attendance of the members at the meetings are given below:

| Sr. No. | Name | Designation | Category | No. of Meetings attended |
|---------|-------------------|-------------|----------|--------------------------|
| 1 | Shri B S Mehta | Chairman | NED (I) | 7 |
| 2 | Shri N J Jhaveri | Member | NED (I) | 6 |
| 3 | Shri Ranjan Kapur | Member | NED (I) | 7 |
| 4 | Shri M B Parekh | Member | ED(P) | 7 |

The Company Secretary is the Secretary of the Committee. Director – Finance (Chief Financial Officer), Chief Finance - Domestic, Statutory Auditors and Internal Auditors are invited to attend the meetings. The Cost Auditor is invited when required.

The powers and terms of reference of the Committee are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013. The remuneration of Chief Internal Auditor, is reviewed by management.

4. Nomination and Remuneration Committee

A. During the financial year 2014-15, 5 meetings of the Committee were held on 28th May, 2014, 29th July, 2014, 25th September, 2014, 28th January, 2015 and 27th February, 2015.

Nomination and Remuneration Committee also functions as Compensation Committee as per Securities & Exchange Board of India (SEBI) Guidelines on Employees Stock Option Scheme.

The terms of reference of Nomination and Remuneration Committee consists of making recommendations on matters related to remuneration of Directors and Senior Management, review of performance-based remuneration with reference to corporate goals and objectives, frame policy and review the process of succession planning at key levels in the Company and other related matters.

Remuneration policy of the Company is directed towards time commitment and responsibilities of the Directors, desirability of performance-based remuneration and salaries paid by comparable companies.

Details of composition of the Committee and attendance of the members at the meetings are given below:

| Sr. No. | Name | Designation | Category | No. of meetings attended |
|---------|-------------------|-------------|----------|--------------------------|
| 1. | Shri B S Mehta | Member | NED (I) | 5 |
| 2. | Shri Ranjan Kapur | Member | NED (I) | 5 |
| 3. | Shri Bharat Puri | Member | NED (I) | 4 |

The Managing Director is a permanent invitee to the meeting. The President of Business Resource Group is the Secretary of the Committee. The members elect the Chairman at each meeting.

Committee's constitution and terms of reference are in compliance with the provisions of section 178 of the Companies Act, 2013, Clause 49 of the Listing Agreement and SEBI (Employees Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

B. Remuneration of Directors

Executive Directors' remuneration details for the financial year 2014-15 are given below:

| Sr. No. | Name | Salary * (₹) | Commission Payable (₹) | Perquisites (₹) | Total (₹) | Tenure (No. of years) | Stock option details |
|---------|---|--------------|------------------------|-----------------|--------------|-------------------------|----------------------|
| 1 | Shri M B Parekh (Chairman & Managing Director) | 1,48,93,462 | 11,67,40,000 | 1,73,59,988 | 14,89,93,451 | 5 years from 01/08/2013 | - |
| 2 | Shri N K Parekh (Jt. Managing Director) | 74,46,721 | 1,37,34,066 | 61,92,354 | 2,73,73,142 | 5 years from 01/08/2013 | - |
| 3 | Shri A B Parekh (Whole Time Director) | 63,82,895 | 2,40,34,706 | 80,87,392 | 3,85,04,993 | 5 years from 01/08/2013 | - |
| 4 | Shri A N Parekh (Whole Time Director) | 55,63,104 | 2,06,01,227 | 52,92,736 | 3,14,57,068 | 5 years from 01/07/2010 | - |
| 5 | Shri R Sreeram# (Whole Time Director) | 30,07,650 | - | 85,92,730 | 1,16,00,380 | 3 years from 08/11/2011 | 3000 |
| 6 | Shri J L Shah@ (Whole Time Director) | 29,40,000 | - | 73,500 | 30,13,500 | 1 year from 04/11/2014 | - |

* Includes House Rent Allowance

Shri R Sreeram resigned as a Director wef 7th November, 2014. He was granted 3000 stock options, out of which 1500 options were exercised and balance 1500 options have lapsed.

@ Shri J L Shah was appointed as a Whole Time Director wef 4th November, 2014.

The above figures are exclusive of Company's contribution to Provident Fund, Superannuation, Gratuity and encashment of leave at the end of tenure as per the rules of the Company.

Notice period for the Executive Directors is as applicable to the senior employees of the Company. No severance fee is payable to the Executive Directors on termination of employment.

The details of sitting fees paid for attending the Board/ Committee meetings and commission due to the Non-Executive Directors for the year ended 31st March, 2015 are as under:

| Sr. No. | Name | Sitting fees (₹) | Commission Payable (₹) | Total (₹) |
|---------|---------------------|------------------|------------------------|-----------|
| 1 | Shri N J Jhaveri | 2,60,000 | 9,00,000 | 11,60,000 |
| 2 | Shri B S Mehta | 3,80,000 | 9,00,000 | 12,80,000 |
| 3 | Shri Ranjan Kapur | 3,80,000 | 9,00,000 | 12,80,000 |
| 4 | Shri Yash Mahajan | 20,000 | 5,37,534 | 5,57,534 |
| 5 | Shri Bharat Puri | 1,60,000 | 9,00,000 | 10,60,000 |
| 6 | Shri D Bhattacharya | - | 1,23,288 | 1,23,288 |
| 7 | Shri Sanjeev Aga | 2,26,000 | 9,00,000 | 11,26,000 |
| 8 | Shri Uday Khanna | 1,80,000 | 8,95,068 | 10,75,068 |
| 9 | Smt. Meera Shankar | 80,000 | 6,04,110 | 6,84,110 |

The Non-Executive Directors did not have pecuniary relationships or transactions vis-à-vis the Company. The Company has not granted any Stock option to any of its Non-Executive Directors.

In terms of Special Resolution passed by the Members at Annual General Meeting held on 23rd July, 2013, Non-Executive Directors have been paid aggregate commission at a rate not exceeding 1% per annum of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013 as determined by the Board of Directors, based on consideration of time spent in attending Board meetings, Committee meetings and advice given to the Company as experienced/expert persons, whenever approached.

The number of shares held by Non-Executive Directors as on 31st March, 2015: Shri N J Jhaveri - 10,000; Shri Ranjan Kapur - Nil; Shri B S Mehta - 24,716; Shri Bharat Puri - Nil; Shri Sanjeev Aga - Nil; Shri Uday Khanna - 5,000; Smt. Meera Shankar - Nil.

5. Stakeholders Relationship Committee

During the year 14 meetings of the Share Transfer Committee were held and 1 meeting of Stakeholders Relationship Committee was held on 15th January, 2015 which was attended by Shri N K Parekh, Shri Sanjeev Aga and Shri A B Parekh.

Details of composition of the Stakeholders Relationship Committee (SRC) are given below:

| Sr. No. | Name | Designation | Category |
|---------|------------------|-------------|----------|
| 1 | Shri Sanjeev Aga | Chairman | NED (I) |
| 2 | Shri N K Parekh | Member | ED (P) |
| 3 | Shri A B Parekh* | Member | ED(P) |

* At the Board Meeting held on 28th May, 2014, Shri A. B. Parekh was appointed as the Member of SRC to fill the vacancy caused by the resignation of Shri S. K. Parekh a member of the Committee.

The Committee has the power to look into redressal of shareholders'/investors' grievance such as non-receipt of shares sent for transfer, non-receipt of declared dividends, non-receipt of Annual Reports, etc.

Smt. Savithri Parekh, Company Secretary, is the compliance officer for complying with the requirements of the Securities Laws and the Listing Agreement with the Stock Exchanges.

Barring certain cases pending in Courts/Consumer Forums, mainly relating to disputes over the title to shares, in which the Company has been made a party, the Company and TSR Darashaw Ltd. have attended to all the shareholders'/investors' grievances/correspondences generally within a period of 15 days from the date of receipt.

The total number of letters received from the shareholders were 874 of which only 26 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. 1 request for transfer and 1 request for dematerialization of shares were pending as on 31st March, 2015 which were resolved on 6th April, 2015.

The Company had a code of Internal Procedures and Conduct for Prevention of Insider Trading on the model code specified by SEBI. Shri P C Patel, President was the Compliance Officer for the purpose.

6. General Body Meetings

Details of location, date and time of the Annual General Meetings held during the last three years are given below:

| Financial Year | Venue | Date & Time |
|----------------|--|--|
| 2013-14 | Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021. | 25 th September, 2014 at 11.00 a.m. |
| 2012-13 | Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021. | 23 rd July, 2013 at 3.00 p.m. |
| 2011-12 | Rangaswar Hall, 4th floor, Y.B.Chavan Centre, Gen.Jagannath Bhosale Marg, Next to Shachivalaya Gymkhana (Opp. Mantralaya), Mumbai-400 021. | 24 th July, 2012 at 3.00 p.m. |

The following Special Resolutions were passed with requisite majority in the previous 3 Annual General Meetings:

2013-14

- Approval for offer, issue & allotment of equity shares under Employee Stock Option Scheme-2014 to employees of the subsidiary companies under Section 62(1)(b) of the Companies Act, 2013.

2012-13

- Re-appointment of Shri N K Parekh as Joint Managing Director of the Company for the further period of 5 years wef 1st August, 2013.
- Payment of commission at a rate not exceeding 1% per annum of the net profit of the Company computed in accordance with Section 309 of the Companies Act, 1956 to be distributed amongst the Directors of the Company (other than Managing Director, Joint Managing Director and Whole-Time Directors of the Company).

2011-12

- Approval for increase in remuneration of Shri Sanket S Parekh, relative of a Director of the Company, to hold Office Place of Profit as Head-Field Marketing (ADH.I) under Section 314 of the Companies Act, 1956.
- Approval for offer, issue & allotment of equity shares under Employee Stock Option Scheme under Section 81 of the Companies Act, 1956.
- No special resolution was passed through postal ballot last year. There is no immediate proposal for passing any resolution through postal ballot.

7. Disclosures

- There were no materially significant related party transactions which have potential conflict with the interest of the Company at large. The details of related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.
- The Company has complied with all requirements of the Listing Agreement with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.
- The Company has complied with all applicable mandatory requirements of Clause 49 of the Listing Agreement.
- The Company has a Vigil Mechanism and Whistle Blower Policy for Directors & employees to report violations of applicable laws and regulations and the code of conduct. During the year under review no employee was denied access to the audit committee.
- Out of the non mandatory requirements, the Company has adopted following:
During the year under review, there was no audit qualification on the Company's financial statements.

8. Means of Communication

- The quarterly results of the Company are normally published in the following newspapers:
Financial Express (English) & Loksatta (Marathi) and are displayed on the Company's website (www.pidilite.com). The abridged results are also published in The Economic Times and Maharashtra Times.
- Presentation made to Institutional Investors or to Analysts and transcripts of meeting with the Analysts are posted on the Company's website.

9. General Information for Shareholders

Detailed information in this regard is provided in the "Information for Shareholders" section, appearing in the Annual Report.

10. Information relating to Directors

Information relating to Directors seeking appointment / reappointment as required under Clause 49(VIII)(E)(1) of the Listing Agreement is given in the Notice of the Annual General Meeting.

11. Declaration by the Managing Director under Clause 49(II)(E)(2)

Declaration by the Managing Director of the Company under Clause 49(II)(E)(2) of the Listing Agreement with Stock Exchanges is given below:

"Pursuant to Clause 49(II)(E)(2) of the Listing Agreement with Stock Exchanges, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31st March, 2015."

Corporate Governance Compliance Certificate

To

The Members of
M/s Pidilite Industries Limited

Co. Regn No: 14336
Nominal Capital: ₹ 70 Crore

We have examined relevant records of M/s Pidilite Industries Ltd. (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with BSE Ltd. and National Stock Exchange of India Ltd. for the financial year ended 31st March, 2015. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and informations furnished, we certify that the Company has complied with all the applicable mandatory conditions of the said Clause 49 of the Listing Agreement.

Date: 19th May, 2015
Mumbai

For M M SHETH & CO
Company Secretaries

M M SHETH
Proprietor
FCS.1455, CP.729

Information for Shareholders

Annual General Meeting

Day, Date & Time:

Tuesday, 1st September, 2015 at 11:00 a.m.

Venue: Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021

Financial Year: 1st April, 2014 to 31st March, 2015

Date of Book Closure:

18th August, 2015 to 1st September, 2015 (both days inclusive)

Dividend Payment:

Credit/dispatch of dividend warrants will commence from 3rd September, 2015, subject to the approval of the shareholders at the Annual General Meeting.

Listing of Shares on Stock Exchanges

The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Annual Listing fee for the financial year 2015-16 has been paid to BSE & NSE.

Stock Codes

| Name of the Stock Exchange | Stock Code |
|----------------------------|------------|
| BSE | 500331 |
| NSE | PIDILITIND |

Market Price Data

Share prices during the financial year 2014-15 at NSE for one equity share of ₹ 1/- each were as under:

| Month | Share Price (₹) | |
|-----------------|-----------------|--------|
| | High | Low |
| April, 2014 | 341.10 | 301.05 |
| May, 2014 | 335.55 | 292.00 |
| June, 2014 | 327.40 | 285.45 |
| July, 2014 | 375.00 | 320.25 |
| August, 2014 | 423.00 | 352.50 |
| September, 2014 | 414.55 | 381.55 |
| October, 2014 | 422.00 | 377.50 |
| November, 2014 | 462.35 | 395.85 |
| December, 2014 | 548.20 | 409.80 |
| January, 2015 | 607.00 | 518.05 |
| February, 2015 | 591.85 | 528.00 |
| March, 2015 | 638.00 | 564.00 |

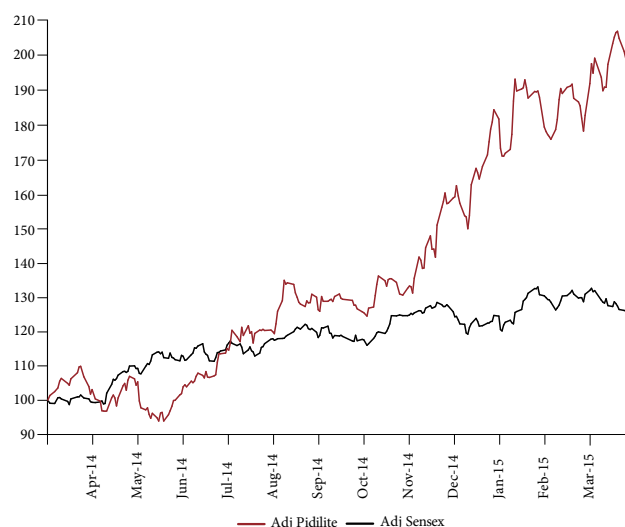
Share prices during the financial year 2014-15 at BSE for one equity share of ₹ 1/- each were as under:

| Month | Share Price (₹) | |
|-------------|-----------------|--------|
| | High | Low |
| April, 2014 | 340.00 | 301.10 |
| May, 2014 | 336.00 | 296.60 |
| June, 2014 | 326.75 | 286.40 |
| July, 2014 | 374.50 | 320.35 |

| Month | Share Price (₹) | |
|-----------------|-----------------|--------|
| | High | Low |
| August, 2014 | 422.40 | 352.00 |
| September, 2014 | 414.40 | 383.00 |
| October, 2014 | 420.85 | 376.20 |
| November, 2014 | 461.50 | 396.35 |
| December, 2014 | 548.35 | 425.00 |
| January, 2015 | 607.00 | 518.90 |
| February, 2015 | 589.00 | 528.00 |
| March, 2015 | 637.55 | 565.00 |

Stock Performance

The performance of the Company's shares in comparison to BSE SENSEX is given in the Chart below:



Registrar & Transfer Agent

TSR Darashaw Limited
Unit: Pidilite Industries Limited
6-10, Haji Moosa Patrawala Ind. Estate,
20, Dr. E. Moses Road,
Mahalaxmi, Mumbai - 400 011
Tel : 022 - 66568484
Fax : 022 - 66568494
E-mail : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

Share Transfer System

The Company has delegated the authority to approve shares received for transfer in physical form as under:

| No. of shares | Authorisation given to |
|---------------|---|
| Up to 4000 | TSR Darashaw Limited |
| Up to 20000 | Any one of the Sarva Shri N K Parekh, M B Parekh, Directors or the Company Secretary. |
| Above 20000 | Share Transfer Committee comprising of the Directors viz, Sarva Shri N K Parekh, A B Parekh and A N Parekh. |

Presently the share transfers which are received in physical form are processed and the share certificates duly transferred are returned generally within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects.

Distribution of Shareholding as on 31st March, 2015

| No. of Equity Shares held | No. of folios | % | No. of Shares | % |
|--|---------------|---------------|---------------------|---------------|
| Up to 5000 | 51,421 | 95.39 | 1,75,81,353 | 3.43 |
| 5001 – 10000 | 1,714 | 3.18 | 1,29,80,781 | 2.53 |
| 10001– 20000 | 351 | 0.65 | 5,149,380 | 1.00 |
| 20001 – 30000 | 94 | 0.17 | 23,26,160 | 0.46 |
| 30001 – 40000 | 57 | 0.11 | 20,67,429 | 0.40 |
| 40001 – 50000 | 33 | 0.06 | 14,93,015 | 0.29 |
| 50001 – 100000 | 63 | 0.12 | 46,56,986 | 0.91 |
| 100001 and above | 175 | 0.32 | 46,64,07,726 | 90.98 |
| Total | 53,908 | 100.00 | 51,26,62,830 | 100.00 |
| No. of Shareholders & shares in physical mode | 1,712 | 3.18 | 35,05,365 | 0.68 |
| No. of beneficial owners & shares in electronic mode | 52,196 | 96.82 | 5,09,157,465 | 99.32 |
| Total | 53,908 | 100.00 | 51,26,62,830 | 100.00 |

Dematerialisation of shares & liquidity

As on 31st March, 2015, 99.32% of total equity shares of the Company were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Ltd. The Company's equity shares are required to be compulsorily traded in the dematerialised form. The shares are available for dematerialisation under ISIN - INE318A01026.

Requests for dematerialisation of shares are processed and generally confirmed within 15 days of receipt.

Plant Locations

Major Plant locations-Mahad, Panvel, Taloja, (Maharashtra); Vapi, Surat (Gujarat); Daman (Union Territory of India); Kala Amb, Baddi (Himachal Pradesh); Secunderabad (Telangana); Guwahati (Assam).

Address for Correspondence

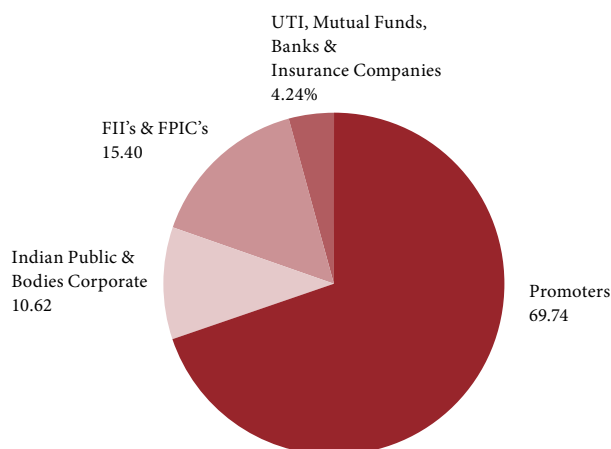
Registered Office:

Regent Chambers, 7th Floor, Jammalal Bajaj Marg,
208, Nariman Point, Mumbai - 400 021
Tel No: 022-2282 2708
CIN: L24100MH1969PLC014336

Corporate Office:

Ramkrishna Mandir Road,
Off. Mathuradas VasANJI Road,
Andheri (E), Mumbai - 400059
Tel No : 022-28357000/7949
Fax No : 022-28216007
Email : investor.relations@pidilite.co.in
Website : www.pidilite.com

Shareholding Pattern as on 31st March, 2015



Corporate Secretarial/Investors' Assistance Department

The Company's Secretarial Department headed by Smt. Savithri Parekh, Company Secretary, is situated at the Corporate Office mentioned above. Shareholders/Investors may contact Smt. Savithri Parekh or Ms. Manisha Shetty at the Corporate Office in Mumbai for any assistance they may need.

Outstanding GDRs/ADRs/Warrants

The Company has no outstanding GDRs/ADRs/Warrants as on 31st March, 2015.

Employee Stock Options

The information with regard to the Employee Stock Options are set out under Annexure 4 to Directors' Report.

Equity shares in Unclaimed Suspense Account under Clause 5A(II)

Details of Equity shares in Unclaimed Suspense Account under Clause 5A(II) are as follows:

| Description | No. of Records | No. of Equity Shares of ₹ 1/- each |
|--|----------------|------------------------------------|
| No. of Records & shares at the beginning of the year | 249 | 2,20,469 |
| Response received for transfer of shares during the year | 4 | 16,000 |
| No. of records and shares were transferred during the year | 4 | 16,000 |
| No. of Records & outstanding shares at the end of the year | 245 | 2,04,469 |

**Consolidated
Financial
Statements**

Independent Auditors' Report to the members of Pidilite Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PIDILITE INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements / financial information of 22 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 5,293.27 million as at 31st March, 2015, total revenues of ₹ 5,071.04 million and net cash outflows amounting to ₹ 57.02 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 50.29 million for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements/ financial information have not been audited by us.

These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associate, is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements / financial information of 1 subsidiary, whose financial statements / financial information reflect total assets of ₹ 12.21 million as at 31st March, 2015, total revenues of ₹ NIL and net cash inflows amounting to ₹ 12.21 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information 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 / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate - Refer Note 33(A) to the consolidated financial statements.
 - ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

B. P. SHROFF
Partner
(Membership No. 034382)

Place: Mumbai
Date: 19th May, 2015

Annexure to Independent Auditors' Report

To the Members of Pidilite Industries Limited on the consolidated financial statements for the year ended 31st March, 2015

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date).

Our reporting on the Order includes 7 subsidiary companies and an associate company incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- i) In respect of fixed assets of the Holding Company, subsidiary companies and associate company incorporated in India:
 - (a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management of the respective entities in accordance with a programme of verification, which in our opinion and the opinion of the other auditors provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us and to the other auditors, no material discrepancies were noticed on such verification.
- ii) In respect of inventories of the Holding Company, subsidiary companies and associate company incorporated in India.
 - (a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to the other auditors, the procedures of physical verification of inventories followed by the Management of the respective entities were reasonable and adequate in relation to the size of the respective entities and the nature of its business.
 - (c) In our opinion and the opinion of the other auditor sand according to the information and explanations given to us and to the other auditors, the respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification..
- iii) The Holding Company, subsidiary companies and associate company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective entities.
- iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to the other auditors, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system in the Holding Company, subsidiary companies and associate company incorporated in India commensurate with the size of the respective entities and the nature of their business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our and the other auditors audit, no major weakness in such internal control system has been observed.
- v) According to the information and explanations given to us and to the other auditors, the Holding Company, subsidiary companies and associate company incorporated in India have not accepted any deposit during the year.
- vi) According to the information and explanations given to us and to the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies and associate company incorporated in India have, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies and associate company incorporated in India:
 - (a) The respective entities has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.
 - (b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Value Added Tax, Entry tax and Excise Duty which have not been deposited as on 31st March, 2015 on account of disputes are given below::

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved (₹ in million) |
|--------------------|-------------------------------|---|--|--------------------------------|
| Sales Tax Act | Sales Tax in Various States | Deputy Joint commissioner of Sales Tax | 1994-95, 1998-99 & 2001-02 & 2004-05 to 2013-14 | 642.37 |
| | Sales Tax in Various States | Sales Tax Tribunal | 1994-95, 1995-96, 1999-2000, 2000-01, 2002-03, 2005-06 & 2006-07 | 45.01 |
| | Sales Tax in Various States | High Court | 2003-04 & 2006-07 to 2009-10 | 2.92 |
| Central Excise Act | Excise Duty in Various States | Commissioner of Central Excise (Appeals) | 2007-08 to 2009-10 | 4.86 |
| | Excise Duty in Various States | The Customs, Excise & Service Tax Appellate Tribunal (CESTAT) | 1997-98, 2005-06 to 2013-14 | 18.73 |
| Income-tax Act | Income tax | Commissioner (Appeals) | AY 2007-08, 2010 -11, 2011-12 & 2012-13 | 93.33 |
| | | ITAT | A Y 2010-11 | 0.43 |

There are no dues of Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited as on March 31, 2015 on account of disputes.

- (d) The aforesaid entities have been generally regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- viii) The Group and its associate does not have consolidated accumulated losses at the end of the financial year and the Group and its associate have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to the other auditors, the Holding Company, subsidiary companies and associate company incorporated in India have not defaulted in the repayment of dues to financial institutions and banks. The Holding Company, subsidiary companies and associate company incorporated in India have not issued any debentures.
- x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by a subsidiary company incorporated in India for loans taken by others outside of the Group and its associate from banks and financial institutions are not, prima facie, prejudicial to the interests of the Group and its associate.
- xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to the other auditors, the term loans have been applied by the Holding Company, subsidiary companies and associate company incorporated in India during the year for the purposes for which they were obtained.
- xii) To the best of our knowledge and according to the information and explanations given to us and to the other auditors, no fraud by the Holding Company, subsidiary companies and associate company incorporated in India and no material fraud on the Holding Company, subsidiary companies and associate company incorporated in India has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 117364W)

B. P. SHROFF
Partner
(Membership No. 034382)

Place: Mumbai
Date: 19th May, 2015

Consolidated Balance Sheet

As at 31st March, 2015

(₹ in million)

| Particulars | Note No. | As at 31 st March 2015 | As at 31 st March 2014 |
|-------------------------------------|----------|--------------------------------------|--------------------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 3 | 512.66 | 512.64 |
| Reserves and Surplus | 4 | 22,193.12 | 19,013.59 |
| | | 22,705.78 | 19,526.23 |
| Minority Interest | | | |
| | | 51.04 | 41.63 |
| Non-Current liabilities | | | |
| Long- Term Borrowings | 5 | 5.00 | - |
| Deferred Tax Liabilities (net) | 6 | 576.69 | 537.33 |
| Long-Term Provisions | 7 | 239.23 | 319.22 |
| | | 820.92 | 856.55 |
| Current liabilities | | | |
| Short-Term Borrowings | 8 | 579.17 | 459.34 |
| Trade Payables | 9 | 3,319.05 | 3,474.11 |
| Other Current Liabilities | 10 | 3,613.47 | 3,035.84 |
| Short-Term Provisions | 11 | 2,068.66 | 1,889.86 |
| | | 9,580.35 | 8,859.15 |
| TOTAL | | 33,158.09 | 29,283.56 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 12 | 6,422.74 | 5,906.65 |
| Intangible Assets | 13 | 3,146.69 | 1,154.86 |
| Capital Work-In-Progress | | 4,618.20 | 4,580.46 |
| | | 14,187.63 | 11,641.97 |
| Goodwill on Consolidation | | 215.48 | 229.81 |
| Non-Current Investments | 14 | 907.35 | 261.59 |
| Deferred Tax Assets (net) | 15 | 10.44 | - |
| Long-Term Loans and Advances | 16 | 1,062.24 | 674.87 |
| Other Non-Current Assets | 17 | 68.11 | 59.29 |
| | | 16,451.25 | 12,867.53 |
| Current Assets | | | |
| Current Investments | 18 | 2,691.65 | 2,341.34 |
| Inventories | 19 | 6,410.35 | 5,996.81 |
| Trade Receivables | 20 | 5,861.12 | 5,244.01 |
| Cash and Cash Equivalents | 21 | 860.04 | 1,771.72 |
| Short-Term Loans and Advances | 22 | 823.13 | 937.18 |
| Other Current Assets | 23 | 60.55 | 124.97 |
| | | 16,706.84 | 16,416.03 |
| TOTAL | | 33,158.09 | 29,283.56 |

Significant Accounting Policies 2
See accompanying notes forming part of the consolidated financial statements 3 to 50

In terms of our Report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

B. P. SHROFF

Partner

Place: Mumbai

Date: 19th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI

Managing Director

SANDEEP BATRA

Chief Financial Officer

M B PAREKH

Executive Chairman

SAVITHRI PAREKH

Company Secretary

Place: Mumbai

Date: 19th May, 2015

Consolidated Statement of Profit and Loss

For The Year Ended 31st March, 2015

(₹ in million)

| Particulars | Note No. | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
|---|----------|---|---|
| INCOME | | | |
| Revenue from Operations (gross) | 24 | 51,328.62 | 45,345.28 |
| Less: Excise Duty | | 2,887.58 | 2,513.24 |
| Revenue from Operations (net) | | 48,441.04 | 42,832.04 |
| Other Income | 25 | 454.86 | 448.63 |
| Total Income | | 48,895.90 | 43,280.67 |
| EXPENSES | | | |
| Cost of Materials Consumed | 26 | 24,738.13 | 21,902.63 |
| Purchases of Stock-in-Trade (Traded goods) | | 2,198.47 | 2,296.46 |
| Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | 27 | (122.37) | (586.01) |
| Employee Benefits Expense | 28 | 4,972.51 | 4,419.96 |
| Finance Costs | 29 | 156.43 | 163.34 |
| Depreciation and Amortisation Expense | 30 | 1,177.57 | 811.60 |
| Other Expenses | 31 | 8,946.78 | 8,084.41 |
| Total Expenses | | 42,067.52 | 37,092.39 |
| Profit before Exceptional Items and Tax | | 6,828.38 | 6,188.28 |
| (Add) / Less: Exceptional Items (net) | 32 | 49.05 | 64.96 |
| Profit before Tax | | 6,779.33 | 6,123.32 |
| Tax Expense | | | |
| Current Tax | | 1,596.12 | 1,625.15 |
| Deferred Tax | | 97.96 | 27.56 |
| Net Tax Expense | | 1,694.08 | 1,652.71 |
| Profit after tax before share of profit of Associate and Minority Interest | | 5,085.25 | 4,470.61 |
| Add: Share of Profit in Associate | | 50.23 | 30.41 |
| Profit after tax before Minority Interest | | 5,135.48 | 4,501.02 |
| Less: Minority Interest | | 9.79 | 2.88 |
| Profit for the year | | 5,125.69 | 4,498.14 |
| Earnings Per Share | | | |
| Basic (₹) | 35 | 10.00 | 8.77 |
| Diluted (₹) | | 9.99 | 8.77 |
| Face Value of Share (₹) | | 1.00 | 1.00 |
| Significant Accounting Policies | 2 | | |
| See accompanying notes forming part of the consolidated financial statements | 3 to 50 | | |

In terms of our Report attached

For DELOITTE HASKINS & SELLS
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 19th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

SANDEEP BATRA
Chief Financial Officer

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 19th May, 2015

Notes

1 Corporate information

Since its inception in 1959, Pidilite Industries Limited has been a pioneer in consumer and industrial speciality chemicals in India. The equity shares of the Company are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE).

2 Basis of Consolidation and significant accounting policies

2.1 Basis of accounting and preparation of Consolidated Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention on a going concern basis. The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year except for change in the accounting policy for depreciation as more fully described in Note 44.

2.2 Principles of consolidation

The Consolidated Financial Statements relate to Pidilite Industries Limited (‘the Company’), its subsidiary companies and the Group’s share of profit in its associate. The Consolidated Financial Statements have been prepared on the following basis:

- a) The financial statements of the subsidiary companies and an associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2015.
- b) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses in accordance with Accounting Standard (AS) 21-“Consolidated Financial Statements.”
- c) The Consolidated Financial Statements include the share of profit / loss of an associate company which have been accounted for using equity method as per AS 23 Accounting for Investments in Associates in Consolidated Financial Statements. Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- d) The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognised as ‘Goodwill’ being an asset in the Consolidated Financial Statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Group, it is recognised as ‘Capital Reserve’ and shown under the head ‘Reserves & Surplus’, in the Consolidated Financial Statements.
- e) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- f) The difference between the cost of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.
- g) Goodwill arising on consolidation is not amortised but tested for impairment.

h) Following subsidiary companies and associate have been considered in the preparation of the Consolidated Financial Statements:

| Name of the entity | Relationship | Country of Incorporation | % of Holding and voting power either directly or indirectly through subsidiary as at | |
|---|--------------|--------------------------|--|-----------------------------|
| | | | 31 st March 2015 | 31 st March 2014 |
| i) Fevicol Company Ltd (Fevicol) | Subsidiary | India | 100% | 100% |
| ii) Bhimad Commercial Company Pvt Ltd (Bhimad) | Subsidiary | India | 100% | 100% |
| iii) Madhumala Traders Pvt Ltd (Madhumala) | Subsidiary | India | 100% | 100% |
| iv) Pagel Concrete Technologies Pvt Ltd (PCTPL) | Subsidiary | India | 80% | 80% |
| v) Nitin Enterprises (Nitin) | Subsidiary | India | 99.99% | 99.99% |
| vi) Building Envelope Systems India Ltd (BESI) | Subsidiary | India | 60% | 60% |
| vii) Percept Waterproofing Services Ltd (PWSL) | Subsidiary | India | 80% | 80% |
| viii) Hybrid Coatings (Hybrid) | Subsidiary | India | 99% | 99% |
| ix) Pidilite International Pte Ltd (PIPL) | Subsidiary | Singapore | 100% | 100% |
| x) Pidilite Middle East Ltd (PMEL) | Subsidiary | Dubai | 100% | 100% |
| xi) Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec) | Subsidiary | Brazil | 100% | 100% |
| xii) Pidilite USA Inc (PUSA) | Subsidiary | USA | 100% | 100% |
| xiii) Jupiter Chemicals (LLC) (Jupiter) | Subsidiary | Dubai | 100% | 100% |
| xiv) PT Pidilite Indonesia (PTPI) | Subsidiary | Indonesia | 100% | 100% |
| xv) Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB) | Subsidiary | Bangladesh | 100% | 100% |
| xvi) Pidilite Innovation Centre Pte Ltd (PICPL) | Subsidiary | Singapore | 100% | 100% |
| xvii) Pidilite Industries Egypt SAE (PIE) | Subsidiary | Egypt | 100% | 100% |
| xviii) Pidilite Bamco Ltd (Bamco) | Subsidiary | Thailand | 100% | 100% |
| xix) Pidilite Chemical PLC | Subsidiary | Ethiopia | 98.99% | NIL |
| xx) PIL Trading (Egypt) Company (PTC) | Subsidiary | Egypt | 100% | 100% |
| xxi) Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai) | Subsidiary | China | 100% | 100% |
| xxii) Bamco Supply and Services Ltd (BSSL) | Subsidiary | Thailand | 49% | 49% |
| xxiii) Nina Waterproofing Systems Private Limited | Subsidiary | India | 70% | NIL |
| xxiv) Vinyl Chemicals (India) Ltd (VCIL) | Associate | India | 40.62% | 40.62% |

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances with certain exceptions as mentioned in 2.5, 2.12 and 2.13 below and are presented to the extent possible, in the same manner as the Company's separate financial statements.

2.3 Use of Estimates

The preparation of Consolidated Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialised.

2.4 Fixed assets (Tangible/ Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46A of AS 11 “The Effects of Changes in Foreign Exchange Rates”, accordingly, exchange differences arising on restatement/ settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.5 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets of its subsidiary companies, in whose case, the life of assets has been assessed as under:

| Class of Assets | Estimated Useful Life for the purpose of Depreciation | | | | | | | | | | |
|------------------------|---|--------|-------|--------|------|-------|------|---------|-------|------|------|
| | Pulvitec | PSCB | Bamco | PIE | PUSA | PTC | BSSL | Jupiter | PICPL | PITS | PTPI |
| Tangibles | | | | | | | | | | | |
| Buildings | | 20 | 20 | 20 | | | | 20 | | | |
| Leasehold improvements | | 10 | 20 | | 5 | | | | 5 | | |
| Plant & Machinery | 10 | 10 | 10 | 10 | 7 | | | 5 | 5 | | |
| Vehicles | | 5 | 5 | 4 | 5 | 4 | | 4 | 5 | | 8 |
| Furniture | | 10 | 5 | 5 | | 5 | | | | | |
| Office Equipments | 5 - 10 | 3 - 10 | 5 | 3 - 10 | 5 | 3 - 5 | 5 | 5 | 3 - 5 | 3 | 4 |

Intangible assets are amortised over their estimated useful life on the straight-line method as follows:

- Goodwill (acquired) - 10 years
- Other intangibles (Copyrights, Trademarks, Technical Knowhow etc. acquired by the Company) - 10 years.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.6 Research and development expenses

Revenue expenditure pertaining to research is charged to respective heads in the Consolidated Statement of Profit and Loss in the year it is incurred. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Fixed Assets.

2.7 Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.8 Inventories

Raw Materials and Packing Materials are valued at the lower of weighted average cost and net realisable value.

Finished Goods, Stock-in-Trade and Work-in-Progress are valued at lower of weighted average cost and net realizable value. Cost for this purpose includes direct materials, direct labour, excise duty and appropriate overheads.

Consumable stores and spares are valued at the lower of weighted average cost and net realisable value, as estimated by the management.

Obsolete, defective, unserviceable and slow / non-moving stocks are duly provided for.

2.9 Revenue recognition

Income from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer which generally coincides with dispatch of goods to customer. Sales are net of - Sales Tax/ VAT, returns, rebates and discounts.

Interest income is recognised on accrual basis.

Claims / Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt. Dividend is accounted for when right to receive dividend is established.

2.10 Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items (other than forward contracts) of the Group, outstanding at the Balance Sheet date are restated at the year end rates. Non-monetary items of the Group are carried at historical cost.

The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. The unamortised exchange difference is carried under Reserves and Surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Consolidated Statement of Profit and Loss.

In respect of the foreign offices / branches, which are integral foreign operations, all revenues and expenses during the month are reported at monthly average rates. Foreign currency monetary items, outstanding at the Balance Sheet date are restated at the year end rates. Non-monetary items are carried at historical cost. Net gain / loss on foreign currency translation is recognised in the Statement of Profit and Loss.

In respect of Non-integral foreign operations, all assets and liabilities are translated at year end rates and all revenues and expenses are translated at average rates for the year. The exchange differences relating to non-integral foreign operations are accumulated in a "Foreign currency translation reserve" until disposal of the operation, in which case the accumulated balance in "Foreign currency translation reserve" is recognised as income / expense in the same period in which the gain or loss on disposal is recognised.

2.11 Accounting for forward contracts

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

2.12 Employee benefits

Employee benefits include Provident Fund, Superannuation Fund, Employee State Insurance Scheme, Gratuity Fund, Compensated Absences, Anniversary Awards, Premature Death Pension Scheme and Total Disability Pension Scheme.

Defined contribution plans

The Group's contribution to Provident Fund, Superannuation Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of Gratuity Fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. Anniversary awards, premature death pension scheme and total disability pension scheme are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

Employee Benefits for the employees in foreign subsidiary companies are governed under applicable local laws.

2.13 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and Deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

The Group offsets Direct Tax Assets and Direct Tax Liabilities and Advance Income Tax and provision for tax, if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

2.14 Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events 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 (excluding retirement benefits) are not discounted to their present value and are determined based on the 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 disclosed in the Notes. Contingent assets are not recognised nor disclosed in the Consolidated Financial Statements.

2.15 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash in hand and short-term investments with an original maturity of three months or less.

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / loss before extraordinary items and tax is adjusted for the effects of transactions of non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

2.17 Impairment of assets

The carrying value of assets/ cash generating units at each Balance Sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is an indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

2.18 Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of cost plus margins. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.19 Employee share based payments

The Group has formulated Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Schemes provide for grant of options to employees of the Group to acquire equity shares of the Group that vest in a graded manner and that are to be exercised within a specified period. The compensation cost of stock options granted to employees is measured by the intrinsic value method, i.e., the difference between the closing market price on the day prior to the grant of the options under ESOS over the exercise price to be paid by the option holder. In accordance with the SEBI Guidelines; the excess, if any, is amortised on a straight-line basis over the vesting period of the options.

2.20 Operating cycle

Based on the varied nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has considered its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(₹ in million)

| | | As at 31 st March 2015 | As at 31 st March 2014 |
|--|--|---|---|
| 3 | Share Capital | | |
| Authorised Capital: | | | |
| | 700,000,000 (700,000,000) Equity Shares of ₹ 1 each | 700.00 | 700.00 |
| | TOTAL | 700.00 | 700.00 |
| Issued, Subscribed and Paid up Capital: | | | |
| | 512,662,830 (512,642,330) Equity Shares of ₹ 1 each, fully paid-up | 512.66 | 512.64 |
| | TOTAL | 512.66 | 512.64 |

| a. Reconciliation of the no. of shares and amount outstanding at the beginning and at the end of the reporting period | | | | |
|--|--------------------------------------|--------------|--------------------------------------|--------------|
| | As at 31 st March 2015 | | As at 31 st March 2014 | |
| | Number of Shares | ₹ in million | Number of Shares | ₹ in million |
| Equity Shares | | | | |
| Shares outstanding at the beginning of the year | 512,642,330 | 512.64 | 512,642,330 | 512.64 |
| Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012 | 20,500 | 0.02 | - | - |
| Shares outstanding at the end of the year | 512,662,830 | 512.66 | 512,642,330 | 512.64 |
| b. Terms/ Rights attached to equity shares | | | | |

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion of their shareholding.

During the year ended 31st March, 2015, the amount of per share dividend recognised as distribution to equity shareholders is ₹ 2.90 (₹ 2.70).

| c. Details of shareholders holding more than 5% shares in the Company: | | | | |
|---|--------------------------------------|-----------------|--------------------------------------|-----------------|
| | As at 31 st March 2015 | | As at 31 st March 2014 | |
| | Number of Shares held | % of Holding | Number of Shares held | % of Holding |
| Shri Madhukar Balvantray Parekh | 56,777,568 | 11.08 | 56,977,568 | 11.11 |
| Shri Narendrakumar Kalyanji Parekh | 53,832,178 | 10.50 | 54,332,178 | 10.59 |
| Shri Ajay Balvantray Parekh | 48,998,844 | 9.56 | 49,148,590 | 9.58 |
| Shri Sushilkumar Kalyanji Parekh | 42,358,636 | 8.26 | 45,969,560 | 8.97 |
| Genesis Indian Investment Co. Ltd. - General Sub fund | 39,453,809 | 7.70 | 39,863,145 | 7.78 |
| Devkalyan Sales Pvt. Ltd. | 26,224,280 | 5.12 | 26,074,280 | 5.09 |

d. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years, immediately preceding the reporting date:

| | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| | Number of shares | Number of shares |

Equity Shares

| | | |
|---|-------------|-------------|
| Allotted as fully paid bonus shares (in 2009-10) | 253,067,306 | 253,067,306 |
| Allotted on Conversion of FCCB (In 2011-12 and 2012-13) | 6,507,718 | 6,507,718 |

e. The Company had issued on 6th December, 2007, 400 Foreign Currency Convertible Bonds (FCCB) of US\$100,000 each, which were convertible into Equity Shares at any time upto 1st December, 2012. The due date for redemption of FCCBs was 7th December, 2012. As on 7th December, 2012, the balance outstanding FCCBs aggregating 205 Bonds were redeemed by the Company.

f. Equity Shares reserved for issuance under Employee Stock Option Scheme, 2012 towards Stock Options granted/ available for grant (Refer Note 41):

| | As at 31 st March 2015 | As at 31 st March 2014 |
|---------------------------|---|---|
| | Number of shares | Number of shares |
| Equity Shares of ₹ 1 each | 279,500 | 300,000 |

| 4 Reserves and Surplus | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| Capital Reserve | 3.37 | 3.37 |
| Securities Premium Account | | |
| Balance as per last financial statements | 650.97 | 650.97 |
| Add: Premium on Shares issued against ESOP | 5.38 | - |
| Closing Balance | 656.35 | 650.97 |
| Debenture Redemption Reserve | | |
| Balance as per last financial statements | - | 259.11 |
| Add: Transferred from Statement of Profit and Loss | - | 40.89 |
| Less: Transferred to General Reserve* | - | 300.00 |
| Closing Balance | - | - |
| Cash Subsidy Reserve | 9.47 | 9.47 |
| Legal Reserve | 2.41 | 2.31 |
| Employee Stock Options Outstanding | | |
| - Employees Stock Options Outstanding | | |
| Balance as per last financial statements | 12.85 | - |
| Add: Options granted during the year | - | 12.85 |
| Less: Transferred to Security Premium on options exercised during the year | 5.38 | - |
| Less: Lapsed during the year | 3.67 | - |
| Closing Balance (A) | 3.80 | 12.85 |
| - Deferred Employees Stock Options Cost | | |
| Balance as per last financial statements | (8.79) | - |
| Add: Options granted during the year | - | (12.85) |
| Less: Exercised during the year | 3.11 | - |
| Less: Amortisation during the year | 1.90 | 4.06 |
| Less: Lapsed during the year | 2.68 | - |
| Closing Balance (B) | (1.10) | (8.79) |
| Closing Balance (A-B) | 2.70 | 4.06 |
| General Reserve | | |
| Balance as per last financial statements | 16,897.02 | 14,097.02 |
| Add: Transferred from surplus in Consolidated Statement of Profit and Loss | 750.00 | 2,500.00 |
| Add: Transferred from Debenture Redemption Reserve* | - | 300.00 |
| Closing Balance | 17,647.02 | 16,897.02 |
| Foreign Currency Translation reserve | | |
| Opening Balance | 459.89 | 331.84 |
| Add/ (Less): Addition during the year | (26.97) | 128.05 |
| Closing Balance | 432.92 | 459.89 |
| Surplus in Statement of Profit and Loss | | |
| Balance as per last financial statements | 986.50 | 648.61 |
| Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (Net of deferred tax) (Refer Note 44) | 133.93 | - |
| Add: Profit for the year | 5,125.69 | 4,498.14 |
| Less: Proposed final equity dividend | 1,486.72 | 1,384.13 |
| Amount per share ₹ 2.90 (₹ 2.70) | | |
| • Tax on proposed equity dividend | 302.66 | 235.23 |
| Transferred to: | | |
| • Debenture Redemption Reserve | - | 40.89 |
| • General Reserve | 750.00 | 2,500.00 |
| Total | 2,539.38 | 4,160.25 |
| Closing Balance | 3,438.88 | 986.50 |
| TOTAL | 22,193.12 | 19,013.59 |

*The transfer of Debenture Redemption Reserve to General Reserve is on account of redemption/ conversion of Foreign Currency Convertible Bonds and 11.9% Redeemable Non Convertible Debentures.

(₹ in million)

| 5 Long-Term Borrowings | | | |
|-------------------------------|---------------------------------|---|---|
| | | As at 31 st March 2015 | As at 31 st March 2014 |
| | Unsecured - Term Loan from Bank | 5.00 | - |
| | TOTAL | 5.00 | - |

* Term Loan is taken for 806 days payable by 1st March, 2017 bearing an interest @ 12%

(₹ in million)

| 6 Deferred Tax Liabilities (net) | | | |
|---|--|---|---|
| | | As at 31 st March 2015 | As at 31 st March 2014 |
| | Tax effect of items constituting Deferred Tax Liabilities | | |
| | On difference between book and tax depreciation | 749.34 | 696.35 |
| | Tax effect of items constituting Deferred Tax Liabilities | 749.34 | 696.35 |
| | Tax effect of items constituting Deferred Tax Assets | | |
| | On difference between book and tax depreciation | - | 1.31 |
| | Provision for Employee Benefits | 88.57 | 80.44 |
| | Provision for Doubtful Debts | 50.16 | 44.72 |
| | Disallowance under Section 35DDA and 43B of Income Tax Act, 1961 | 32.56 | 19.97 |
| | Net Operating Losses | - | 10.48 |
| | Others | 1.36 | 2.10 |
| | Tax effect of items constituting Deferred Tax Assets | 172.65 | 159.02 |
| | TOTAL | 576.69 | 537.33 |

| 7 Long-Term Provisions | | | |
|-------------------------------|---|---|---|
| | | As at 31 st March 2015 | As at 31 st March 2014 |
| | Provision for Employee Benefits: | | |
| | Compensated Absences | 184.80 | 195.77 |
| | Anniversary Awards | 7.58 | 6.58 |
| | Premature Death Pension Scheme | 5.10 | 3.57 |
| | Total Disability Pension Scheme | 1.08 | 1.02 |
| | Other Long-Term Provision (Refer Note 43) | 40.67 | 112.28 |
| | TOTAL | 239.23 | 319.22 |

| 8 Short-Term Borrowings | | | |
|--------------------------------|---|---|---|
| | | As at 31 st March 2015 | As at 31 st March 2014 |
| | Unsecured | | |
| | Short -Term Loan from Bank | 171.16 | 109.13 |
| | Short -Term Loan from Financial Institutions | 8.66 | 32.32 |
| | Loans repayable on demand from banks: | | |
| | Secured Working Capital Loan (Cash Credit / overdraft accounts) | 57.80 | 76.84 |
| | Unsecured Working Capital Loan (Cash Credit / overdraft accounts) | 341.55 | 241.05 |
| | TOTAL | 579.17 | 459.34 |

Working Capital Loan from Banks (Cash Credit accounts) are secured by way of first charge on the stock of Raw Material, Finished Goods, Packing Material, Stock-in-Process, Bills Receivable and Book Debts and by way of second charge on the entire Plant and Machinery of the Company including Stores and Spares. Further, these loans are secured by way of an Equitable Mortgage on the Land and Building of the Company's unit at Kondivita, Mumbai.

(₹ in million)

| 9 Trade Payables | As at 31 st March 2015 | As at 31 st March 2014 |
|------------------------|---|---|
| Trade Payables | | |
| Other than acceptances | 3,319.05 | 3,474.11 |
| TOTAL | 3,319.05 | 3,474.11 |

| 10 Other Current Liabilities | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| Other Liabilities | | |
| Interest accrued but not due on borrowings | 0.69 | 1.25 |
| Unclaimed Dividend | 7.49 | 7.27 |
| Other Payables | | |
| Statutory remittances | 336.61 | 391.47 |
| Payables on purchase of fixed assets | 72.51 | 20.10 |
| Employee related liabilities | 289.22 | 246.93 |
| Contractually reimbursable expenses | 2.69 | 12.64 |
| Trade/ Security Deposit received | 709.97 | 635.28 |
| Advance from customers | 67.72 | 71.66 |
| Accrued liabilities for expenses | 2,126.57 | 1,649.24 |
| TOTAL | 3,613.47 | 3,035.84 |

| 11 Short-Term Provisions | As at 31 st March 2015 | As at 31 st March 2014 |
|---|---|---|
| Provision for Employee Benefits | | |
| Gratuity (net) (Refer Note 38) | 52.31 | 58.74 |
| Compensated Absences | 91.75 | 74.02 |
| Anniversary Awards | 0.98 | 0.85 |
| Premature Death Pension Scheme | 1.04 | 0.72 |
| Total Disability Pension Scheme | 0.16 | 0.15 |
| Provision for Tax (Net of Advance Tax) | 133.04 | 136.02 |
| Provision for proposed equity dividend | 1,486.72 | 1,384.13 |
| Provision for tax on proposed equity dividend | 302.66 | 235.23 |
| TOTAL | 2,068.66 | 1,889.86 |

PIDILITE INDUSTRIES LIMITED FIXED ASSET SCHEDULE AS AT 31-03-2015

(₹ in million)

| PARTICULARS | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | | NET BLOCK | | |
|-----------------------------|---------------------------------|-----------------------------|-------------------------|-------------------------|---------------------------------|-------------------------------|---------------------------|----------------------------|--|--------------------------|-------------------------------|-------------------------------|
| | As at 1.4.2014 | Additions | Deductions/ Adjustments | Forex Gain/(Loss) | As at 31.03.2015 | As at 1.4.2014 | Provided during the year | Deductions/ Adjustments | Transition adjustment recorded against Surplus balance in Statement of Profit & Loss | Forex Gain/ (Loss) | As at 31.3.2015 | |
| 12 Tangible Assets | | | | | | | | | | | | |
| Freehold Land | 476.06 (418.19) | 56.37 (56.45) | - | 0.97 (1.42) | 531.46 (476.06) | - | - | - | - | - | - | 531.46 (476.06) |
| Leasehold Land | 214.43 (196.15) | 13.33 (18.28) | - | - | 227.76 (214.43) | 13.12 (11.04) | 2.11 (2.08) | - | - | - | 15.23 (13.12) | 212.53 (201.31) |
| Buildings | 1,871.91 (1,774.70) | 539.24 (85.46) | 0.05 (3.03) | (10.01) (14.78) | 2,421.11 (1,871.91) | 541.69 (482.64) | 64.61 (54.97) | (11.74) (0.26) | 5.89 | (0.38) (4.34) | 612.53 (541.69) | 1,808.58 (1,330.22) |
| Plant & Machinery | 7,300.41 (6,759.58) | 887.02 (529.07) | 64.81 (26.45) | 54.01 (38.21) | 8,068.61 (7,300.41) | 4,158.59 (3,644.39) | 671.76 (521.99) | (266.43) (25.16) | 161.66 | 38.26 (17.37) | 4,896.86 (4,158.59) | 3,171.75 (3,141.82) |
| Vehicles | 205.80 (191.63) | 24.27 (18.94) | 18.15 (5.89) | (0.45) (1.12) | 212.37 (205.80) | 120.03 (107.80) | 21.26 (15.67) | 13.26 (4.33) | 0.31 | (0.34) (0.89) | 128.06 (120.03) | 84.31 (85.77) |
| Furniture | 562.18 (530.71) | 51.89 (33.41) | 1.19 (4.78) | 2.33 (2.84) | 610.55 (562.18) | 274.33 (244.04) | 61.57 (30.42) | (24.32) (1.21) | 12.65 | 1.55 (1.08) | 346.02 (274.33) | 264.53 (287.85) |
| Office Equipments | 802.13 (668.24) | 85.54 (132.55) | 1.30 (0.43) | (1.55) (1.77) | 887.92 (802.13) | 418.51 (393.66) | 97.26 (25.93) | (43.92) (2.45) | 22.59 | (1.24) (1.37) | 538.34 (418.51) | 349.58 (383.62) |
| TOTAL | 11,432.92 (10,539.20) | 1,657.66 (874.16) | 85.50 (40.58) | 45.30 (60.14) | 12,959.78 (11,432.92) | 5,526.27 (4,883.57) | 918.57 (651.06) | (333.15) (33.41) | 203.10 | 37.85 (25.05) | 6,537.04 (5,526.27) | 6,422.74 (5,906.65) |
| 13 Intangible Assets | | | | | | | | | | | | |
| Goodwill | 765.26 (771.20) | 888.57 (27.18) | - | 160.05 (33.12) | 1,493.78 (765.26) | 540.38 (531.01) | 49.39 (42.57) | - | - | 124.66 (33.20) | 465.11 (540.38) | 1,028.67 (224.88) |
| Trademarks | 1,037.52 (665.00) | 1,342.51 (349.48) | - | (10.56) (23.04) | 2,390.59 (1,037.52) | 643.68 (594.65) | 114.30 (49.03) | - | - | - | 757.98 (643.68) | 1,632.61 (393.84) |
| Computer Software | 390.20 (220.79) | 21.09 (167.65) | 0.15 | 2.28 (1.76) | 408.86 (390.20) | 197.88 (152.93) | 48.11 (43.22) | 0.15 | - | 1.75 (1.73) | 244.09 (197.88) | 164.77 (192.32) |
| Copyrights | 298.61 (276.56) | 28.43 (22.05) | - | - | 327.04 (298.61) | 123.89 (108.79) | 19.50 (6.27) | - | - | (4.40) (8.83) | 147.79 (123.89) | 179.26 (174.72) |
| Technical Knowhow Fees | 230.51 (138.67) | - | - | - | 230.51 (230.51) | 105.00 (89.38) | 18.73 (15.62) | - | - | - | 123.73 (105.00) | 106.78 (125.51) |
| Non Compete Fees | 56.85 (11.22) | - | - | - | 56.85 (56.85) | 13.27 (9.44) | 8.97 (3.83) | - | - | - | 22.24 (13.27) | 34.61 (43.58) |
| TOTAL | 2,778.95 (2,083.44) | 2,280.60 (703.83) | 0.15 | 151.77 (8.32) | 4,907.63 (2,778.95) | 1,624.10 (1,486.20) | 259.00 (160.54) | 0.15 | 203.10 | 122.01 (22.64) | 1,760.94 (1,624.10) | 3,146.69 (1,154.86) |
| GRAND TOTAL | 14,211.87 | 3,938.26 | 85.65 | 197.07 | 17,867.41 | 7,150.37 | 1,177.57 | (333.00) | 203.10 | 159.86 | 8,297.88 | 9,569.43 |
| Previous Year | (12,622.64) | (1,577.99) | (40.58) | (51.82) | (14,211.87) | (6,369.77) | (811.60) | (33.41) | - | (2.41) | (7,150.37) | (7,061.51) |

Note:

a Assets given under Operating lease and assets taken under Finance lease included in Note 12 above are as under:

| PARTICULARS | GROSS BLOCK | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | | | | |
|-------------------------------|---------------------|-----------------|----------------------------|--------------------------|---------------------|---------------------|-----------------------------|------------|----------------------|---------------------|--------------------|-------------------|
| | As at 01.04.2014 | Additions | Deductions/ Adjustments | Forex Gain/ (Loss) | As at 31.03.2015 | As at 01.04.2014 | Provided during the year | Deductions | Forex Gain/(Loss) | As at 31.03.2015 | As at 31.3.2015 | |
| Freehold Land | | | | | | | | | | | | |
| - Given under Operating lease | 16.33 (16.33) | 121.56 | - | - | 137.89 (16.33) | - | - | - | - | - | - | 137.89 (16.33) |
| Leasehold Land | | | | | | | | | | | | |
| - Given under Operating lease | 21.17 (21.17) | 19.31 | - | - | 40.48 (21.17) | 1.34 (1.14) | 0.49 (0.20) | - | - | 1.83 (1.34) | - | 38.65 (19.83) |
| Buildings | | | | | | | | | | | | |
| - Given under Operating lease | 112.08 (108.83) | 30.87 (3.25) | - | - | 142.95 (112.08) | 33.72 (30.36) | 6.84 (3.36) | - | - | 40.56 (33.72) | - | 102.39 (78.36) |
| Vehicles | | | | | | | | | | | | |
| - Taken under Finance lease | 2.79 (2.79) | - | - | - | 2.79 (2.79) | 2.29 (1.68) | 0.50 (0.61) | - | - | 2.79 (2.29) | - | - (0.50) |
| Office Equipments | | | | | | | | | | | | |
| - Taken under Finance lease | 0.23 (0.23) | - | - | - | 0.23 (0.23) | 0.16 (0.07) | 0.05 (0.04) | - | - | 0.21 (0.11) | - | 0.02 (0.12) |

b Figures in bracket indicate previous year's figures.

c Buildings includes shares of cooperative societies of ₹ 0.07 million (₹ 0.07 million).

d During the year, management reassessed that the economic benefits derived from goodwill will be for atleast 10 years and accordingly has revised the amortisation of goodwill from 5 years to 10 years. Due to the revision, depreciation for the year ended 31st March 2015 is lower by ₹ 49.3 million and profit before tax is higher by ₹ 49.3 million.

(₹ in million)

| 14 Non-Current Investments | As at 31 st March 2015 | As at 31 st March 2014 |
|---|---|---|
| Long-Term Investments (at cost less provision for other than temporary diminution) | | |
| A] Trade: | | |
| Investment in Associates | | |
| In Equity Instruments (quoted) (fully paid up) | | |
| 7,451,540 (7,451,540) Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd | 11.79 | 11.79 |
| Original cost of acquisition including goodwill ₹ 9.52 million (₹ 9.52 million) | | |
| [Market Value ₹ 487.70 million (₹ 124.44 million)] | | |
| Add: Share in accumulated Profits / Reserves | 139.35 | 99.31 |
| Carrying amount of Investment | 151.14 | 111.10 |
| B] Other Investments: | | |
| (a)(i) In Equity Instruments (quoted) (fully paid up) | | |
| Nil (6,848) Equity Shares of ₹ 10 each of Menon Pistons Ltd | - | 0.48 |
| [Market Value ₹ Nil (₹ 0.46 million)] | | |
| Total (a)(i) | - | 0.48 |
| (a)(ii) In Equity Instruments (unquoted) (fully paid up) | | |
| 121,300 (121,300) Equity Shares of ₹ 10 each of Pal Peugeot Ltd | 1.21 | 1.21 |
| 2,500 (2,500) Equity Shares of ₹ 10 each of Saraswat Co-operative Bank Ltd. | 0.03 | 0.03 |
| Total (a)(ii) | 1.24 | 1.24 |
| Total (a)[(i)+(ii)] | 1.24 | 1.72 |
| (b) In Equity Investments in Promissory Notes | | |
| 1 (Nil) Convertible Promissory Note of Optmed Inc | 46.95 | - |
| Total (b) | 46.95 | - |
| (c) Investments in Mutual Funds | | |
| Nil (5,000,000) Units of DSP- Black Rock FMP- Series 37-14M-Reg-Growth | - | 50.00 |
| Nil (10,000,000) Units of HDFC-FMP 441D Feb2014(1)Series 29-Growth | - | 100.00 |
| 10,922,740 (Nil) Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Growth Option | 109.23 | - |
| 10,000,000 (Nil) Units of HDFC-FMP 370D Feb2014(1)Series 29- Growth | 100.00 | - |
| 10,000,000 (Nil) Units of DSP- Black Rock FMP- S146-12M-reg | 100.00 | - |
| 10,000,000 (Nil) Units of HDFC-FMP 369D Feb 2014(2)Series 29-Growth | 100.00 | - |
| 10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 366 days Plan A-Regular -Growth | 100.00 | - |
| 10,000,000 (Nil) Units of Birla Sun life Fixed Term Plan series KN (1099 days) GR Regular | 100.00 | - |
| 10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 368 days Plan D -Regular -Growth | 100.00 | - |
| Total (c) | 709.23 | 150.00 |
| Total (B) (a+b+c) | 757.42 | 151.72 |
| Total (A+B) | 908.56 | 262.82 |
| Less: Provision for Diminution in value of Investments | 1.21 | 1.23 |
| TOTAL | 907.35 | 261.59 |
| Aggregate amount of quoted investments | 151.14 | 111.58 |
| Aggregate amount of unquoted investments | 757.42 | 151.24 |
| Aggregate market value of quoted investments | 487.70 | 124.90 |

(₹ in million)

| 15 Deferred Tax Assets (net) | | |
|--|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Tax effect of items constituting Deferred Tax Liabilities | | |
| On difference between book and tax depreciation | 30.09 | - |
| Tax effect of items constituting Deferred Tax Liabilities | 30.09 | - |
| Tax effect of items constituting Deferred Tax Assets | | |
| On difference between book and tax depreciation | 1.19 | - |
| Provision for Employee Benefits | 4.59 | - |
| Others | 34.75 | - |
| Tax effect of items constituting Deferred Tax Assets | 40.53 | - |
| TOTAL | 10.44 | - |

| 16 Long -Term Loans and Advances | | |
|--|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Unsecured, considered good | | |
| Capital Advances | 269.09 | 93.35 |
| Security Deposit | 121.89 | 116.32 |
| Prepaid Expenses | 2.93 | 2.47 |
| Loans and Advances to Employees & Others* | 75.90 | 93.36 |
| Advance Payment of Taxes (Net of Provisions) | 367.90 | 218.39 |
| Balance with Government Authorities | 224.53 | 150.98 |
| TOTAL | 1,062.24 | 674.87 |

* Loans given for business purpose.

| 17 Other Non-Current Assets | | |
|------------------------------------|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Unsecured, considered good | | |
| Fixed Deposits* | 0.89 | 2.63 |
| Export Benefits Receivable | 49.47 | 39.22 |
| Other Receivables | 17.75 | 17.44 |
| TOTAL | 68.11 | 59.29 |

* Of the above, Fixed Deposit amounting to ₹ 0.79 million (₹ 2.63 million) is under lien.

(₹ in million)

| 18 Current Investments | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| A] Current Portion of Long -Term Investments (at cost) | | |
| a) Investments in Mutual Funds | | |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 66 420 days Plan A -Regular -Growth | - | 100.00 |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 66 407 days Plan C -Regular -Growth | - | 100.00 |
| • Nil (10,000,000) Units of DSP- Black Rock FMP- Series 91-12M -Reg-Growth | - | 100.00 |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 67 371 days Plan E -Regular - Growth | - | 100.00 |
| • Nil (10,922,740) Units of ICICI Prudential FMP Series 68-368 Days -Plan-G -Growth Option | - | 109.23 |
| • Nil (10,000,000) Units of Birla Sun life Fixed Term Plan series KN (366 days) GR Regular | - | 100.00 |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 73 366 days Plan A - Regular -Growth | - | 100.00 |
| • Nil (10,000,000) Units of ICICI Prudential FMP Series 73 368 days Plan D -Regular -Growth | - | 100.00 |
| • Nil (10,000,000) Units of HDFC-FMP 370D Feb2014(1)Series 29- Growth | - | 100.00 |
| • Nil (10,000,000) Units of HDFC-FMP 369D Feb2014(2)Series 29- Growth | - | 100.00 |
| • Nil (5,000,000) Units of Reliance Fixed horizon Fund XXIII series I -.Growth | - | 50.00 |
| • Nil (10,011,163) Units of IDFC -Fixed Term Plan Series 9-Regular Plan -Growth | - | 100.11 |
| • 10,000,000 (Nil) Units of HDFC FMP 370D April 2014 (2) Series 31 - Regular - Growth | 100.00 | - |
| • Nil (10,000,000) Units of DSP- Black Rock FMP- S146-12M-reg | - | 100.00 |
| • 5,000,000 (Nil) Units of DSP- Black Rock FMP- Series 37-14M-Reg-Growth | 50.00 | - |
| • 10,000,000 (Nil) Units of HDFC-FMP 441D Feb2014(1)Series 29- Growth | 100.00 | - |
| • 10,000,000 (Nil) Units of Reliance Fixed Horizon Fund XXV-Series28-Growth Plan | 100.00 | - |
| • 10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 369 days Plan A -Regular -Growth | 100.00 | - |
| Total (a) | 450.00 | 1,259.34 |
| Total A | 450.00 | 1,259.34 |
| B] Other Current Investments (at lower of cost or fair value) | | |
| a) Investments in Mutual Funds | | |
| • 7,885,875 (7,885,875) Units of DWS -Guilt Fund -Regular -Growth | 100.00 | 100.00 |
| • 6,497,383 (6,497,383) Units of ICICI Prudential Blended Plan B -Regular -Growth | 115.10 | 115.10 |
| • 7,067,750 (7,067,750) Units of IDFC -Dynamic Bond Fund-Regular Plan -Growth | 100.21 | 100.21 |
| • 7,687,522 (7,687,522) Units of ICICI Prudential Dynamic Bond Fund -Regular -Growth | 101.14 | 101.14 |
| • 4,422,923 (473,144) Units of Birla Sunlife Saving Fund Inst. Growth | 1,169.91 | 115.28 |
| • 6,096,371 (6,096,371) Units of ICICI Prudential Short Term Fund -Growth Option | 150.00 | 150.00 |
| • Nil (19,240) Units of Reliance liquid Fund -Treasury Plan-.Growth | - | 60.00 |
| • Nil (10,000,000) Units of Reliance Fixed Horizon Fund XXV-Series28-Growth Plan | - | 100.00 |
| • Nil (8,037,378) Units of HDFC-Liquid Fund -Growth Option | - | 201.41 |
| • 9,103,616 (Nil) Units of IDFC Banking Debt Fund - Regular Growth Fund | 100.00 | - |
| • 28,902,735 (Nil) Units of ICICI Prudential Ultra Short Term - Regular - Growth (LP) | 405.29 | - |
| Total (a) | 2,241.65 | 1,043.14 |
| b) Investment in Insurance Fund | | |
| Nil (3,012,341) Units of Aviva Life Insurance | - | 38.86 |
| Total (b) | - | 38.86 |
| Total B (a+b) | 2,241.65 | 1,082.00 |
| TOTAL [A+B] | 2,691.65 | 2,341.34 |
| Aggregate amount of unquoted investments | 2,691.65 | 2,341.34 |

(₹ in million)

| 19 Inventories (At lower of cost and net realisable value) | | |
|--|---|---|
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Raw Material and Packing Material [Including Goods in Transit: ₹ 73.10 million (₹ 164.73 million)] | 2,106.55 | 1,829.51 |
| Work-in-Progress [Including Goods in Transit: ₹ 17.88 million (₹ 23.30 million)] | 530.46 | 593.37 |
| Finished Goods [Including Goods in Transit: ₹ 407.49 million (₹ 296.44 million)] | 2,885.39 | 2,882.57 |
| Stock-in-Trade (acquired for trading) [Including Goods in Transit: ₹ 17.50 million (₹ 86.55 million)] | 848.90 | 661.85 |
| Stores and Spares | 39.05 | 29.51 |
| TOTAL | 6410.35 | 5,996.81 |
| 20 Trade Receivables | | |
| | As at 31 st March 2015 | As at 31 st March 2014 |
| Outstanding for period exceeding six months from the date they were due for payment | | |
| • Secured, considered good | 16.96 | 15.22 |
| • Unsecured, considered good | 150.65 | 87.77 |
| • Considered doubtful | 213.21 | 177.02 |
| | 380.82 | 280.01 |
| Less: Provision for doubtful receivables | 213.21 | 177.02 |
| TOTAL (A) | 167.61 | 102.99 |
| Other Trade Receivables - considered good | | |
| • Secured | 480.66 | 402.46 |
| • Unsecured | 5,212.85 | 4,738.56 |
| TOTAL (B) | 5,693.51 | 5,141.02 |
| TOTAL [A+B] | 5,861.12 | 5,244.01 |

(₹ in million)

| 21 Cash and Cash Equivalents | As at 31 st March 2015 | As at 31 st March 2014 |
|--|---|---|
| Cash and Cash Equivalents (As per AS 3 Cash Flow Statements) | | |
| Cash on Hand | 2.99 | 2.67 |
| Cheques on Hand | 197.94 | 396.99 |
| Balance with Banks | | |
| In Current Account (Refer Note a and b) | 356.67 | 360.34 |
| In EEFC Account | 91.67 | 408.11 |
| In Fixed Deposit Accounts with original maturity of less than 3 months | 51.20 | 15.44 |
| Total Cash and Cash Equivalents (As per AS 3 Cash Flow Statements) | 700.47 | 1,183.55 |
| Other Bank Balances | | |
| • In Fixed Deposit Accounts with original maturity of more than 12 months | 4.15 | 1.70 |
| • In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months (Refer Note c) | 143.40 | 574.51 |
| Earmarked Account | | |
| • Dividend Payment Bank Account | 12.02 | 11.96 |
| Total Other Bank Balances | 159.57 | 588.17 |
| TOTAL | 860.04 | 1,771.72 |

- a. Balance with banks in Current Account includes debit balance of Cash Credit Accounts amounting to ₹ 34.63 million (₹ 28.68 million)
- b. Balance with banks in Current Account includes the balances having restriction on repatriation amounting to ₹ 6.06 million (₹ 6.86 million)
- c. Of the above, Fixed Deposit amounting to ₹ 22.28 million (₹ 26.5 million) is under lien.

| 22 Short-Term Loans and Advances | As at 31 st March 2015 | As at 31 st March 2014 |
|---|---|---|
| Unsecured, considered good | | |
| Security Deposit | 30.42 | 13.49 |
| Advances to Vendors | 204.17 | 303.32 |
| Balance with Banks | | |
| Prepaid Expenses | 92.82 | 61.67 |
| Balances with Government Authorities | 302.87 | 380.74 |
| Loans and Advances to Employees & Others* | 192.85 | 177.96 |
| TOTAL | 823.13 | 937.18 |

* Loans given for business purpose.

| 23 Other Current Assets | As at 31 st March 2015 | As at 31 st March 2014 |
|--------------------------------------|---|---|
| Unsecured, considered good | | |
| Interest accrued on Investments | 1.41 | - |
| Interest Receivable on Bank Deposits | 9.01 | 7.65 |
| Deferred Premium on Forward Contract | 2.86 | 2.61 |
| Export Benefits Receivable | 34.25 | 91.56 |
| Unbilled Revenue | - | 10.93 |
| Other Receivables | 13.02 | 12.22 |
| TOTAL | 60.55 | 124.97 |

(₹ in million)

| 24 Revenue From Operations | | |
|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Revenue from Operations (gross) | | |
| Sale of Products | | |
| Finished Goods | 47,889.49 | 42,369.42 |
| Traded Goods | 3,023.05 | 2,732.97 |
| TOTAL | 50,912.54 | 45,102.39 |
| Sale of Services | | |
| | 179.42 | 16.79 |
| TOTAL (A) | 51,091.96 | 45,119.18 |
| Other Operating Revenue | | |
| Scrap Sales | 132.55 | 117.41 |
| Cash Discount Received | 31.02 | 24.29 |
| Export Incentives | 73.09 | 84.40 |
| TOTAL (B) | 236.66 | 226.10 |
| Revenue from operations (gross) (A+B) | 51,328.62 | 45,345.28 |
| Less: Excise Duty | 2,887.58 | 2,513.24 |
| TOTAL | 48,441.04 | 42,832.04 |

| 25 Other Income | | |
|---|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Interest on: | | |
| Bank Deposit | 90.59 | 98.37 |
| Overdue Trade Receivables | 18.01 | 12.31 |
| Others | 4.72 | 3.24 |
| Dividend on: | | |
| Current Investments - Others | 0.03 | 0.81 |
| Net Gain on Sale of: | | |
| Current Investments | 94.01 | 94.85 |
| Long-Term Investments | 54.64 | 38.19 |
| Other Non-Operating Income: | | |
| Windmill Income | 27.42 | 33.79 |
| Insurance claim received | 8.28 | 6.47 |
| Liabilities / Provisions no longer required written back* | 31.14 | 51.30 |
| Rental income from operating leases | 10.74 | 9.26 |
| Miscellaneous Income | 115.28 | 100.04 |
| TOTAL | 454.86 | 448.63 |

* Includes writeback of Provision for Doubtful Debts ₹ Nil (₹ 30.32 million)

| 26 Cost of Materials Consumed | | |
|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Inventory at the beginning of the year | 1,829.51 | 1,663.05 |
| Add: Purchases | 24,886.54 | 22,058.27 |
| | 26,716.05 | 23,721.32 |
| Less: Inventory at the end of the year | 2,106.55 | 1,829.51 |
| | 24,609.50 | 21,891.81 |
| Add: Contract - Material and Expenses | 128.63 | 10.82 |
| TOTAL | 24,738.13 | 21,902.63 |

(₹ in million)

| 27 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade | | |
|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Inventories at the end of the year | | |
| Stock-in-Trade | 848.90 | 661.85 |
| Work-in-Progress | 530.46 | 593.37 |
| Finished Goods | 2,885.39 | 2,882.57 |
| TOTAL (A) | 4,264.75 | 4,137.79 |
| Inventories at the beginning of the year | | |
| Stock-in-Trade | 661.85 | 609.32 |
| Work-in-Progress | 593.37 | 396.61 |
| Finished Goods | 2,882.57 | 2,539.09 |
| TOTAL (B) | 4,137.79 | 3,545.02 |
| TOTAL (B)-(A) | (126.96) | (592.77) |
| Increase/ (Decrease) of Excise Duty on inventory of Finished Goods | 4.59 | 6.76 |
| TOTAL | (122.37) | (586.01) |
| 28 Employee Benefits Expense | | |
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Salaries and Wages | 4,596.42 | 4,104.57 |
| Contribution to Provident and Other Funds | 251.01 | 197.56 |
| Expense on Employee Stock Option (ESOS) Scheme | 4.02 | 4.06 |
| Staff Welfare Expenses | 121.06 | 113.77 |
| TOTAL | 4,972.51 | 4,419.96 |
| 29 Finance Cost | | |
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Interest expense on: | | |
| Borrowings | 103.72 | 116.23 |
| Dealer Deposits & others | 52.71 | 47.11 |
| TOTAL | 156.43 | 163.34 |
| 30 Depreciation and Amortisation Expense | | |
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Depreciation on Tangible Assets (Refer Note 12) | 918.57 | 651.06 |
| Amortisation of Intangible Assets (Refer Note 13) | 259.00 | 160.54 |
| TOTAL | 1,177.57 | 811.60 |

(₹ in million)

| 31 Other Expenses | | | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
|-----------------------------------|---|--------|--|--|
| | Consumption of Stores and Spares | | 150.26 | 130.09 |
| | Clearing, Forwarding and Octroi Duty | | 2,263.27 | 1,832.54 |
| | Power and Fuel | | 519.86 | 438.42 |
| | Water Charges | | 23.90 | 25.80 |
| | Rent | | 327.87 | 281.42 |
| | Rates and Taxes | | 18.59 | 25.92 |
| | Insurance | | 44.68 | 43.69 |
| | License Fees | | 9.46 | 6.16 |
| | Repairs: | | | |
| | Buildings | 39.33 | | 34.60 |
| | Machinery | 113.61 | | 95.37 |
| | Others | 43.04 | | 38.53 |
| | | | 195.98 | 168.50 |
| | Directors' Fees | | 3.06 | 3.50 |
| | Advertisement and Publicity | | 1,915.01 | 1,861.26 |
| | Legal, Professional and Consultancy Fees | | 342.60 | 330.73 |
| | Communication Expenses | | 141.93 | 130.60 |
| | Printing and Stationery | | 75.61 | 62.59 |
| | Travelling and Conveyance Expenses | | 844.14 | 691.11 |
| | Bad Debts | | 23.51 | 61.15 |
| | Provision for Doubtful Debts | | 14.89 | 7.87 |
| | Processing and Packing Charges | | 618.50 | 587.33 |
| | Sales commission | | 156.97 | 156.68 |
| | Payment to Auditors (Refer Note 40) | | 16.09 | 14.82 |
| | Donations | | 3.23 | 87.12 |
| | Corporate Social Responsibility Expenses (Refer Note 47) | | 114.39 | - |
| | Provision for Diminution in the value of Investments | | - | 0.07 |
| | Loss / Gain on Fixed Assets Sold / Discarded (net) | | 4.18 | 3.21 |
| | Net loss on foreign currency transactions and translation | | 58.28 | 55.51 |
| | Miscellaneous expenses | | 1,060.52 | 1,078.32 |
| | TOTAL | | 8,946.78 | 8,084.41 |
| 32 Exceptional Items (net) | | | | |
| | | | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| | Voluntary Retirement Scheme | | 49.05 | 64.96 |
| | TOTAL | | 49.05 | 64.96 |

(₹ in million)

| 33 Contingent Liabilities and Commitments | | As at 31 st March 2015 | As at 31 st March 2014 |
|--|--|---|---|
| A) Contingent liabilities not provided for: | | | |
| 1 | Claims against the Company not acknowledged as debts comprise of: | | |
| a) | Income Tax demand against the Company not provided for and relating to issues of deduction and allowances in respect of which the Company is in appeal | 139.95 | 43.57 |
| b) | Excise Duty claims disputed by the Company relating to issues of classifications | 51.12 | 5.57 |
| c) | Sales Tax claims disputed by the Company relating to issues of declaration forms and classifications | 687.74 | 346.34 |
| d) | Federal Taxes (PIS, COFINS and other taxes) claims disputed by the Company related to denial of input credit * | 38.30 | 42.69 |
| d) | Other Matters (relating to disputed electricity duty, Gram Panchayat Tax, open access charges, etc.) | 31.58 | 25.59 |
| 2 | a) Guarantees given by Banks in favour of Government and others | 207.27 | 221.94 |
| B) Commitments: | | | |
| a) | Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for | 460.95 | 448.83 |
| b) | Other Commitments - Non Cancellable Operating Leases (Refer Note 42a) | | |

34 Segment information

Business Segment: The Group has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily: Consumer & Bazaar Products, Industrial Products and Others. This segmentation is based around customers. Consumer & Bazaar Products consist of mainly Adhesives, Sealants, Art Materials and Construction Chemicals. Industrial Products consists of Organic Pigments, Industrial Resins and Industrial Adhesives. Others largely comprises of Speciality Acetates. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment, manpower efforts, etc. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Geographical segments of the Group are India and Other Countries. Segment revenues are allocated based on the location of the customer.

(₹ in million)

| Business Segments | Consumer & Bazaar Products | Industrial Products | Others | Total |
|---|---------------------------------|-------------------------------|---------------------------|---------------------------------|
| Revenue | | | | |
| Segment Revenue | 40,230.75 (35,154.13) | 8,692.07 (8,156.66) | 451.43 (341.13) | 49,374.25 (43,651.92) |
| Less: Inter Segment Revenue (at cost plus fixed margin) | 51.13 (19.74) | 1,118.74 (1,024.87) | - (1.37) | 1,169.87 (1,045.98) |
| Net Revenue | 40,179.62 (35,134.39) | 7,573.33 (7,131.79) | 451.43 (339.76) | 48,204.38 (42,605.94) |
| Segment Result | 7,672.55 (6,988.36) | 966.65 (802.52) | (107.18) (71.63) | 8,532.02 (7,719.25) |
| Unallocable Expenses | | | | 2,147.68 (2,107.32) |
| Unallocable Income | | | | 438.07 (560.00) |
| Operating Income | | | | 6,822.41 (6,171.93) |
| Interest Expenses | | | | 156.43 (163.34) |
| Interest / Dividend Income | | | | 113.35 (114.73) |
| Profit before Tax | | | | 6,779.33 (6,123.32) |
| Tax Expense | | | | 1,694.08 (1,652.71) |
| Profit after tax before share of profit of Associate and Minority Interest | | | | 5,085.25 (4,470.61) |
| Segment Assets | 18,088.25 (14,118.97) | 3,888.77 (3,921.57) | 453.87 (462.65) | 22,430.89 (18,503.19) |
| Unallocable Assets | | | | 10,727.20 (10,780.37) |
| Total Assets | | | | 33,158.09 (29,283.56) |
| Segment Liabilities | 6,086.53 (5,617.58) | 1,415.23 (1,430.42) | 60.33 (54.46) | 7,562.09 (7,102.46) |
| Unallocable Liabilities | | | | 2,890.22 (2,654.87) |
| Total Liabilities | | | | 10,452.31 (9,757.33) |
| Other Information | | | | |
| Capital Employed | | | | 22,705.78 (19,526.23) |
| Capital Expenditure (including Capital Work-in-Progress) (allocable) | 3,431.50 (1,219.85) | 242.81 (255.16) | 47.06 (27.85) | 3,721.37 (1,502.86) |
| Capital Expenditure (unallocable) | | | | 254.61 (375.44) |
| Depreciation and Amortisation (allocable) | 711.27 (453.84) | 136.62 (121.88) | 19.69 (29.96) | 867.58 (605.68) |
| Depreciation and Amortisation (unallocable) | | | | 309.99 (205.92) |

Information About Geographical Segments

(₹ in million)

| Geographical Segments | India | Other Countries | Total |
|--|--------------------------|------------------------|--------------------------|
| Revenue for the year | 39,373.83 (34,347.52) | 8,830.55 (8,258.42) | 48,204.38 (42,605.94) |
| Segment Assets | 17,320.47 (13,635.76) | 5,110.42 (4,867.43) | 22,430.89 (18,503.19) |
| Capital Expenditure incurred during the year | 3,759.83 (1,742.16) | 216.15 (136.14) | 3,975.98 (1,878.30) |

35 Earnings Per Share (EPS)

The following reflects the Profit and Share data used in the Basic and Diluted EPS computations:

(₹ in million)

| | As at 31 st March 2015 | As at 31 st March 2014 |
|---|--------------------------------------|--------------------------------------|
| Basic: | | |
| Total Operations for the year | | |
| Profit for the year | 5,125.69 | 4,498.14 |
| Weighted average number of equity shares in calculating basic EPS | 512,650,979 | 512,642,330 |
| Par value per share (₹) | 1.00 | 1.00 |
| Earning per share (Basic) (₹) | 10.00 | 8.77 |
| Diluted: | | |
| Total Operations for the year | | |
| Profit for the year | 5,125.69 | 4,498.14 |
| Weighted average number of equity shares in calculating basic EPS | 512,650,979 | 512,642,330 |
| Add: Effect of ESOP | 279,500 | 300,000.00 |
| Weighted average number of equity shares in calculating diluted EPS | 512,930,479 | 512,942,330 |
| Par value per share (₹) | 1.00 | 1.00 |
| Earning per share (Diluted) (₹) | 9.99 | 8.77 |

36 Details of Forward Contract and Unhedged Foreign Currency Exposure as at the end of year

| | Foreign Currency | | (₹ in million) | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 31 st March 2015 | 31 st March 2014 | 31 st March 2015 | 31 st March 2014 |
| (a) Forward Contract outstanding | | | | |
| USD - Buy | 4,149,388.75 | 4,174,489.82 | 259.79 | 250.68 |
| EUR - Buy | - | 38,640.00 | - | 3.19 |
| (b) No. of Contracts outstanding | 12 | 19 | | |
| (c) The purpose of taking the forward cover is to hedge the risk arising due to foreign currency exposure. | | | | |

(d) Foreign currency exposures as at the Balance Sheet date that have not been hedged by the Company under a forward cover are given below:

| | Foreign Currency | | ₹ in million | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 31 st March 2015 | 31 st March 2014 | 31 st March 2015 | 31 st March 2014 |
| Amounts recoverable/ (advance) in foreign currency on account of the following: | | | | |
| EUR | 944,516.49 | 983,105.13 | 63.89 | 81.16 |
| GBP | (6,785.00) | (3,181.48) | (0.63) | (0.32) |
| USD | 15,385,463.75 | 15,268,008.46 | 963.27 | 916.84 |
| ZAR | 41,593.82 | 124,113.00 | 0.21 | 0.70 |
| Amounts payable/ (advance) in foreign currency on account of the following: | | | | |
| AED | 50,210.96 | 345,891.61 | 0.86 | 5.65 |
| AUD | 49,915.00 | 49,724.75 | 2.38 | 2.77 |
| BDT | 2,707,360.66 | 5,718,319.26 | 2.18 | 4.41 |
| BRL | 249,143.28 | 249,143.28 | 4.83 | 6.62 |
| CHF | 37,185.15 | 3,749.00 | 2.40 | 0.25 |
| EGP | (109,066.97) | (269.00) | (0.90) | - |
| EUR | 708,378.17 | 123,449.05 | 47.91 | 10.19 |
| GBP | (29,873.64) | 4,097.21 | (2.76) | 0.41 |
| GHC | (34,153.21) | (22,839.66) | (0.56) | (0.51) |
| JPY | 558,000.00 | (1,727,000.00) | 0.29 | (101.53) |
| SGD | (232,765.13) | (122,756.17) | (10.59) | (5.84) |
| USD | (8,011,182.46) | (11,130,647.15) | (501.51) | (668.39) |
| ZAR | 83,985.69 | (6,823.29) | 0.43 | (0.04) |

37 Related Party Disclosures

Related Party Disclosures as required by AS-18, "Related Party Disclosure" are given below:

| | |
|---|--|
| (i) Relationships: | |
| a. Parekh Marketing Ltd | Significant Influence |
| b. Vinyl Chemicals (India) Ltd | Substantial Interest in Voting Power (Associate) |
| c. Kalva Marketing and Services Ltd | Significant Influence |
| (ii) Key Management Personnel: | |
| a. Shri M B Parekh | Executive Chairman & Managing Director* |
| b. Shri N K Parekh | Joint Managing Director** |
| c. Shri A B Parekh | Whole Time Director |
| d. Shri A N Parekh | Whole Time Director |
| e. Shri R Sreeram (upto 7 th November, 2014) | Whole Time Director |
| f. Shri J L Shah (w.e.f. 4 th November, 2014 upto 19 th May, 2015) | Whole Time Director |
| * W.e.f. 10 th April, 2015, Shri Bharat Puri is appointed as the Managing Director of the Company and Shri M B Parekh ceased to be the Managing Director of the Company but continues as a Whole Time Director and as the Executive Chairman of the Company. | |
| ** W.e.f. 1 st April, 2015, Shri N K Parekh ceased to be the Joint Managing Director of the Company. He has been appointed as Non-Executive Vice Chairman of the Company effective 1 st April, 2015. | |
| (iii) Relatives of Key Management Personnel: | |
| a. Smt Mala M Parekh | Wife of Executive Chairman & Managing Director |

(₹ in million)

| (iv) Transactions with Related Parties for the year ended 31st March, 2015 are as follows: | | | | | | |
|--|---|---------------------------|----------------------|-----------------------------|-------------|-----------------|
| | Nature of Transaction | Remuneration to Directors | Parekh Marketing Ltd | Vinyl Chemicals (India) Ltd | Mala Parekh | Total |
| a. | Sales and Related Income | | 710.66 | NIL | NIL | 710.66 |
| | | | (772.42) | (NIL) | (NIL) | (772.42) |
| b. | Purchases and Other Related Services | | NIL | 3605.96 | NIL | 3605.96 |
| | | | (NIL) | (2321.39) | (NIL) | (2321.39) |
| c. | Remuneration to Directors: | | | | | |
| | - Chairman & Managing Director / Jt Managing Director | 179.68 | | | | 179.68 |
| | | (173.09) | | | | (173.09) |
| | - Whole Time Directors | 88.86 | | | | 88.86 |
| | | (79.31) | | | | (79.31) |
| d. | Rent Paid / (Received) | | NIL | NIL | 5.68 | 5.68 |
| | | | ((0.50)) | (NIL) | (4.53) | (4.03) |
| e. | Reimbursement of expenses made | | 0.45 | NIL | NIL | 0.45 |
| | | | (0.31) | (1.49) | (NIL) | (1.80) |
| f. | Reimbursement of expenses received | | NIL | NIL | NIL | NIL |
| | | | (0.29) | (1.29) | (NIL) | (1.58) |
| g. | Outstanding Balances: | | | | | |
| | - Debtors including advances | | 122.88 | NIL | NIL | 122.88 |
| | | | (151.04) | (NIL) | (NIL) | (151.04) |
| | - Creditors | | NIL | 253.23 | NIL | 253.23 |
| | | | (NIL) | (279.75) | (NIL) | (279.75) |
| | - Net Outstanding Receivable/(Payable) | | 122.88 | (253.23) | NIL | (130.35) |
| | | | (151.04) | ((279.75)) | (NIL) | ((128.71)) |

38 Employee Benefits

The Group has classified various employee benefits as under:

(A) Defined Contribution Plans

- (a) Provident Fund
- (b) Superannuation Fund
- (c) State Defined Contribution Plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Group has recognised the following amounts in the Statement of Profit and Loss:

(₹ in million)

| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
|---|--|--|
| (i) Contribution to Provident Fund | 117.86 | 113.64 |
| (ii) Contribution to Employees' Superannuation Fund | 6.14 | 7.06 |
| (iii) Contribution to Employees' State Insurance Scheme | 2.77 | 4.42 |
| (iv) Contribution to Employees' Pension Scheme 1995 | 46.31 | 29.12 |
| (v) Contribution to National Pension Scheme | 4.64 | 4.13 |
| TOTAL | 177.72 | 158.37 |

(B) Defined Benefit Plans

- (a) Gratuity
- (b) Compensated Absences
- (c) Anniversary Awards
- (d) Premature Death Pension Scheme
- (e) Total Disability Pension Scheme

Valuations in respect of above have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

| | | |
|--|--|--|
| (i) Discount Rate (per annum) | 7.75% to 12.4% | 9% to 12.4% |
| (ii) Rate of increase in Compensation levels (per annum) | 6.5% to 7.00% | 6.5% to 7.00% |
| (iii) Expected Rate of Return on Assets | 9.00% | 9.00% |
| (iv) Attrition Rate | upto 5 yrs - 19%, 5 - 10 yrs - 9%, Above 10 yrs - 8% | upto 5 yrs - 18%, 5 - 10 yrs - 9%, Above 10 yrs - 6% |
| (v) Retirement Age | 60 years | 60 years |
| (vi) | The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified. | |
| (vii) | The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations. | |
| (viii) | The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors. | |

(₹ in million)

| | 31 st March 2015 | | 31 st March 2014 | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Gratuity Funded | Gratuity Unfunded | Gratuity Funded | Gratuity Unfunded |
| (i) Changes in Present value of Obligation | | | | |
| (a) Opening Present value of Obligation | 386.99 | 2.96 | 348.53 | 2.38 |
| (b) Interest Cost | 33.41 | 0.44 | 29.22 | 0.31 |
| (c) Current Service Cost | 30.70 | 0.36 | 24.54 | 0.24 |
| (d) Benefits Paid | (31.60) | - | (28.98) | - |
| (e) Actuarial (Gain)/Loss | 42.09 | 0.37 | 13.68 | 0.03 |
| (f) Closing Present value of Obligation | 461.59 | 4.13 | 386.99 | 2.96 |
| (ii) Changes in Fair value of Plan Assets | | | | |
| (a) Opening Present value of Plan Assets | 350.56 | - | 315.59 | - |
| (b) Expected Return on Plan Assets | 33.57 | - | 28.71 | - |
| (c) Actuarial Gain/(Loss) | (0.62) | - | (0.48) | - |
| (d) Employer's Contributions | 76.50 | - | 35.72 | - |
| (e) Benefits Paid | (31.60) | - | (28.98) | - |
| (f) Closing Fair value of Assets | 428.41 | - | 350.56 | - |
| (iii) Actual Return on Plan Assets | | | | |
| (a) Expected Return on Plan Assets | 33.57 | - | 28.71 | - |
| (b) Actuarial Gain/(Loss) on Plan Assets | (0.62) | - | (0.48) | - |
| (c) Actual Return on Plan Assets | 32.95 | - | 28.23 | - |
| (iv) Percentage of each category of Plan Assets to total closing fair value | | | | |
| (a) Administered by Life Insurance Corporation of India | 428.41 | - | 350.56 | - |
| (v) Reconciliation of the Present Value of Defined Present Obligations and Fair Value of Assets | | | | |
| (a) Closing Present value of Funded Obligation | 461.59 | 4.13 | 386.99 | 2.96 |
| (b) Closing Fair value of plan Assets | 428.41 | - | 350.56 | - |
| (c) Funded (Asset) / Liability recognised in the Balance Sheet | 33.18 | 4.13 | 36.43 | 2.96 |
| (vi) Amounts recognised in the Balance Sheet | | | | |
| (a) Closing Present value of Obligation | 461.59 | 4.13 | 386.99 | 2.96 |
| (b) Closing Fair value of Plan Assets | 428.41 | - | 350.56 | - |
| (c) (Asset) / Liability recognised in the Balance Sheet | 33.18 | 4.13 | 36.43 | 2.96 |
| (vii) Expenses recognised in the Statement of Profit and Loss | | | | |
| (a) Current Service Cost | 30.70 | 0.36 | 24.54 | 0.24 |
| (b) Interest Cost | 33.41 | 0.44 | 29.22 | 0.31 |
| (c) Expected Return on Plan Assets | (33.57) | - | (28.71) | - |
| (d) Net Actuarial (Gain) / Loss | 42.71 | 0.37 | 14.16 | 0.03 |
| (e) Total Expenses recognised in the Statement of Profit and Loss | 73.25 | 1.17 | 39.21 | 0.58 |
| | | | | |
| | As at 31 st March 2015 | As at 31 st March 2014 | As at 31 st March 2013 | As at 31 st March 2012 |
| (viii) Experience adjustments | | | | |
| Fair value of Plan Assets, End of Period | 428.41 | 350.56 | 315.59 | 278.46 |
| Projected Benefit Obligation, End of Period | 463.96 | 389.95 | 350.91 | 305.63 |
| (Surplus)/Deficit in the Plan | 35.55 | 39.39 | 35.32 | 27.17 |
| Experience Adjustments on Plan Assets | (0.62) | (0.48) | 3.92 | - |
| (Gain)/Loss due to change in Assumptions | 34.05 | (13.14) | 2.88 | 11.27 |
| Experience (Gain)/Loss on PBO | 8.04 | 26.84 | 12.54 | 2.11 |
| Total (Gain)/Loss | 42.09 | 13.71 | 15.42 | 13.38 |
| (ix) Expected Group contribution for the next year | 108.51 | 84.65 | | |

The Group has not disclosed information related to defined benefits as required under AS-15 on Employee benefits notified under the Companies (Accounting Standards) Rules, 2006 for foreign subsidiaries. However, these companies are not material in relation to the Group.

(₹ in million)

| 39 Research & Development Expenditure | | |
|---|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Capital expenditure included in fixed assets | 10.97 | 29.32 |
| Revenue expenditure charged to Statement of Profit and Loss | 282.81 | 238.31 |
| TOTAL | 293.78 | 267.63 |

| 40 Details of Payments to Auditor (net of Service Tax) | | |
|--|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Audit fees | 11.08 | 9.40 |
| Other Services: | | |
| • Limited Review | 1.50 | 1.50 |
| • Certification Fees* | 3.30 | 3.88 |
| Reimbursement of expenses | 0.21 | 0.04 |
| TOTAL | 16.09 | 14.82 |

* Certification fees include the fees paid to previous auditors ₹ Nil (₹ 0.16 million)

| 41 Employee Stock Option Scheme | |
|---------------------------------|---|
| a) | In the Annual General Meeting of the Company held on 24 th July, 2012, the shareholders approved the issue of 5,076,486 equity shares under the Scheme titled "Employee Stock Option Scheme - 2012" (ESOS 2012). At the meeting of the Board of Directors of the Company held on 28 th May, 2013, the Board approved Employees Stock Option Scheme covering 300,000 Stock Options, in terms of the regulations of the Securities and Exchange Board of India. |
| | The ESOS -2012 allows the issue of options to employees of the Company. Each option comprises one underlying equity share. The HR & Remuneration Committee of the Company at its meeting held on 29 th October, 2013 has granted 49,000 Stock Options pursuant to ESOS-2012 to the eligible employees of the Company. The exercise price of each option shall be ₹ 1/- per equity share. The options granted vesting in two equal installments over a period of two years from the date of the grant in a manner as specified in the Scheme. Options may be exercised within 5 years from the date of vesting. |
| | The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period. |

b) Employee Stock Options details as at the Balance Sheet date are as follows:

| | For the year ended 31 st March 2015 | | For the year ended 31 st March 2014 | |
|--|---|--|---|--|
| | Options (Nos) | Weighted average exercise price per option (₹) | Options (Nos) | Weighted average exercise price per option (₹) |
| Options outstanding at the beginning of the year: | 49,000 | ₹ 1 | Nil | Nil |
| - ESOS 2012 | | | | |
| Granted during the year: | Nil | ₹ 1 | 49,000 | ₹ 1 |
| Vested during the year: | 20,500 | ₹ 1 | Nil | ₹ 1 |
| Exercised during the year: | 20,500 | ₹ 1 | Nil | ₹ 1 |
| Lapsed during the year: | 14,000 | ₹ 1 | Nil | ₹ 1 |
| Options outstanding at the end of the year: | 14,500 | ₹ 1 | 49,000 | ₹ 1 |
| Options available for grant: | 265,000 | ₹ 1 | 251,000 | ₹ 1 |
| The weighted average share price at the date of exercise for Stock Options exercised during the year | | ₹ 413.53 | | NA |
| Range of exercise price for Options outstanding at the end of the year | ₹ 1 | ₹ 1 | ₹ 1 | ₹ 1 |

c) The impact on Earnings per Share if the 'fair value' of the Options (on the date of the grant) were considered instead of the 'intrinsic value' is as under:

| | (₹ in million) | |
|---|--|--|
| | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
| Profit (as reported) | 5,125.69 | 4,498.14 |
| Add: stock based employee compensation (intrinsic value) | 4.02 | 4.06 |
| Less: stock based compensation expenses determined under fair value method for the grants issued (See note (d) below) | 3.80 | 3.90 |
| Net Profit / (Loss) (proforma) | 5,125.91 | 4,498.30 |
| Basic earnings per share (as reported) (₹) | 10.00 | 8.77 |
| Basic earnings per share (proforma) (₹) | 10.00 | 8.77 |
| Diluted earnings per share (as reported) (₹) | 9.99 | 8.77 |
| Diluted earnings per share (proforma) (₹) | 9.99 | 8.77 |

d) The fair value of the Options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

| Assumptions | As at 31 st March 2015 | As at 31 st March 2014 |
|--------------------------------------|---|---|
| Risk Free Interest Rate | 8.76% | 8.76% |
| Expected Life | 3.5 yrs | 3.5 yrs |
| Expected Annual Volatility of Shares | 26.15% | 26.15% |
| Expected Dividend Yield | 1.14% | 1.14% |

(₹ in million)

42 Disclosure as per AS-19 "Leases" are given below:**42a Operating Lease**

- a) Operating lease payment recognised in Statement of Profit and Loss under the head 'Rent' in Other Expenses amounting to ₹ 327.87 (₹ 281.42 million) (Refer Note 31)
- b) General description of the leasing arrangement:
- i) Future lease rentals are determined on the basis of agreed terms.
- ii) At the expiry of the lease term, the Company has an option either to return the asset or extend the term by giving notice in writing.

The Group has entered into operating lease arrangements for certain facilities. The lease is non-cancellable for a period of 11 months to 5 years and may be renewed for a further period based on mutual agreement of the parties.

| Future minimum lease payments | For the year ended 31 st March 2015 | For the year ended 31 st March 2014 |
|---|--|--|
| not later than one year | 80.02 | 63.64 |
| later than one year and not later than five years | 83.31 | 144.10 |
| later than five years | - | - |

42b Finance Lease

The Group has entered into finance lease arrangements for certain equipment and vehicles, which provide the Company an option to purchase the assets at the end of the lease period.

Reconciliation of minimum lease payments.

| Future minimum lease payments | As at 31 st March 2015 | As at 31 st March 2014 |
|---|-----------------------------------|-----------------------------------|
| not later than one year | 0.40 | 0.42 |
| later than one year and not later than five years | 0.40 | 0.80 |
| later than five years | - | - |

43 Details of provisions

The Group has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

| Particulars | As at 1 st April 2014 | Additions | Utilisation | Reversal (withdrawn as no longer required) | Foreign Currency translation | As at 31 st March 2015 |
|---|----------------------------------|---------------------|-------------------|--|------------------------------|-----------------------------------|
| Provision for Employee related claims | 73.22 (10.29) | - (62.93) | 25.19 - | - - | 15.98 - | 32.05 (73.22) |
| Provision for other contingencies (regulatory tax related claims) | 39.06 (16.76) | - (22.30) | 23.71 - | - - | 6.73 - | 8.62 (39.06) |
| TOTAL | 112.28 (27.05) | - (85.23) | 48.90 - | - - | 22.71 - | 40.67 (112.28) |

Of the above, the following amounts are expected to be incurred within a year:

(₹ in million)

| | As at 31 st March 2015 | As at 31 st March 2014 |
|---------------------------------------|---|---|
| Provision for Employee related claims | 12.17 | 19.63 |

- 44 As per the requirement of the provisions of Schedule II of the Companies Act, 2013 (the “Act”), the Management has decided to adopt the useful lives as suggested in Part C of Schedule II of the Act with effect from 1st April, 2014 for all its fixed assets. Further, assets individually costing ₹ 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied and revised useful life are as follows:

| Assets | Previous useful life | Revised useful life |
|---|-------------------------|------------------------|
| General Plant and Machinery other than continuous process plant | 20 years | 15 years |
| Continuous process plant | 18 years | 25 years |
| Office Equipment | 20 years | 5 years |
| Desktops, Laptops, etc. | 6 years | 3 years |
| Electrical Installations | 20 years | 10 years |
| Furniture & fittings | 15 years | 10 years |
| Roads | 60 years | 10 years |

Pursuant to the transition provisions prescribed in Schedule II of the Companies Act, 2013, the Company has fully depreciated the carrying value of assets net of residual value, where the remaining useful life of the asset was determined to be nil as on 1st April, 2014, and has adjusted an amount of ₹ 133.93 million (net of deferred tax of ₹ 69.17 million) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 199 million consequent to the change in the useful life of the assets.

- 45 In the opinion of the Management, all assets other than Fixed Assets and Non- Current investments have a realisable value in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
- 46 During the year, the Company has acquired, on a slump sale basis, the adhesive business of Bluecoat Private Limited. Also, with its wholly owned subsidiary Pidilite International Pte Ltd., the Company has incorporated a subsidiary named “Pidilite Chemical PLC” in Ethiopia for manufacture of adhesives, mastics, paints, varnishes or similar coatings, printing, writing and painting inks, etc. The Company has also acquired a subsidiary named “Nina Waterproofing Systems Private Limited” having 70% holding in its Share Capital. The said subsidiary company is engaged in the business of supply and installation of waterproofing systems, including but not limited to waterproofing products or thermal insulation systems for construction projects, infrastructure projects.
- 47 In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Company during the year was ₹ 113.25 million and the Company has paid/spent ₹ 114.39 million.
- 48 Figures in brackets indicate previous year’s figures.
- 49 Previous year’s figures have been regrouped/ reclassified wherever necessary to correspond with the current year’s classification/ disclosure.

(₹ in million)

| | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | |
|--|--|-----------|---------------------------------------|----------|
| | As a % of consolidated net assets | Amount | As a % of consolidated profit or loss | Amount |
| Parent | | | | |
| Pidilite Industries Ltd | 82.35 | 18,697.94 | 99.59 | 5,104.69 |
| Subsidiaries | | | | |
| Indian | | | | |
| Bhimad Commercial Company Pvt Ltd | 0.14 | 30.90 | 0.06 | 3.29 |
| Building Envelope Systems India Ltd | 0.22 | 48.86 | 0.17 | 8.74 |
| Fevicol Company Limited | - | 0.33 | - | - |
| Hybrid Coatings | 0.21 | 48.77 | - | - |
| Madhumala Traders Pvt Ltd | 0.14 | 30.87 | 0.06 | 3.27 |
| Nitin Enterprises | 0.25 | 55.97 | - | - |
| Pagel Concrete Technologies Pvt Ltd | - | 0.02 | - | - |
| Percept Waterproofing Services Ltd | 0.55 | 124.97 | 0.15 | 7.67 |
| Nina Waterproofing Systems Pvt Ltd | 0.01 | 3.02 | (0.01) | (0.28) |
| Foreign | | | | |
| Pidilite Bamco Limited | 0.59 | 133.90 | 0.54 | 27.60 |
| Bamco Supply and Services Ltd | 0.08 | 17.11 | 0.17 | 8.78 |
| Jupiter Chemicals (LLC) | 3.00 | 681.64 | (1.07) | (54.67) |
| Pidilite Industries Egypt SAE | 0.97 | 220.81 | (0.31) | (16.11) |
| Pidilite Industries Trading (Shanghai) Co Ltd | 0.05 | 11.20 | 0.01 | 0.58 |
| Pidilite Innovation Centre Pte Ltd | 0.23 | 51.70 | 0.35 | 18.02 |
| Pidilite International Pte Ltd | 5.27 | 1,195.65 | 0.28 | 14.22 |
| Pidilite Middle East Ltd | 0.06 | 12.90 | - | 0.09 |
| Pidilite Speciality Chemicals Bangladesh Pvt Ltd | 1.54 | 350.66 | 0.57 | 29.20 |
| Pidilite USA Inc | 3.26 | 740.77 | 1.67 | 85.74 |
| PIL Trading (Egypt) Company | 0.15 | 35.02 | (0.04) | (2.22) |
| Pt Pidilite Indonesia | 0.06 | 13.73 | (0.13) | (6.89) |
| Pidilite Chemical PLC | 0.05 | 12.21 | - | - |
| Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda | 1.05 | 237.87 | (2.86) | (146.47) |
| Minority Interests in all subsidiaries | (0.22) | (51.04) | (0.19) | (9.79) |
| Associates (Investment as per the equity method) | | | | |
| Indian | | | | |
| Vinyl Chemicals (India) Ltd | - | - | 0.98 | 50.23 |

Consolidated Cash Flow Statement

For The Year Ended 31st March, 2015

(₹ in million)

| | 31 st March 2015 | 31 st March 2014 |
|---|-----------------------------|-----------------------------|
| A Cash Flows From Operating Activities | | |
| Profit before tax | 6,779.33 | 6,123.32 |
| Adjustment to reconcile profit before tax to net cash flows | | |
| Depreciation/ amortisation | 1,177.57 | 811.60 |
| Provision for Diminution in value of Investment | (0.02) | (0.08) |
| Finance Costs | 156.43 | 163.34 |
| Dividend income | (0.03) | (0.81) |
| Dividend from Associate | 7.45 | 5.96 |
| Interest income | (113.32) | (113.92) |
| (Profit) / Loss on sale of Investment | (148.65) | (133.04) |
| (Profit) / Loss on sale of Assets | 4.18 | 3.21 |
| Unrealised Foreign Exchange Loss / (Gain) (Including Foreign Currency Translation Reserve) | 27.07 | 101.54 |
| Provision for employee benefits | 3.38 | 96.13 |
| Provision for other Long-Term Provision | (71.61) | 85.23 |
| Deferred Employee compensation expense | 4.02 | 4.06 |
| Bad debts w/off / provision for doubtful debts | 36.19 | (25.10) |
| | 1,082.66 | 998.12 |
| Operating Profit before Working Capital changes | 7,861.99 | 7,121.44 |
| Movements in working capital: | | |
| Increase/ (decrease) in trade payables | (134.74) | 956.47 |
| Increase/ (decrease) in other current liabilities | 525.55 | (169.40) |
| Decrease/ (increase) in inventories | (413.54) | (761.10) |
| Decrease/ (increase) in trade receivables | (680.89) | (899.44) |
| Decrease/ (increase) in long-term loans and advances | (62.12) | (151.73) |
| Decrease/ (increase) in short-term loans and advances | 114.05 | (396.43) |
| Decrease/ (increase) in other current assets | 67.19 | (80.39) |
| Decrease/ (increase) in other non-current assets | (8.82) | (11.59) |
| | (593.32) | (1,513.61) |
| Cash generated from/ (used in) operations | 7,268.67 | 5,607.83 |
| Direct taxes paid (net of refunds) | (1,748.61) | (1,669.40) |
| Net Cash flows from/ (used in) Operating Activities (A) | 5,520.06 | 3,938.43 |
| B Cash Flows From Investing Activities | | |
| Purchase of Fixed Assets including intangible assets, CWIP | (4,099.06) | (1,895.03) |
| Proceeds from sale of Fixed Assets | 8.27 | 1.39 |
| Purchase of Investments (current & non-current) | (15,026.20) | (11,146.22) |
| Proceeds from sale/ maturity of current Investments | 14,218.84 | 11,634.41 |
| (Increase)/decrease in bank deposits (having maturity of more than three months) | 428.60 | 272.70 |
| Interest received | 110.55 | 145.33 |
| Dividend received | 0.03 | 0.81 |
| Net Cash flows from/(used in) Investing Activities (B) | (4,358.97) | (986.61) |

Consolidated Cash Flow Statement

For The Year Ended 31st March, 2015

(₹ in million)

| | 31 st March 2015 | 31 st March 2014 |
|---|-----------------------------|-----------------------------|
| C Cash Flows From Financing Activities | | |
| (Repayment) / Increase of Long-Term borrowings | 5.00 | - |
| (Decrease) / Increase in current maturity of Long-Term borrowings | - | (602.43) |
| (Decrease) / Increase in Short-Term Borrowings | 119.83 | (50.58) |
| Interest Paid | (156.99) | (203.39) |
| Dividend paid (Including Dividend Tax, where applicable) | (1,619.14) | (1,558.67) |
| Net Cash Flows from/ (used in) Financing Activities (C) | (1,651.30) | (2,415.07) |
| Net Increase in Cash and Cash Equivalents (A+B+C) | (490.21) | 536.75 |
| Cash and Cash Equivalents at the beginning of the year | 1,182.09 | 645.34 |
| Cash and Cash Equivalents at the end of the year | 691.88 | 1,182.09 |
| | (490.21) | 536.75 |
| Reconciliation of Cash and Cash equivalents with the Balance Sheet | | |
| Cash and Bank Balances as per Balance Sheet (Refer Note 21) | 700.47 | 1,183.55 |
| Unrealised gain on foreign currency cash and cash equivalents | (8.59) | (1.46) |
| Cash and Cash equivalents as restated as at the year end | 691.88 | 1,182.09 |

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 (AS-3), "Cash Flow Statement".
- Cash and Cash Equivalents comprise cash on hand, cheques on hand, Current Accounts, EEFC Accounts and deposits with banks. Cash equivalents are short-Term balances (with an original maturity of three months or less from the date of acquisition) that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.
- Balance with banks in Current Account includes the balances having restriction on repatriation amounting to ₹ 6.06 million (₹ 6.86 million).
- In respect of Corporate Social Responsibility activities, the Company has paid/spent ₹ 114.39 million.
- Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

See accompanying notes forming part of the financial statements

In terms of our Report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 19th May, 2015

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

SANDEEP BATRA
Chief Financial Officer

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 19th May, 2015

Information on Subsidiary Companies

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

| | | Names of the subsidiaries | | | | | | | | | |
|----|--|---------------------------------|---------------------------|--------------------------|---|---------------------|------------------------|-------------------|-------------------------------------|--------------------------------|--------------|
| | | Pidilite International Pte Ltd* | Pidilite Middle East Ltd* | Jupiter Chemicals (LLC)* | Pidilite Speciality Chemicals Bangladesh Pvt Ltd* | Pidilite Bamco Ltd* | PT Pidilite Indonesia* | Pidilite USA Inc* | Pidilite Innovation Centre Pte Ltd* | Pidilite Industries Egypt SAE* | |
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | |
| 1 | Reporting Currency | US Dollars | AED | AED | Taka | Baht | IDR | US Dollars | Singapore Dollars | EGP | |
| 2 | Exchange Rate as on 31 st March, 2015 | 62.60 | 17.04 | 17.04 | 0.80 | 1.92 | 0.0048 | 62.60 | 45.51 | 8.21 | |
| 3 | Share Capital | Foreign Currency | 20,308,044 | 63,329,163 | 300,000 | 352,694,637 | 35,000,000 | 10,527,287,000 | 14,780,000 | 995,155 | 36,990,346 |
| | (includes Share application Money) | Indian ₹ in million | 1,271.26 | 1,079.35 | 5.11 | 283.35 | 67.35 | 50.36 | 925.21 | 45.29 | 303.82 |
| 4 | Reserves & Surplus | Foreign Currency | (1,041,339) | (22,444,124) | (32,723,715) | 62,496,540 | 28,221,162 | (7,549,610,272) | (2,899,609) | 165,836 | (16,735,347) |
| | | Indian ₹ in million | (65.19) | (382.53) | (557.73) | 50.21 | 54.31 | (36.11) | (181.51) | 7.55 | (137.46) |
| 5 | Total Assets | Foreign Currency | 19,298,674 | 40,905,039 | 46,983,427 | 521,150,779 | 91,592,194 | 3,518,305,825 | 21,540,523 | 1,513,039 | 30,916,043 |
| | | Indian ₹ in million | 1,208.07 | 697.17 | 800.76 | 418.69 | 176.26 | 16.83 | 1,348.41 | 68.86 | 253.93 |
| 6 | Total Liabilities | Foreign Currency | 31,969 | 20,000 | 79,407,142 | 105,959,602 | 28,371,032 | 540,629,097 | 9,660,132 | 352,048 | 10,661,044 |
| | | Indian ₹ in million | 2.00 | 0.34 | 1,353.38 | 85.13 | 54.60 | 2.59 | 604.71 | 16.02 | 87.57 |
| 7 | Investments | Foreign Currency | - | - | - | - | - | - | - | - | - |
| | (except in case of subsidiaries) | Indian ₹ in million | - | - | - | - | - | - | - | - | - |
| 8 | Turnover | Foreign Currency | 342,781 | 56,333 | 19,704,279 | 542,791,958 | 203,438,792 | 63,008,722 | 33,599,258 | 2,592,947 | 28,051,777 |
| | | Indian ₹ in million | 21.46 | 0.96 | 335.83 | 436.08 | 391.49 | 0.30 | 2,103.27 | 118.02 | 230.41 |
| 9 | Profit / (Loss) Before Taxation | Foreign Currency | 251,080 | 5,197 | (3,273,021) | 71,167,102 | 18,624,206 | (1,368,042,468) | 1,095,513 | 460,014 | (2,065,305) |
| | | Indian ₹ in million | 15.72 | 0.09 | (55.78) | 57.18 | 35.84 | (6.54) | 68.58 | 20.94 | (16.96) |
| 10 | Provision For Tax | Foreign Currency | 19,320 | - | - | 34,089,123 | 3,981,600 | (16,209,201) | (534,209) | 73,084 | (150,838) |
| | (including Deferred Tax) | Indian ₹ in million | 1.21 | - | - | 27.39 | 7.66 | (0.08) | (33.44) | 3.33 | (1.24) |
| 11 | Profit / (Loss) After Taxation | Foreign Currency | 231,760 | 5,197 | (3,273,021) | 37,077,979 | 14,642,606 | (1,351,833,267) | 1,629,722 | 386,930 | (1,914,467) |
| | | Indian ₹ in million | 14.51 | 0.09 | (55.78) | 29.79 | 28.18 | (6.47) | 102.02 | 17.61 | (15.72) |
| 12 | Proposed Dividend | Foreign Currency | - | - | - | - | - | - | - | - | - |
| | | Indian ₹ in million | - | - | - | - | - | - | - | - | - |
| 13 | % of shareholding* | | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

* % of holding and voting power either directly or indirectly through subsidiary as at 31st March, 2015

Information on Subsidiary Companies

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

| | | Names of the subsidiaries | | | | | | | | | | | | |
|----|--|---|---------------------------------------|---------------------------------|---|------------------------|-------------------------|------------------------------|--------------------------------------|---------------------------------------|--|---------------------------------------|---------------------------------------|--------|
| | | Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda* | Banco Supply and Services Limited* | PIL Trading (Egypt) Company* | Pidilite Industries Trading (Shanghai) Co Ltd* | Pidilite Chemical PLC* | Fevicol Company Limited | Madhumala Traders Pvt Ltd | Bhimad Commercial Company Pvt Ltd | Page Concrete Technologies Pvt Ltd | Building Envelope Systems India Ltd | Percept Waterproofing Services Ltd | Nina Waterproofing Systems Pvt Ltd | |
| | | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | |
| 1 | Reporting Currency | Brazilian Reais | Baht | EGP | RMB | Birr | Indian ₹ | Indian ₹ | Indian ₹ | Indian ₹ | Indian ₹ | Indian ₹ | Indian ₹ | |
| 2 | Exchange Rate as on 31 st March, 2015 | 19.38 | 1.92 | 8.21 | 10.10 | 3.06 | | | | | | | | |
| 3 | Share Capital | Foreign Currency | 62,436,453 | 1,000,000 | 5,440,000 | 958,005 | 3,989,600 | | | | | | | |
| | (includes Share application Money) | Indian ₹ in million | 1,210.29 | 1.92 | 44.68 | 9.67 | 12.21 | 0.50 | 0.10 | 0.10 | 1.00 | 40.50 | 60.00 | 3.33 |
| 4 | Reserves & Surplus | Foreign Currency | (53,215,446) | 16,340,345 | (4,912,517) | 273,763 | - | | | | | | | |
| | | Indian ₹ in million | (1,031.54) | 31.44 | (40.35) | 2.76 | - | (0.17) | 30.77 | 30.80 | (4.23) | 8.36 | 7.65 | (0.32) |
| 5 | Total Assets | Foreign Currency | 31,174,158 | 19,459,031 | 5,752,990 | 1,293,438 | 3,989,600 | | | | | | | |
| | | Indian ₹ in million | 604.29 | 37.45 | 47.25 | 13.06 | 12.21 | 0.33 | 30.87 | 30.90 | 0.03 | 48.89 | 188.48 | 4.58 |
| 6 | Total Liabilities | Foreign Currency | 21,953,151 | 2,118,686 | 5,225,507 | 61,670 | - | | | | | | | |
| | | Indian ₹ in million | 425.55 | 4.08 | 42.92 | 0.62 | - | | | | 3.26 | 0.04 | 120.83 | 1.57 |
| 7 | Investments | Foreign Currency | - | - | - | - | - | | | | | | | |
| | (except in case of subsidiaries) | Indian ₹ in million | - | - | - | - | - | | 30.86 | 30.87 | 0.03 | - | - | - |
| 8 | Turnover | Foreign Currency | 56,830,640 | 47,913,090 | 7,626,802 | 2,967,950 | - | | | | | | | |
| | | Indian ₹ in million | 1,101.62 | 92.20 | 62.64 | 29.97 | - | 0.03 | 4.16 | 4.16 | - | 10.16 | 201.41 | - |
| 9 | Profit / (Loss) Before Taxation | Foreign Currency | (6,375,808) | 5,901,819 | (258,429) | 110,190 | - | | | | | | | |
| | | Indian ₹ in million | (123.59) | 11.36 | (2.12) | 1.11 | - | | 4.13 | 4.14 | (0.01) | 9.42 | 11.22 | (0.32) |
| 10 | Provision For Tax | Foreign Currency | - | 1,250,000 | 5,269 | 51,541 | - | | | | | | | |
| | (including Deferred Tax) | Indian ₹ in million | - | 2.41 | 0.04 | 0.52 | - | | | | - | - | 3.55 | - |
| 11 | Profit / (Loss) After Taxation | Foreign Currency | (6,375,808) | 4,651,819 | (263,698) | 58,649 | - | | | | | | | |
| | | Indian ₹ in million | (123.59) | 8.95 | (2.17) | 0.59 | - | | 4.13 | 4.14 | (0.01) | 9.42 | 7.67 | (0.32) |
| 12 | Proposed Dividend | Foreign Currency | - | - | - | - | - | | | | | | | |
| | | Indian ₹ in million | - | - | - | - | - | | - | - | - | - | - | - |
| 13 | % of shareholding* | | 100.00% | 49.00% | 100.00% | 100.00% | 98.99% | 100.00% | 100.00% | 100.00% | 80.00% | 60.00% | 80.00% | 70.00% |

* % of holding and voting power either directly or indirectly through subsidiary as at 31st March, 2015

Information on Associates

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

(₹ in million)

| Name of Associates | | Vinyl Chemicals (India) Ltd |
|--------------------|---|------------------------------------|
| 1 | Latest audited Balance Sheet Date | 31st March, 2015 |
| 2 | Share of Associate held by the Company at the year end | |
| | • Number | 7,451,540 |
| | • Amount of Investment in Associate | 7.45 |
| | • Extent of Holding % | 40.62% |
| 3 | Description of how there is significant influence | |
| 4 | Reason why Associate is not consolidated | |
| 5 | Net worth attributable to Shareholding as per latest audited Balance Sheet | 140.69 |
| 6 | Profit/Loss for the year | |
| | (i) Considered in Consolidation | 50.23 |
| | (ii) Not Considered in Consolidation | 73.20 |



1

TONIC FOR CEMENT



2

SOLAR REFLECTIVE EXTERIOR
WATERPROOF COATING



3

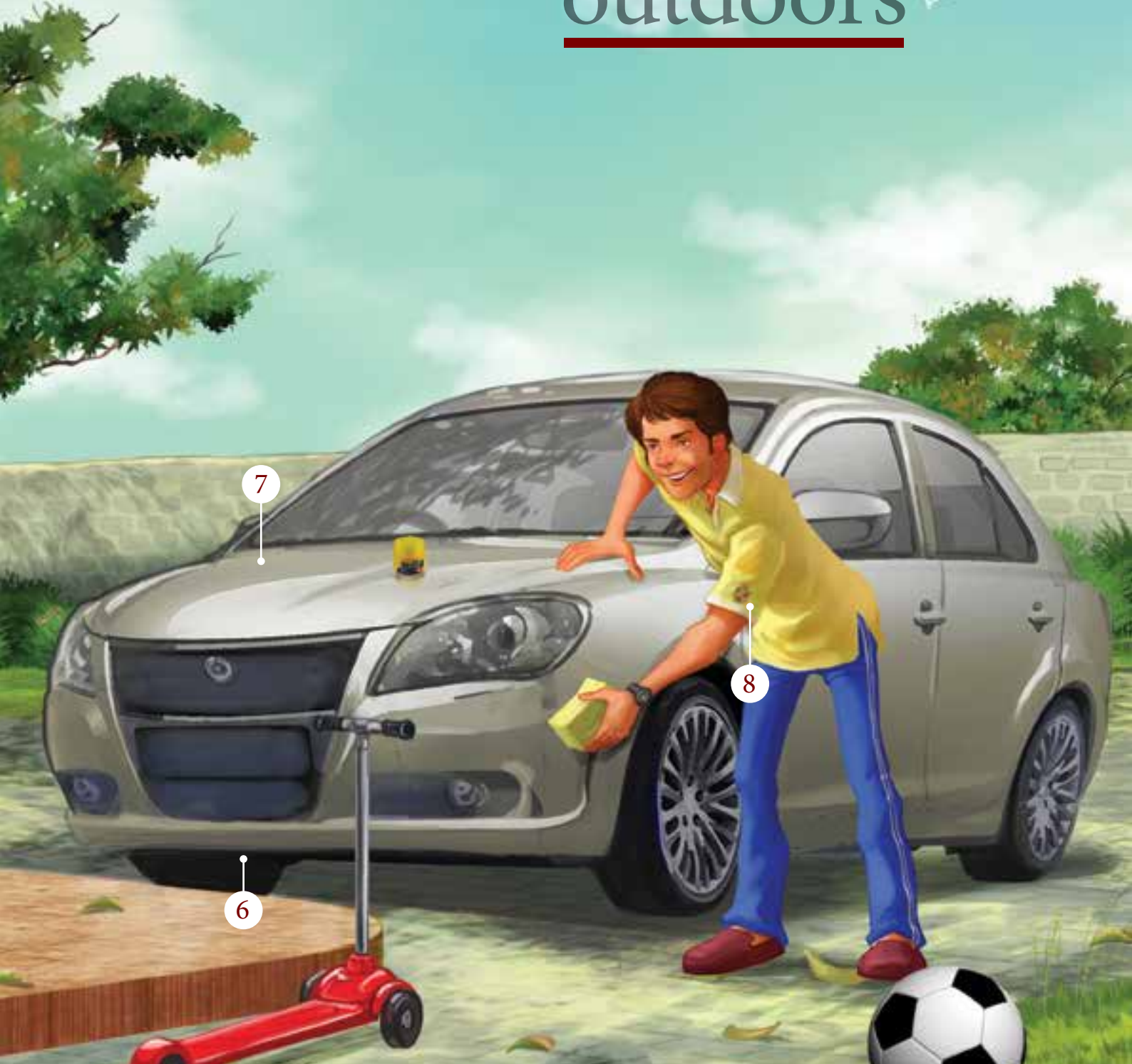
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Notice

NOTICE is hereby given that the FORTY SIXTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Tuesday, the 1st September, 2015 at 11:00 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a. the audited financial statements of the Company for the financial year ended 31st March, 2015 together with the reports of Board of Directors and Auditors' thereon.
 - b. the audited consolidated financial statements of the Company for the financial year ended 31st March, 2015.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri N K Parekh (DIN: 00111518), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri A N Parekh (DIN: 00111366), who retires by rotation and being eligible, offers himself for re-appointment.
5. To ratify the appointment of auditors of the Company, to fix their remuneration and to pass the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the Audit Committee of the Board of Directors and pursuant to the resolution passed by the members at the 45th Annual General Meeting (AGM) held on 25th September 2014, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117364W) as the auditors of the Company to hold office till the conclusion of the 49th AGM to be held in the year 2018, be and is hereby ratified and that the Board of Directors be and is hereby authorised to fix the remuneration in consultation with the auditors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members of the Company be and is hereby accorded to the appointment of Shri Bharat Puri (DIN: 02173566) as a Managing Director of the Company, for a period of 5 years with effect from 10th April, 2015, on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to the Notice.”

“RESOLVED FURTHER THAT Shri Bharat Puri, the Managing Director be in charge of the general management of the Company within the provisions of Articles of Association but subject to superintendence, control and direction of the Board of Directors.”

“RESOLVED FURTHER THAT Shri Bharat Puri will be a Key Managerial Personnel of the Company as per the provisions of Section 203(1)(i) of the Act.”

“RESOLVED FURTHER THAT Shri Bharat Puri will be a non rotational Director and shall not be liable to retire by rotation during his term as a Managing Director.”

“RESOLVED FURTHER THAT the Managing Director shall be entitled to reimbursement of all expenses incurred for the purpose of the business of the Company and shall not be entitled to any sitting fees for attending meeting of the Board of Directors and Committee(s) thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary terms of appointment and remuneration so as not to exceed the limits specified in Schedule V and other applicable Sections of the Act or any statutory modifications thereof as may be agreed to by the Board of Directors and Shri Bharat Puri.”

“RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites, allowances and commission payable to Shri Bharat Puri, Managing Director, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year as per Section I of Part II of Schedule V of the Act.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members of the Company be and is hereby accorded to the re-appointment of Shri A N Parekh (DIN: 00111366), as a Whole Time Director of the Company, for a further period of 5 years with effect from 1st July, 2015, whose period of office is liable to determination by retirement of Directors by rotation, on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to the Notice.”

“RESOLVED FURTHER THAT Shri A N Parekh, Whole Time Director shall work under the superintendence, control and direction of the Board of Directors.”

“RESOLVED FURTHER THAT the Whole Time Director shall be entitled to reimbursement of all expenses incurred for the purpose of business of the Company and shall not be entitled to any sitting fees for attending meetings of the Board of Directors and Committee(s) thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary such terms and conditions of re-appointment and remuneration so as not to exceed the limits specified in Schedule V and other applicable Sections of the Act or any statutory modifications thereof as may be agreed to by the Board of Directors and Shri A N Parekh.”

“RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites and allowances and commissions payable to Shri A N Parekh, Whole Time Director, in any Financial Year shall not exceed 5% of the Net Profit

of that Financial Year as per Section I of part II of Schedule V and other applicable provisions, if any, of the Act.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors.”

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 152 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri Sabyaschi Patnaik (DIN: 07183784) who was appointed as an Additional Director of the Company in terms of Section 161 of the Act by the Board of Directors with effect from 19th May, 2015 and holds office upto the date of this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office is liable to determination by retirement of Directors by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) approval of the members of the Company be and is hereby accorded to the appointment of Shri Sabyaschi Patnaik (DIN: 07183784) as a Whole Time Director of the Company designated as “Director-Operations” of the Company, for a period of 3 years with effect from 19th May, 2015, whose period of office is liable

to determination by retirement of Directors by rotation, on the terms and conditions and payment of remuneration as set out in the Explanatory Statement attached to the Notice.”

“RESOLVED FURTHER THAT Shri Sabyaschi Patnaik, Whole Time Director shall work under the superintendence, control and direction of the Board of Directors.”

“RESOLVED FURTHER THAT the total remuneration by way of salary, perquisites and allowances payable to Shri Sabyaschi Patnaik, Director-Operations, in any Financial Year shall not exceed 5% of the Net Profit of that Financial Year as per Section I of Part II of Schedule V of the Act.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to vary and/or modify the terms and conditions of appointment including remuneration and perquisites payable to Shri Sabyaschi Patnaik in such manner as may be agreed to between the Board and Shri Sabyaschi Patnaik within and in accordance with the limits prescribed in Schedule V to the Act or in accordance with the changes that may be effected in that Schedule.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors.”

“RESOLVED FURTHER THAT Shri Sabyaschi Patnaik, the Whole Time Director shall function as “Director-Operations” and apart from other duties that are entrusted to him from time to time, he shall be in overall charge of all the factories of the Company (both existing and which may be set up in future) situated in the State of Maharashtra, Gujarat, Himachal Pradesh, Telangana, Assam, Union Territory of Daman or any other State or Union Territory in India.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and Companies (Appointment

and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and Clause 49 of the Listing Agreement, Shri Sanjeev Aga (DIN: 00022065), a Director of the Company who retires by rotation at this Annual General Meeting (AGM) and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as a Director who shall be an Independent Director of the Company to hold office for 5 consecutive years from the date of this AGM up to the conclusion of the Fifty First AGM of the Company to be held in respect of Financial Year ending 31st March, 2020.”

11. 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 148(3) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors M/s. V J Talati & Co., Cost Accountants, (Registration No. 00213) appointed by the Board of Directors of the Company, on the recommendation of Audit Committee, to conduct the audit of the cost records of the Company for the Financial Year ending 31st March, 2016, be paid the remuneration as set out in the explanatory statement annexed to the notice convening this meeting and the same is hereby ratified and approved.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or

re-enactment thereof for the time being in force) approval of the members be and is hereby accorded to the terms of appointment and payment of remuneration to Shri J L Shah (DIN: 00045662), Director (Factories Operations) for the period from 4th November, 2014 to 19th May, 2015, as set out in the Explanatory Statement attached to the Notice.”

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: 19th May, 2015

SAVITHRI PAREKH
SECRETARY

Registered Office:
Regent Chambers, 7th floor,
Jamnalal Bajaj Marg,
208, Nariman Point,
Mumbai 400 021
Tel: 91 22 2835 7000 Fax: 91 22 2821 6007
Email: investor.relations@pidilite.co.in
Website: www.pidilite.com
CIN: L24100MH1969PLC014336

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of proxy, to be effective, should, be deposited at the Registered Office of the Company, duly completed, signed and stamped not less than 48 hours before the commencement of the meeting i.e. 11:00 am on Sunday 30th August, 2015.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representative to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. A Proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.
4. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law, blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
5. The proxy-holder shall prove his identity at the time of attending the Meeting.
6. Members are requested to bring the Attendance slips, duly filled & signed, which is enclosed herewith. Members are requested to append and hand it over at the entrance.

7. In case of joint holders attending the AGM, only such joint holders who is higher in the order of names will be entitled to vote.
8. A statement pursuant to section 102(1) of the Companies Act, 2013, setting out all material facts relating to Special Business to be transacted at the meeting is annexed herewith and the same should be taken as part of this Notice.
9. Notes given in the Notice to the extent applicable also forms part of explanatory statement.
10. Route Map of Venue of the Meeting is attached.
11. In accordance with the provisions of Clause 49 of the Listing Agreements, a brief profile of Shri N K Parekh, Shri Bharat Puri, Shri A N Parekh, Shri Sabyaschi Patnaik and Shri Sanjeev Aga, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/chairmanships of committees of directors, their shareholding and relationships between directors inter se, is set out in this Notice.
12. The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, 18th August, 2015 to Tuesday 1st September, 2015 (both days inclusive).
13. The dividend on equity shares as recommended by the Board of Directors, if declared at the AGM, will be paid to those Shareholders whose names appear on the Register of Members of the Company on 1st September, 2015. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per the details furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. for this purpose.
14. Members may note that vide circular dated 21st March, 2013, SEBI has mandated all listed companies to use electronic mode of payments such as LECS/ RECS/ NECS/ NEFT etc. for making payment of dividends and other cash payments to investors, wherever possible. In other cases, the Company shall dispatch dividend warrants for making payment of dividends.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to the Company/ R & T Agents.
16. The Members are requested to inform of any change in their addresses immediately to:
 - (i) Registrar & Transfer Agents (R & T Agents) in case of shares held in Physical Form or
 - (ii) Depository Participants in case of shares held in Electronic Form
17. The Members can avail nomination facility in terms of extant legal provisions in this regard. On request, the necessary form can be obtained from the R & T Agents.
18. The Members are requested to bring their copy of the Annual Report with them at the meeting as additional copies of the same will not be made available at the meeting.
19. The Members are requested to send their queries, if any, at least ten days in advance at the Registered Office address, so that the information can be made available at the meeting, subject to permission of the Chairman.
20. A. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed/ unpaid dividend up to the financial year ended 31st March, 1994 have been transferred to the General Revenue Account of the Central Government. Those Members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in the prescribed Form No. II to the Registrar of Companies, Maharashtra, C.G.O. Bldg., A-Wing, 2nd floor, C.B.D. Belapur, Opp. Police Commissioner's Office, Belapur 400 614.
 - B. Consequent upon amendment in Section 205A of the Companies Act, 1956, and introduction of Section 205C, by the Companies (Amendment) Act, 1999, now the amount of dividend remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund (the Fund).
 - C. Accordingly, the Company has transferred unclaimed /unpaid dividend (including the Interim Dividend declared during the financial year 2001-2002) in respect of Financial Years ended 31st March, 1995 to 31st March, 2007 to the Fund.

- D. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 25th September, 2014 (date of last AGM) on the website of the Company (www.pidilite.com) as also on the Ministry of Corporate Affairs website.

Members who have not yet encashed their Dividend Warrants for the years ended 31st March, 2008 to 31st March, 2014 are requested to contact the R & T Agents, M/s. TSR Darashaw Ltd., Unit: Pidilite Industries Limited, 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011. It may be noted that once the unclaimed dividend is transferred to the Fund, as above, no claim shall lie in respect thereof against the Company or the Fund.

21. In March 2008, some of the members of Vinyl Chemicals (India) Limited (VCIL) were allotted 6% Secured Redeemable Preference Shares of ₹ 10 each (Preference Shares) by the Company pursuant to the Scheme of Demerger of VAM Manufacturing Unit of VCIL into the Company. The said Preference Shares were redeemed on 5th September, 2008 and the Company had despatched Preference Dividend-cum-Redemption Warrants to all Preference Shareholders without surrender of the Preference Share Certificates.

Upon verification, it is observed that many Preference Shareholders have not encashed the above Preference Dividend-cum-Redemption Warrants issued by the Company. Hence, they are requested to contact the R & T Agents, M/s. TSR Darashaw Limited., 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 for claiming the unclaimed amount.

22. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office and Corporate Office of the Company during normal business hours on all working days except Saturdays upto the date of the AGM.

23. Voting through electronic means/Ballot Forms

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rules issued thereunder and Clause 35B of the Listing Agreement, the members are provided with the facility to cast their vote by electronic means through the remote e-voting platform provided by National Securities Depository Limited (NSDL) on all resolutions set out in this Notice. In order to enable its members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this notice, the Company is enclosing a ballot form with the notice. The instructions for Ballot forms are given at the back of the said form and instructions for e-voting are given herein below. Resolutions passed by the members through ballot forms or e-voting is/ are deemed to have been passed as if they have been passed at the AGM.
- II. The process for remote e-voting is specified below. The facility for voting, either through electronic voting system or ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting or by ballot forms shall be able to exercise their right at the meeting.
- III. The members who have cast their vote by remote e-voting or by ballot forms prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

IV. The instructions for e-voting are as under:

- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
- (i) Open email and open PDF file viz; "PidiliteIndustries remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>

- (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-Voting: Active Voting Cycles.
 - (vii) Select "EVEN" (Electronic Voting Event Number) of Pidilite Industries Limited.
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) The Institutional shareholders (i.e. Other than individuals, HUF, NRI etc) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to shethmm_cs@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depositories.]
- (i) Initial password is provided in the enclosed Ballot Form: EVEN(E-Voting Event Number), user ID and password.
 - (ii) Please follow all steps from Sr. No. (ii) to Sr. No. (xii) above, to cast vote.
- V. In case any queries, please refer to "Frequently Asked Questions" (FAQs) for members and "remote e-voting user manual for members" available at the "Downloads" section of the website www.evoting.nsd.com or call on toll free no.: 1800-222-990
 - VI. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 25th August, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/ RTA.
 - VII. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsd.com or contact NSDL at the toll free no.: 1800-222-990.
 - VIII. The remote e-voting period commences from Thursday, 27th August, 2015 at 9.00 a.m. and ends on Monday, 31st August, 2015 at 5.00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialised form as on 25th August, 2015 (cut-off date) may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall be not allowed to change/ modify it subsequently or cast the vote again.
 - IX. The voting rights of shareholders shall be in proportion to the share in the paid up equity share capital of the Company as on 25th August, 2015, the cut off date.
 - X. Shri M M Sheth, Practising Company Secretary (Membership No. FCS 1455 CP No. 729) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - XI. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than three days of conclusion of the meeting

a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

XII. Members who do not have access to remote e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, at the Registered Office of the Company at 7th Floor, Regent Chambers, Nariman Point, Mumbai 400 021, not later than Thursday, 27th August, 2015 (5.00 p.m. IST). The name of the members who have cast their vote through the enclosed ballot form must appear in the Register of Members/ List of Beneficial Owners as on Tuesday, 25th August, 2015 (cut-off date) failing which their votes shall be treated as invalid. Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted. Members have the option to request for physical copy of the Ballot Form by sending an e-mail to csg-unit@tsrdarashaw.com by mentioning their Folio/ DP ID and Client ID No. However, the duly completed Ballot Form should reach the Scrutinizer not later than Thursday, 27th August, 2015 (5.00 p.m. IST). A Member can opt for only one mode of voting i.e., either through remote e-voting or by Ballot. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

XIII. The Results alongwith the Scrutinizer's Report shall be placed on the Company's website www.pidilite.com and on the website of NSDL within three days of conclusion of the 46th AGM of the Company and communicated to BSE Limited and National Stock Exchange of India Limited.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 6

In accordance with the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 27th February, 2015 have appointed Shri Bharat Puri as the Managing Director of the Company for a period of 5 years with effect from 10th April, 2015 on the following terms and conditions:

A. Basic Salary:

Basic Salary of ₹ 4,25,00,000 (Rupees Four Crore Twenty Five Lakhs only) per annum with first increment due on 1st April, 2016.

B. Special Allowance:

An amount of ₹ 1,23,00,000 (Rupees One Crore Twenty Three Lakhs only) per annum.

C. Variable Pay:

An amount not exceeding 60% of basic salary.

D. Perquisites/ Benefits/ Allowances:

i. Contribution to Provident Fund, payment of Superannuation/ Gratuity:

- a. Contribution to Provident Fund as per rules of the Company.
- b. Shri Bharat Puri will be entitled to Superannuation benefits as per rules of the Company.
- c. Shri Bharat Puri will be entitled to Gratuity payment as per rules of the Company.

ii. Other Perquisites/ Allowances:

Following Perquisites/Allowances shall not exceed an amount of ₹ 1,20,00,000 (Rupees One Crore Twenty Lakhs only) per annum, on a cost to company basis:

a. Residential Accommodation:

The Company shall provide rent free furnished accommodation to Shri Bharat Puri or shall give House Rent Allowance of an amount not exceeding 20% of Basic Salary.

b. Reimbursement of gas, electricity, water.

c. Furnishings/ Furnitures /Equipments and Home Appliances.

d. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family including all expenses in connection with the travel and stay for self and family.

e. Reimbursement of membership fees/ subscription for 2 clubs in India.

- f. Medical and Personal Accident Insurance.
- g. Company's car/s with driver.
- h. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family.
- i. Other Allowances as may be approved by the Board from time to time.

The Board will decide the increment upto a ceiling of 15% of the amounts specified in Item No. A, B, C and D above. Subsequent increment will become due on 1st April every year and the Board will decide the increment upto 15% of the amounts specified in Item No. A, B, C and D above and drawn in the immediate previous year.

- iii. Following prerequisites/benefits over and above the ceiling prescribed in (D)(ii) above:
 - a. Telephone and other communication facilities at residence.
 - b. Encashment of unavailed earned leave as per rules of the Company.
- iv. In addition to the above remuneration, the Company, subject to necessary approvals, shall offer the Managing Director stock options.

E. Commission:

Shri Bharat Puri shall be entitled to commission of an amount of 0.25% of the net profits of the Company, to be determined by the Board from time to time based on the net profits of the Company subject to overall ceiling laid down in Sections 197 and 198 of the Companies Act, 2013.

- F. Charges towards relocation of residence shall be payable by the Company.

Shri Bharat Puri, age 54 years, is a graduate in Commerce and has completed his Post Graduate Diploma in Business Administration from the Indian Institute of Management-Ahmedabad. He has vast experience of over 32 years in the field of Sales, Marketing and General Management in leading FMCG Companies viz. Asian Paints, Cadbury, Kraft Foods and Mondelez International, both in India and abroad. Brief profile of Shri Bharat Puri as stipulated under Clause 49 of the Listing Agreement is given as an annexure to this Notice and forms part of this explanatory statement.

Shri Bharat Puri is a fit and proper person for the post of Managing Director. The terms and conditions of his appointment are fair and reasonable. It would be in the interest of the Company to avail services of Shri Bharat Puri as a Managing Director.

The above may be treated as written memorandum setting out the terms of appointment of Shri Bharat Puri u/s 190 of the Act.

The Members approval is required for the above under Schedule V and other applicable provisions of the Companies Act, 2013.

Except Shri Bharat Puri, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned in this resolution.

The Board recommends this resolution for approval by the members.

Item No. 7

Shri A N Parekh was appointed as the Whole Time Director from 1st July, 2010 to 30th June, 2015. In accordance with the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on 19th May, 2015 have re-appointed him as Whole Time Director for a further period of 5 years with effect from 1st July, 2015 on the following terms and conditions:

A. Salary:

Salary ₹ 3,67,307 (Rupees Three Lakhs Sixty Seven Thousand Three Hundred Seven Only) per month with first increment due on 1st April, 2016. The Board will decide the increment upto a ceiling of 15% of the salary. Subsequent increment will become due on 1st April every year and the Board will decide increment upto 15% of salary drawn in the immediate previous year.

B. Commission:

Shri A N Parekh shall be entitled to commission, the amount of it shall be determined by the Board from time to time based on the net profits of the Company subject to overall ceiling laid down in Section 197 and 198 of the Companies Act, 2013.

C. Special Allowance:

The amount shall be determined by the Board from time to time but shall not exceed the amount equivalent to annual salary.

D. Perquisites/Benefits/ Allowances:

- i. Residential Accommodation:

The Company shall provide rent free furnished accommodation to Shri A N Parekh or shall give House Rent Allowance equivalent to 30% of the salary or shall provide combination of both.
- ii. Contribution to Provident Fund, payment of Superannuation/ Gratuity:
 - a. Contribution to Provident Fund as per rules of the Company.
 - b. Shri A N Parekh will be entitled to Superannuation benefit as per rules of the Company.
 - c. Shri A N Parekh will be entitled to Gratuity payment as per rules of the Company.
- iii. Other Perquisites/ Allowances:

Following Perquisites/ Allowances shall not exceed an amount equivalent to the annual salary:

 - a. Reimbursement of gas, electricity, water.
 - b. Furnishings/ Furnitures/ Equipments and Home Appliances.
 - c. Reimbursement of travel and stay expenses for proceeding on leave once a year in respect of self and family including all expenses in connection with the travel and stay for self and family.
 - d. Reimbursement of membership fees / subscription for 2 clubs in India.
 - e. Medical and Personal Accident Insurance.
 - f. Other Allowances as may be approved by the Board from time to time.
- iv. Following perquisites / benefits over and above the ceiling prescribed in (D)(iii) above:
 - a. Company's car/s with driver/s and/or other suitable conveyance facilities. Telephone and other communication facilities at residence.
 - b. Reimbursement of actual medical expenses incurred in India and/or abroad including hospitalisation for self and family.

- c. Encashment of unavailed earned leave as per rules of the Company.

Perquisites shall be evaluated as per Income Tax Rules where applicable.

Shri A N Parekh, age 43 years, is a Chemical Engineer with qualification of B.S.Chem Engg (U.S.A) having experience of 21 years. Last remuneration drawn by Shri A N Parekh is as approved by the members earlier. Brief profile of Shri A N Parekh as stipulated under Clause 49 of the Listing Agreement is given as an annexure to this Notice and forms part of this explanatory statement.

Shri A N Parekh is a fit and proper person for the post of Whole Time Director. The terms and conditions of his re-appointment are fair and reasonable. It would be in the interest of the Company to continue to avail services of Shri A N Parekh as Whole Time Director.

The above may be treated as written memorandum setting out the terms of appointment of Shri A N Parekh u/s 190 of the Act.

The Members approval is required for the above under Schedule V and other applicable provisions of the Companies Act, 2013.

Except Shri A N Parekh and his relative Shri N K Parekh, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned in this resolution.

The Board recommends this resolution for approval by the members

Item No. 8

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, Shri Sabyaschi Patnaik as an Additional Director of the Company with effect from 19th May, 2015.

In terms of the provisions of Section 161(1) of the Act, Shri Sabyaschi Patnaik would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri Sabyaschi Patnaik for the office of Director of the Company.

Shri Sabyaschi Patnaik is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Nomination and Remuneration Committee has recommended the appointment of Shri Sabyaschi Patnaik as a Director.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that, Shri Sabyaschi Patnaik be appointed as a Director of the Company.

Except, Shri Sabyaschi Patnaik, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in this resolution.

The Board recommends this resolution for approval by the members.

Item No. 9

The Board of Directors (the Board) of the Company at their meeting held on 19th May, 2015 have appointed Shri Sabyaschi Patnaik as a Whole Time director of the Company, designated as Director -Operations for a period of 3 years with effect from 19th May, 2015 on the following terms and conditions based on the recommendation of Nomination and Remuneration Committee.

I. Salary:

Salary ₹ 3,09,000 (Rupees Three Lakhs Nine Thousand Only) per month with first increment due on 1st April, 2016. The Board will decide the increment upto a ceiling of 15% of the salary. Subsequent increment will become due on 1st April every year and the Board will decide increment upto 15% of salary drawn in the immediate previous year.

II. Allowances:

₹ 8,91,400 (Rupees Eight Lakhs Ninety One Thousand Four Hundred Only) per month and the increment will be subject to a ceiling of 20% per annum.

III. Perquisites:

i. Housing:

House Rent Allowance of ₹ 1,50,000/- per month which may be revised from time to time as per rules of the Company as applicable to senior employees.

ii. Car Allowance (including driver allowance and fuel allowance) of ₹ 73,000/- per month which may be revised from time to time as per rules of the Company.

iii. Employee Stock Option Plan (ESOP) as may be granted from time to time.

IV. Other Benefits:

Other Benefits shall include use of telephone for the Company's business at residence (the expenses whereof, excepting personal long distance calls, would be borne and paid by the Company), contribution to Provident and Superannuation Funds and all other benefits as are applicable to senior employees of the Company (including but not limited to gratuity, medical benefits, leave entitlement, encashment of leave) in accordance with the schemes of the Company.

V. Other Perquisites:

Other Perquisites (including allowances not covered above) in such form and to such extent as may be decided by the Managing Director subject to a ceiling of ₹ 60,00,000 (Rupees Sixty Lakhs Only) per annum.

The increment will be determined by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

In accordance with the resolution, within the aforesaid limits, the amount of salary and perquisites payable to Shri Sabyaschi Patnaik (including the types and amount of each type of perquisite) will be decided by the Managing Director from time to time as he may deem fit in his absolute discretion.

The valuation of perquisites will be as per the Income-tax Rules, 1962, in cases where the same is otherwise not possible to be evaluated.

Shri Sabyaschi Patnaik, age 52 years, has a Bachelors degree in Chemical Engineering from Institute of Technology-Banaras Hindu University. He has also obtained a Master's degree from Colorado State University, USA and has completed an Advanced Management Program at the Wharton Business School. Shri Sabyaschi brings with him a rich and varied experience of over 25 years in Manufacturing Operations, Supply Chain & General Management. Brief profile of Shri Sabyaschi Patnaik as stipulated under Clause 49 of the Listing Agreement is given as an annexure to this Notice and forms part of the explanatory statement.

Shri Sabyaschi Patnaik is a fit and proper person for the post of Whole Time Director. The remuneration payable to him is fair and reasonable. The proposed remuneration payable is within the limits specified in Schedule V of the Companies Act, 2013. The Members' approval is required for the same under Schedule V and other applicable provisions of the Companies Act, 2013.

The above may be treated as written memorandum setting out the terms of appointment of Shri Sabyaschi Patnaik u/s 190 of the Act.

Except Shri Sabyaschi Patnaik, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned in this resolution.

The Board recommends this resolution for approval by the members.

Item No. 10

Shri Sanjeev Aga is a Non-Executive Director of the Company who is liable to retire by rotation. In terms of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Shri Sanjeev Aga is proposed to be re-appointed as a Director who shall be an Independent Director of the Company for 5 consecutive years from the date of this AGM upto the conclusion of the Fifty First AGM of the Company to be held in respect of Financial year ending 31st March, 2020 and he shall not be liable to retire by rotation.

The Company has received declaration from Shri Sanjeev Aga that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

Shri Sanjeev Aga possesses appropriate skills, experience and knowledge. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Shri Sanjeev Aga be appointed as an Independent Director.

The Company has received notice in writing from member alongwith necessary deposit as required under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Sanjeev Aga for the office of Director of the Company.

The Nomination and Remuneration Committee has recommended appointment of Shri Sanjeev Aga as an Independent Director.

In the opinion of the Board, Shri Sanjeev Aga fulfills the conditions for appointment as an Independent Director as specified in the Companies Act, 2013 and Rules framed thereunder and the Listing Agreement. A copy of the draft letter of appointment setting out the terms and conditions of appointment of the aforesaid Director is available for inspection by the members at the Registered Office and Corporate Office of the Company during business hours on all working days except Saturday, upto the date of the Annual General Meeting. Brief profile of Shri Sanjeev Aga as stipulated under Clause 49 of the Listing Agreement is given as an annexure to this Notice and forms part of the explanatory statement.

Except Shri Sanjeev Aga, none of the other Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned in this resolution.

The Board recommends the resolution for approval by the members.

Item No. 11

The Board of Directors, on the recommendation of Audit Committee has approved the appointment and remuneration of an amount not exceeding ₹ 1,50,000 (Rupees One Lakh Fifty Thousand Only) for the financial year ending 31st March, 2016 payable to the Cost Auditor M/s. V J Talati & Co., Cost Accountants to conduct the audit of the cost records of the Company for the aforesaid financial year. In accordance with the provisions of Section 148 of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2016.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in this resolution.

The Board recommends the resolution for approval by the members.

Item No. 12

Shri J L Shah was appointed as an Additional Director and also Whole Time Director of the Company, designated as Director (Factories Operations) for a period of one year from 4th November, 2014, on following terms and conditions based on the recommendation of Nomination and Remuneration Committee.

I. Salary:

Salary ₹ 6,00,000 (Rupees Six Lakhs Only) per month.

II. Perquisites:

Car and driver allowance as per the policy of the Company.

III. Other Benefits:

Other benefits shall include use of telephone for the Company's business at residence (the expenses whereof, excepting personal long distance calls, would be borne and paid by the Company), contribution to Provident and Superannuation Funds and all other benefits as are applicable to senior employees of the Company (including but not limited to gratuity, medical benefits, leave entitlement, encashment of leave) in accordance with the schemes of the Company.

The valuation of perquisites will be as per the Income-tax Rules, 1962, in cases where the same is otherwise not possible to be evaluated.

Shri J L Shah was Director (Factories Operations) from 21st October, 2009 to 8th November, 2011 and again he was appointed from 4th November, 2014.

Shri J L Shah, Whole Time Director, was designated as Director (Factories Operations) and was in overall charge of all the factories of the Company situated in the State of Maharashtra, Gujarat, Himachal Pradesh, Andhra Pradesh, Assam, Union Territory of Daman or any other State or Union Territory in India.

The remuneration as detailed above is fair and reasonable. The remuneration paid was within the limits specified in Schedule V of the Companies Act, 2013. The Members' approval is required for the same under Schedule V and other applicable provisions of the Companies Act, 2013.

Shri J L Shah resigned as Director of the Company with effect from 19th May, 2015.

None of the Directors or Key Managerial Personnel of the Company and their relatives are interested or concerned in this resolution.

The Board recommends this resolution for approval by the members.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai

Date: 19th May, 2015

Registered Office:

Regent Chambers, 7th floor,

Jamnialal Bajaj Marg,

208, Nariman Point,

Mumbai 400 021

Tel: 91 22 2835 7000 Fax: 91 22 2821 6007

Email: investor.relations@pidilite.co.in

Website: www.pidilite.com

CIN: L24100MH1969PLC014336

SAVITHRI PAREKH

SECRETARY

ADDITIONAL INFORMATION ON DIRECTORS (INCLUDING WHOLE TIME DIRECTOR) SEEKING ELECTION AT THE ANNUAL GENERAL MEETING [under Clause 49(VIII)(E)(1) of the Listing Agreement]:

Shri N K Parekh is a Promoter Director of the Company and has been serving as a Director of the Company since 1969. He is a qualified Technologist for Dyes and Intermediates and a qualified Chemical Engineer [B.Sc., B.Sc(Tech), M.S. Chem. Engg.(U.S.A)] and has business experience in the industry for over 51 years. He is a Vice Chairman of the Company. He is a Director of Vinyl Chemicals (India) Ltd., Fevicol Company Ltd., Parkem Dyes and Chemicals Pvt. Ltd., Ishijas Chemicals Pvt. Ltd., The Vacuum Forming Company Pvt. Ltd., Kalpaj Sales and Agencies Pvt. Ltd., Pargro Investments Pvt. Ltd., Dr. Fixit Institute of Structural Protection & Rehabilitation (a Company u/s 8 of the Companies Act, 2013), Kalva Marketing and Services Ltd. and Parekh Marketing Ltd. He is a member of Stakeholders Relationship Committee of Vinyl Chemicals (India) Ltd. and also of the Company. Shri N K Parekh attended 9 board meetings of the Company during the year. He holds 5,38,32,178 equity shares in the Company as on 31st March, 2015. Shri N K Parekh is related to Shri A N Parekh, Whole Time Director of the Company.

Shri Bharat Puri has been an Independent Director on Board of the Company since 2008 and was appointed as an Independent Director of the Company at the Annual General Meeting held in September, 2014. He had a very successful career with leading Global Companies. In his last assignment he has been President-Global Chocolate, Gum and Categories at Mondelez International, based in Zurich and with worldwide responsibilities for these categories. He started his career with Asian Paints in 1982 and rose to the position of General Manager-Sales & Marketing. He then moved to Cadbury in 1998 as Director of Sales and Marketing for Cadbury India. In 2002 he was appointed as Managing Director South Asia Cadbury. After a successful stint in this role, he moved to Singapore in 2006 where he was responsible for Strategy, Marketing and Sales for the Asia Pacific region. Since then he has held senior leadership positions in Marketing, General Management and Category Management at the country, region and global level. He completed his schooling from the Lawrence School, Sanawar and thereafter graduated in Commerce from Punjab University. In 1982 he completed his Post

Graduate Diploma in Management (MBA) from the Indian Institute of Management, Ahmedabad. Shri Bharat Puri attended 4 board meetings of the Company during the year. He does not hold any other Directorships. He holds Nil equity shares in the Company as on 31st March, 2015. He is not related to any Director or Key Managerial Personnel of the Company.

Shri A N Parekh is a promoter director of the Company and has been working with the Company since 1996. Shri A N Parekh is a Chemical Engineer with the qualification of B.S. Chem.Engg.(U.S.A) and having total business experience of 21 years. He joined the Company in Sales and Marketing Department and was promoted to the position of Sr. Vice President. He has been a Whole Time Director of the Company since 1st July, 2005. He is a director of Parkem Dyes and Chemicals Pvt. Ltd., Kalpaj Sales and Agencies Pvt. Ltd., Jess Trading India Pvt. Ltd., Dr. Fixit Institute of Structural Protection & Rehabilitation (a company u/s 8 of the Companies Act, 2013), Percept Waterproofing Services Ltd., Nina Waterproofing Systems Pvt. Ltd., Synapse Technologies Inc, USA, Wisdom Controls Inc, USA, Jupiter Chemicals LLC, Pidilite Industries Egypt (SAE), Pidilite Speciality Chemicals Bangladesh Pvt. Ltd., Pidilite Bamco Ltd., Pidilite USA Inc, Pidilite Chemical PLC, Sarla Technologies Middle East LLC. Shri A N Parekh attended 9 board meetings during the year. He holds 35,84,910 equity shares in the Company as on 31st March, 2015. Shri A N Parekh is related to Shri N K Parekh, Vice Chairman of the Company.

Shri Sabyaschi Patnaik graduated in Chemical Engineering from the Institute of Technology-Banaras Hindu University. Subsequently, he obtained his Master's degree from Colorado State University, USA. He has completed the Advanced Management Program at the Wharton Business School. Shri Sabyaschi Patnaik brings with him a rich and varied experience of over 25 years in Manufacturing Operations, Supply Chain & General Management. He started his career with Indal Electronics as a Process Engineer and then undertook roles in production and project management functions at Bakelite Hylam and Indian Aluminium Company.

Thereafter, he joined Asian Paints in 1999 as the Factory Manager of the Hyderabad plant. Subsequently he moved to the Corporate Office in Mumbai and headed the Supply Chain function and thereafter Manufacturing Operations. After spending 11 years with Asian Paints, in 2010 Sabyaschi joined the Aditya Birla Group as the President of the Alexandria Carbon Black Company, Egypt and later was appointed as the Managing Director of the Company. He returned to India in April 2014 and held the role of President in the Strategy and Planning function of Aditya Birla Management Corp. Ltd. He joined the Company in December 2014 as President - Manufacturing Operations and Supply Chain. He holds Nil Equity Shares in the Company as on 31st March, 2015. He is not related to any Director or Key Managerial Personnel of the Company.

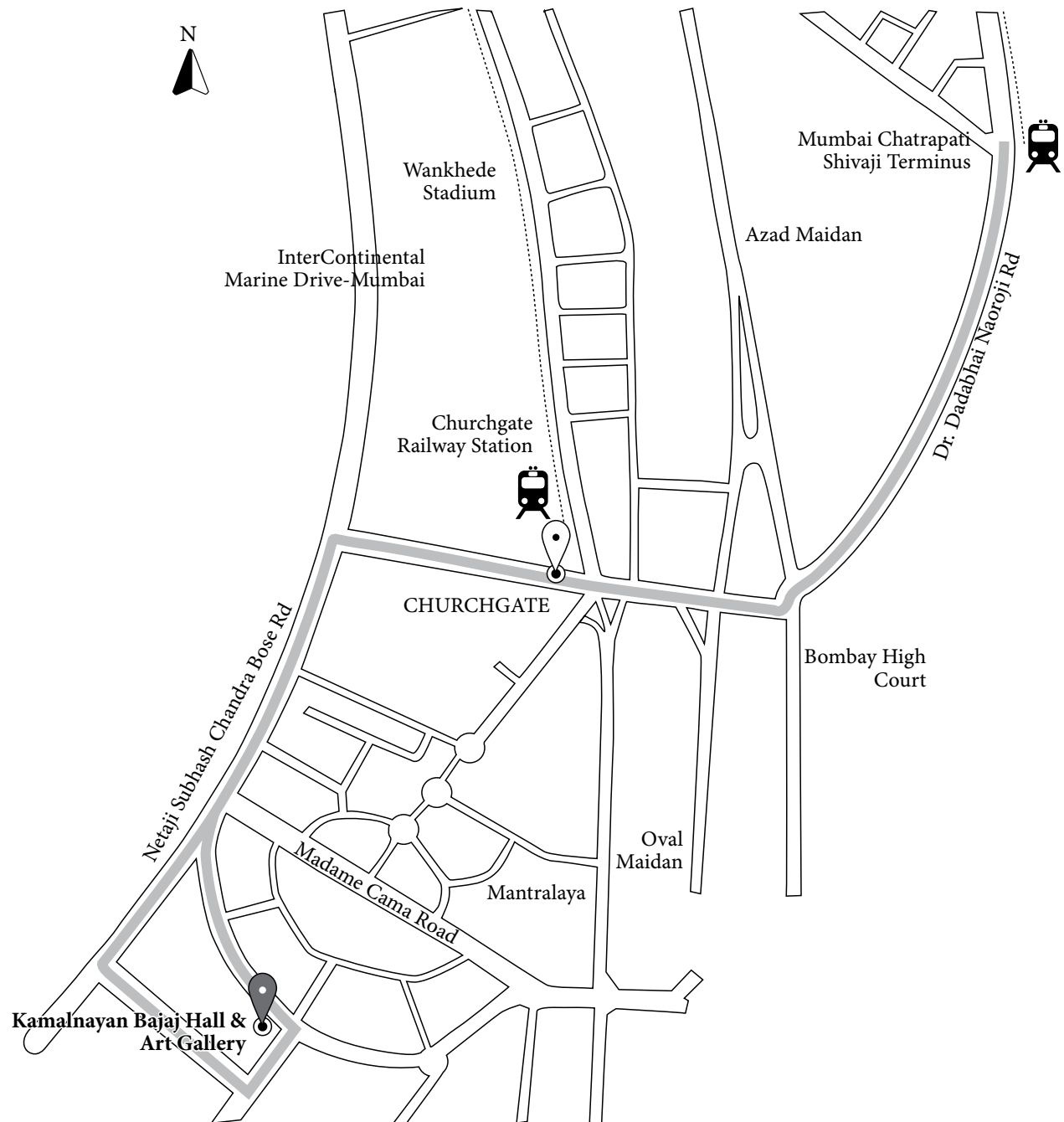
Shri Sanjeev Aga has been appointed as a Director of the Company with effect from 29th July, 2011 by the Board of Directors. Shri Sanjeev Aga is an Honours graduate in Physics from St. Stephen's College, Delhi and a post graduate from the Indian Institute of Management, Kolkata. He is a business leader, organisation builder, advisor and mentor. His career has traversed over 40 years and sectors from consumer and services, entertainment and light engineering to telecommunications. Shri Sanjeev Aga has under his belt, 23 years as CEO and Managing Director of Blow Plast Ltd./ VIP Industries Ltd., of Aditya Birla Nuvo Ltd. and Idea Cellular Ltd. He is now engaged in advisory and consultancy roles for corporates and for not for-profit organisations. He holds directorships in Idea Cellular Ltd., Subex Ltd., Mahindra Logistics Ltd., UFO Movies India Ltd., Mahindra Holidays & Resorts India Ltd. He is the Chairman of Stakeholders Relationship Committee in Subex Ltd. and a member of Stakeholders Relationship Committee in Idea Cellular Ltd., Member of Audit Committee of Subex Ltd., Mahindra Logistics Ltd. and Mahindra Holidays & Resorts India Ltd., Chairman of Audit Committee in UFO Movies India Ltd. Shri Sanjeev Aga attended 9 board meetings during the year. He holds Nil equity shares in the Company as on 31st March, 2015. He is not related to any Director or Key Managerial Personnel of the Company.

Route map to the AGM Venue of:

Pidilite Industries Ltd.

46th Annual General Meeting

Tuesday, 1st September, 2015 at 11:00 am



Venue:

Kamalnayan Bajaj Hall,
Bajaj Bhavan, Jamnalal Bajaj Marg,
Nariman Point,
Mumbai - 400021
Ph.: 022 2202 3626



Pidilite Industries Limited

Registered Office: Regent Chambers, 7th Floor, Jammalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021.
Tel: 91 22 28357000, Fax: 91 22 28216007, Email: investor.relations@pidilite.co.in, Website: www.pidilite.com
CIN: L24100MH1969PLC014336

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholder(s) may obtain additional Slip on request.

| | |
|----------|--|
| D.P. Id* | |
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| | |
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| Folio No. | |
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| Client Id* | |
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| No. of Share/(s) held | |
|-----------------------|--|

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|---------------------|
| NAME OF THE MEMBER: |
|---------------------|

| |
|--------------------|
| NAME OF THE PROXY: |
|--------------------|

I record my presence at FORTY SIXTH ANNUAL GENERAL MEETING of the Company held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai 400 021 on Tuesday, the 1st September, 2015 at 11:00 a.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

*Applicable for investors holding shares in electronic form.



Pidilite Industries Limited

Registered Office: Regent Chambers, 7th Floor, Jammalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021.
Tel: 91 22 28357000, Fax: 91 22 28216007, Email: investor.relations@pidilite.co.in, Website: www.pidilite.com
CIN: L24100MH1969PLC014336

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

| |
|------------------------|
| Name of the Member(s): |
| Registered address: |
| Email Id: |
| Folio No./Client ID: |
| DP ID: |

I/We being the member(s) of _____ shares of the above named Company hereby appoint:

- 1) Name: _____
Address: _____
Email ID: _____ or failing him;
- 2) Name: _____
Address: _____
Email ID: _____ or failing him;
- 3) Name: _____
Address: _____
Email ID: _____ or failing him;

as my/our proxy to attend and vote for me/ us and on my/our behalf at the FORTY SIXTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 1st September, 2015 at 11:00 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai 400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. Adoption of audited financial statements of the Company together with the reports of Board of Directors and Auditors' thereon and audited consolidated financial statements of the Company for the year ended 31st March, 2015.
2. Declaration of dividend on Equity Shares.
3. Re-appointment of Shri N K Parekh as a Director.
4. Re-appointment of Shri A N Parekh as a Director.
5. Ratification of appointment of M/s. Deloitte Haskins & Sells as Statutory Auditors.
6. Appointment of Shri Bharat Puri as a Managing Director for a period of 5 years.
7. Re-appointment of Shri A N Parekh as a Whole Time Director for a period of 5 years.
8. Appointment of Shri Sabyaschi Patnaik as an Additional Director.
9. Appointment of Shri Sabyaschi Patnaik as a Whole Time Director for a period of 3 years.
10. Appointment of Shri Sanjeev Aga as an Independent Director for a period of 5 years.
11. Ratification of payment of remuneration to M/s. V J Talati & Co., Cost Auditors.
12. Approval of terms of appointment and payment of remuneration to Shri J L Shah for the period from 4th November, 2014 to 19th May, 2015.

Signed this _____ day of _____ 2015.

Signature of the Shareholder _____

| |
|---------------------------|
| Affix Revenue Stamp |
|---------------------------|

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

NOTE: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the registered office of the Company, not less than **FORTY EIGHT HOURS** before the commencement of the Meeting.