



Creativity

has the ability to add magic to the world and make life joyful like few other things can.

By helping people unleash their creativity to the fullest, our products manifest beauty and open up unlimited possibilities.

The Sculptoonist

RANJAN KAPUR

What began as a fascination with ready-made M-seal Ganesha idols has grown into a healthy obsession for Mr. Ranjan. Malleable when soft and hard when dry, M-seal has enabled him to sculpt the quirky figurines he lovingly calls 'Sculptoons', each one proudly bearing a unique name and identity too!



Crafting the everyday



BHAVANA MISHRA

Ex-chef and hospitality trainer Bhavana initially took up art as a hobby, and has never looked back since. She abhors wastage, which is why she uses her creativity and the brilliant shades and viscosity of Fevicyl to give old utensils and everyday kitchen products a brand new lease for life.



Educate to elevate



PURNIMA SAMPAT

As an art educator, Purnima strives to help people of all age groups reach their full creative potential. By encouraging creative expression and experimentation, she passionately transforms her students from beginners to masters. And they, in turn, transform canvases into masterpieces!



Creation is liberation



ANVITA SHAH &
JANINE DOCTOR

Although Anvita and Janine have been exposed to the contemporary digital world, they are both far more drawn to the charm of the traditional, hands-on approach to art; it feels more real and personal. And Pidilite's products serve as the perfect outlets for creative expression, experimentation and exploration.

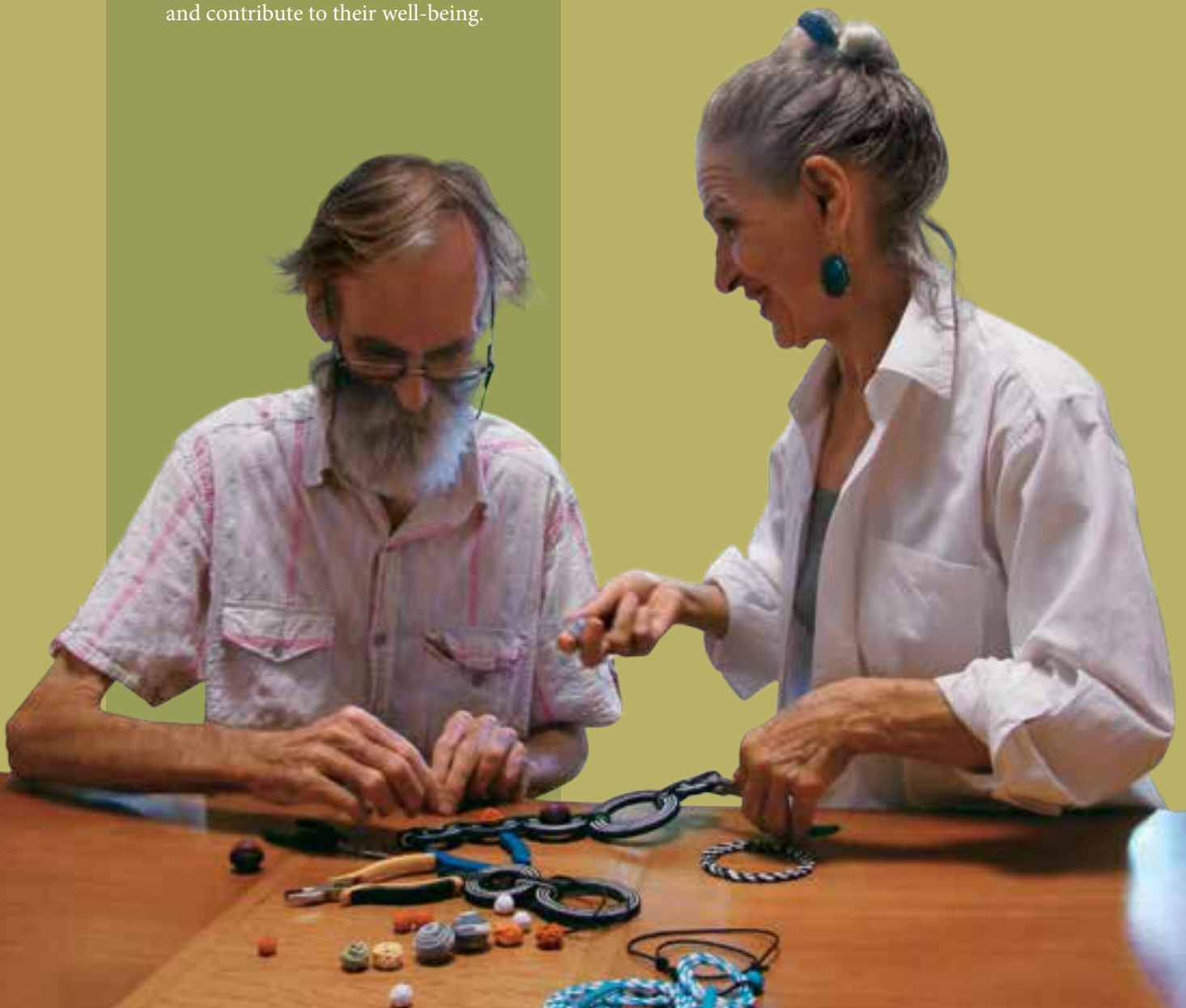


Handmade art from the heart



LUISA & HERVÉ

From beautiful jewellery and vases to lamps and wall art, Luisa and Hervé work in tandem with local villagers to create hand-made paper items. Born out of a simple idea, Auroville Papers uses passion for paper, unrestrained creativity and Fevicol for binding so as to empower locals and contribute to their well-being.



Of expression & creation



RAJASHREE THAKKAR

Adept at 300 art and craft forms from across the globe, Rajashree believes that art isn't about a specific form; it's about creativity. Dedication, an impressive repertoire, contemporary teaching techniques and a host of Pidilite products have enabled her to nurture the creative artist within many a child.

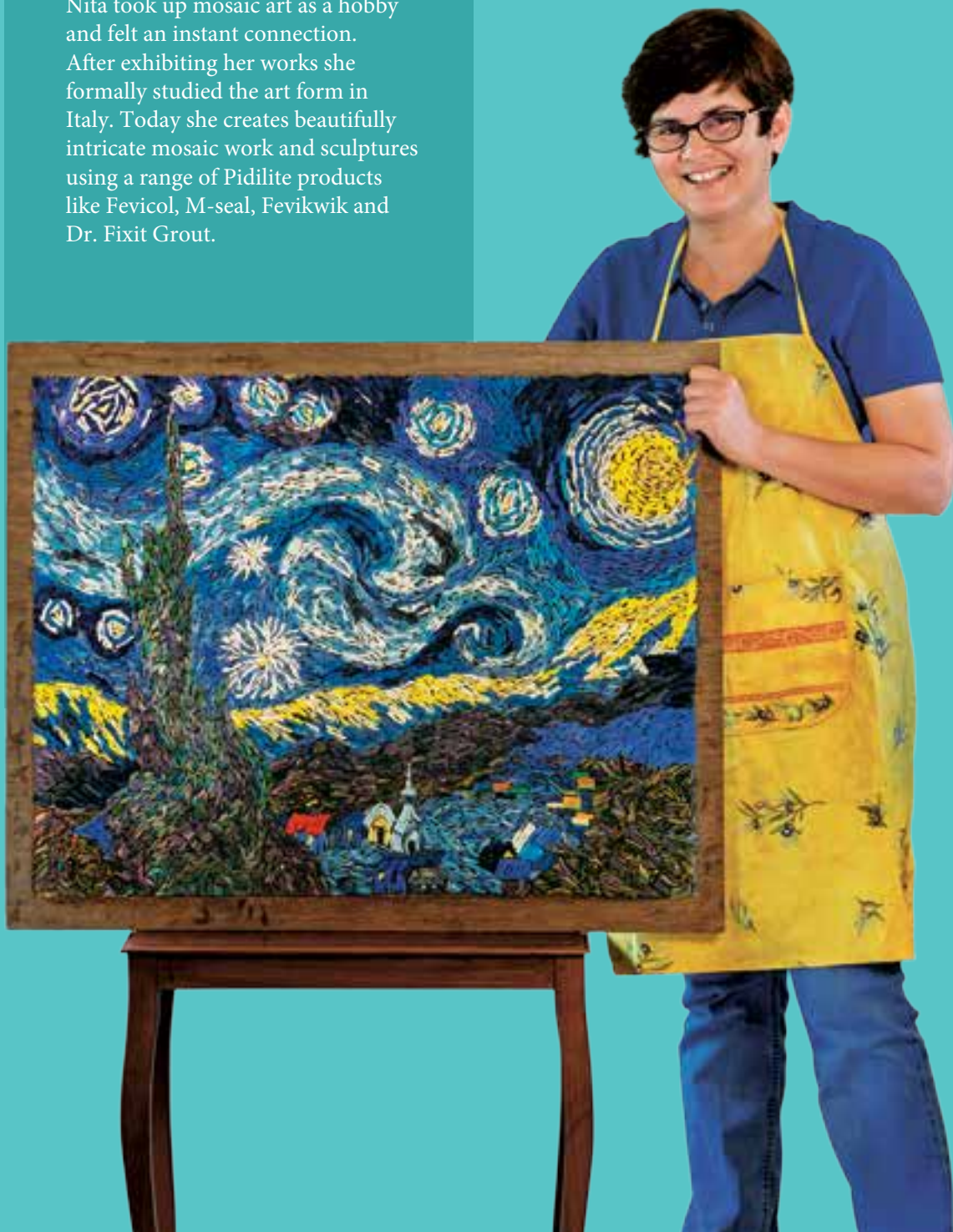


Little pieces make big dreams



NITA JOSHI

Post exiting the ad-mad world, Nita took up mosaic art as a hobby and felt an instant connection. After exhibiting her works she formally studied the art form in Italy. Today she creates beautifully intricate mosaic work and sculptures using a range of Pidilite products like Fevicol, M-seal, Fevikwik and Dr. Fixit Grout.

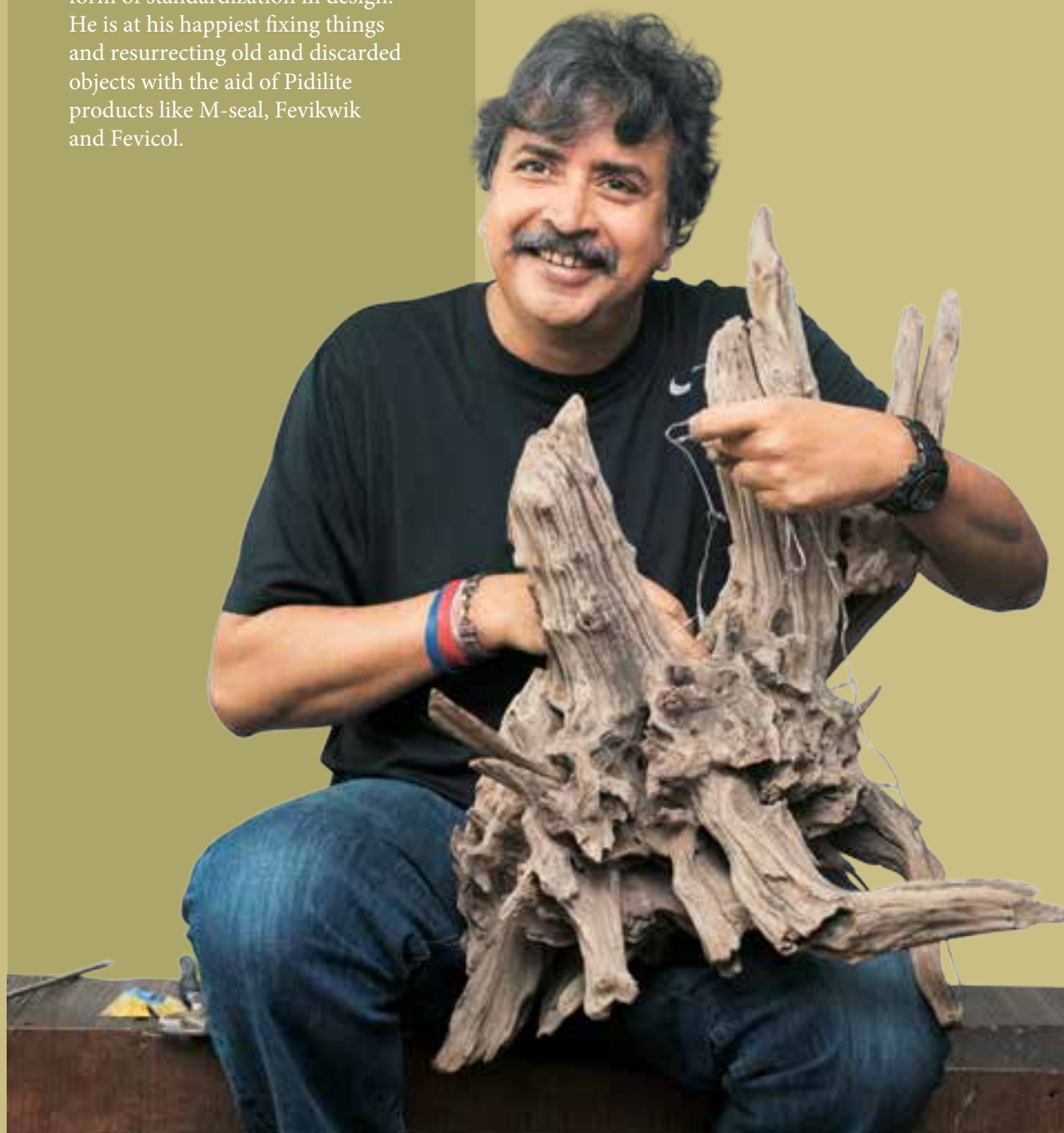


Putting the 'I' in creative



PRASOON PANDEY

A creative maverick, Prasoon believes that creativity is synonymous with individuality. He always aims to do things differently, shunning any form of standardization in design. He is at his happiest fixing things and resurrecting old and discarded objects with the aid of Pidilite products like M-seal, Fevikwik and Fevicol.



Company Information

Board of Directors

M B Parekh
Executive Chairman

Ranjan Kapur
Director

Uday Khanna
Director

N K Parekh
Vice Chairman

Sanjeev Aga
Director

Meera Shankar
Director

Bharat Puri
Managing Director

A B Parekh
Whole Time Director

Sabyaschi Patnaik
Whole Time Director

B S Mehta
Director

A N Parekh
Whole Time Director

Vinod Dasari
Director (wef 01.09.2015)

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
HDFC Bank
Citibank N.A.
Standard Chartered Bank PLC.

Registered Office

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

Company Secretary

Savithri Parekh

Internal Auditors

Mahajan & Aibara

Chief Financial Officer

Pradeep Jain
(wef 11.01.2016)

contents

10

Company
Information

12

Management
Discussion and
Analysis

19

Economic
Value Added
(EVA)

20

Financial
Charts

22

10 Years
Financial
Performance

24

Directors'
Report

32

Social &
Community
Initiatives

36

Annexures to
the Directors'
Report

56

Business
Responsibility
Report

62

Auditor's
Report

68

Balance
Sheet

69

Profit & Loss
Account

70

Notes

106

Cash Flow
Statement

108

Corporate
Governance Report
& Compliance
Certificate

117

Information for
Shareholders

119

Consolidated
Financial
Statements

Management Discussion & Analysis

Standalone Financials

Net sales of the Company grew by 7.6%.

“EBITDA” (earnings before interest, taxes, depreciation, amortisation, exceptional items and foreign exchange differences) excluding non-operating income grew by 46.8%.

Non-operating income was marginally higher than last year.

Based on an independent valuation, the Company made an impairment provision of ₹ 270 million towards its investment in Pulvitec, the Brazilian subsidiary.

Consequently Profit before Tax grew by 51.6% and Profit after Tax grew by 40.1%.

Consolidated Financials

On a consolidated basis, net sales grew by 10.8%.

The performance of overseas subsidiaries has shown improvement as compared to the previous year. While aggregate sales of overseas subsidiaries grew by 18.9%, aggregate profit before tax stood at ₹ 226.8 million compared to a loss of ₹ 20.2 million in the previous year.

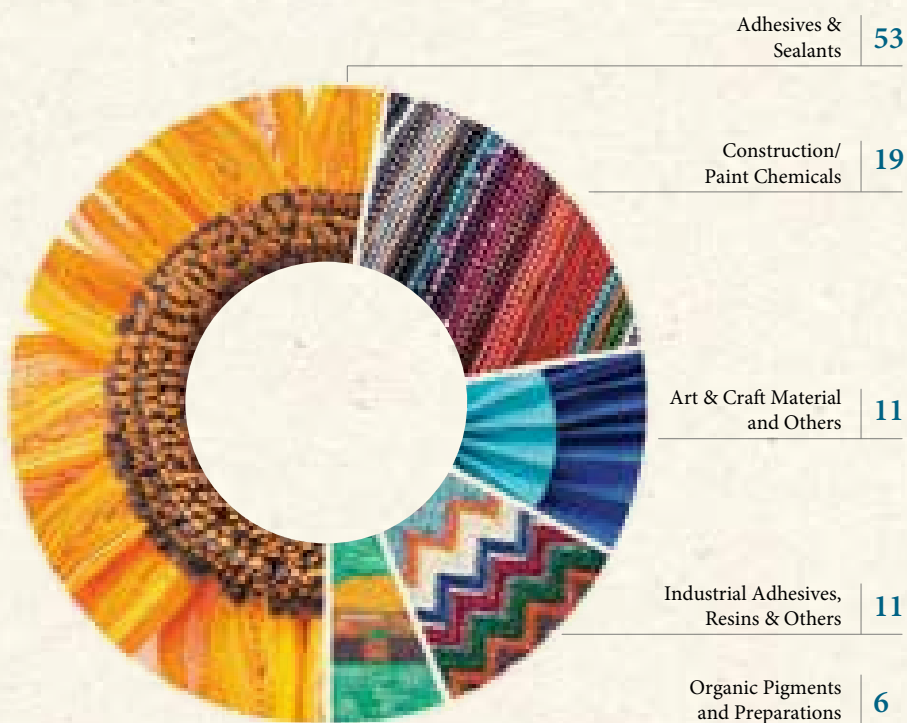
New Initiative

As part of the transition process, “Project Runway” was initiated with a leading global management consultancy firm. The objective being: preserve “what’s working well”, drive growth across businesses and address chokepoints and create strong platform for future growth. The organisation structures of Business Divisions are also being revisited to bring in alignment with the business strategy.



Performance by industry segment

(Business segments %)



Consumer & Bazaar Products

Branded Consumer & Bazaar Products Segment contributed 83% of the total net sales of the Company and grew by 8.7%.

Net sales of branded Adhesives and Sealants grew by 13.7% and contributed 53% of the total sales of the Company. Construction and Paint Chemicals grew by 1.4% and Art & Craft Material and other products grew by 0.5%.

Consumer & Bazaar Product sales have grown at a CAGR of 15% over the last 5 years.

Profit before interest and tax for the Consumer & Bazaar segment increased by 43.9 %.

Industrial Products

Industrial Products contributed 17% of the total sales of the Company and grew at slower rate of less than 1%.

Profit before interest and tax for the segment grew by 58.9% due to lower input costs.

“Others”, largely comprises manufacture and sale of Speciality Acetates namely iso propyl acetate. 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 plant now also manufactures Di-isopropyl Ether (DIPE).

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

Advertising Campaigns & Communications

Fevicol's new 'Dahi Handi' TV advertisement reinforced the brand promise of 'The Strongest Bond', which is characterized by several-storey high human pyramid built during the 'Dahi Handi' celebrations. The advertisement was launched in digital space followed by television launch across major channels. On the day of the digital preview, it created 78 million impressions on Twitter, generated 10,000 tweets and #StrongestBond went on to trend at No.2 position. The TV advertisement garnered a total of 2.4 million views on Facebook and YouTube.



Fevikwik launched its new 'Pyaun Pyaun' multimedia marketing campaign across TV, radio and digital with a humorous take on different scenarios from the life of a simple man. The film aimed at broadening the usage of Fevikwik to all kinds of common items such as footwear, mug, spectacles and toys. The digital launch of TV advertisement garnered 1.1 million views on Facebook and YouTube.

New Product Launches

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



Fevicryl Liquid Embroidery enables users to create embroidery-like effect, and is as easy to use as a pen.



Fevistik + Highlighter is a combination of two utility features for college-goers and young adults – Fevistik and a Highlighter.



Roff Tile Bonder is an economical and easy to use on-site mix used for fixing all types of tiles on conventional cement bed.



M-seal Wet Set is an epoxy putty which not only hardens under water but also effectively bonds to a damp surface which may be submerged in water.

Digital



Fevikwik launched a digital campaign in Kerala with an innovative voice-controlled online boat race contest wherein the fastest participants stood a chance to win exciting prizes such as mobile phones. The campaign was supported by RJ activations on radio and extensive on-ground visibility. This was the first of its kind digital campaign which made use of sound-based technology.



Fevicol Design Ideas was launched on the digital platform with a new website and a mobile application. This website connects home-owners to professionals like Interior Designers and Contractors. Currently the website has registrations of 10,000 Interior Designers and 15,000 Contractors and houses 50,000 design ideas.

Awards

The Company received the **'Most Promising Company of the Year'** at the CNBC-TV18, 11th India Business Leader Awards (IBLA).

'The Fevicol Room' at Lalbaugcha Raja won the Silver at the **Abby Awards 2016** in the Events and Experiential Public Relations category.

'Kwik Kwik Fevikwik', the digital boat race contest won the Bronze at the **Abby Awards 2016** in the Online Games category.

Fevikwik 'Pyaun Pyaun' radio campaign won a Bronze at the **Golden Mikes 2016** in Best Use of Branded Content/ Sponsorship on Radio in Effectiveness category.

Dr. Fixit stall at Acetech 2015 won the Gold Award at **Design Wall 2015** alongside winning a Bronze in **Grand Stand Awards**.

Dr. Fixit got an award for excellence for the **'Most Innovative Product'** at the 13th International Conference & Exhibition on Sustainable Habitat & Smart Cities at Jaipur Exhibition & Convention Center.



Activations & Events

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



Fevicol Science Project Challenge - The fourth edition of Fevicol Science Project Challenge was successfully conducted. It saw participation of over 3 lakh students creating 3D science models across 1300 schools. Television and digital campaign featuring Rob, of 'Mad' fame, drew more than 1500 online participants.



The Fevicol Room at "Lalbaugh Cha Raja", Mumbai was created with the objective of encouraging consumers to click creative poses in a room which made them look like hanging from the ceiling. The activation reinforced the Fevicol brand proposition of 'The Strongest Bond'. Over a period of 9 days, more than 1500 photographs were clicked and uploaded on Fevicol Facebook page. This initiative made 5.5 million impressions across Social Media platforms.



International Operations

Acquisition of Chemifix Brand from CIC, Srilanka

Pidilite Lanka (Private) Limited acquired the business and brand of Chemifix from CIC Srilanka in November, 2015. Chemifix is leader in water based adhesives in Srilanka and is widely used in stationary, wood working, and Industrial applications.

Market Development Initiatives

The Company continues to invest into grassroots market development initiatives in various countries –

Participation in exhibitions like Big 5 in Dubai, Myanbuild in Myanmar, Wood International Expo 2016 and Safecon 2016 in Bangladesh.

Mega carpenter and dealer meet in Dubai, Umbrella Campaign in Africa for Unitint and Mega Iftar meet in Oman.

New product launches in UAE, Africa, GCC, Nepal and Bangladesh.

FEVICOL CHAMPION'S CLUB

Shramdaan Divas in its fifth consecutive year, witnessed participation from 45,100 contractors across 196 towns who donated a day of their labour towards repair work for the under-privileged and needy children across the country.

Vriksharopan Divas in its second consecutive year got participation from 15,350 FCC members across 449 chapters who planted 19,120 trees.



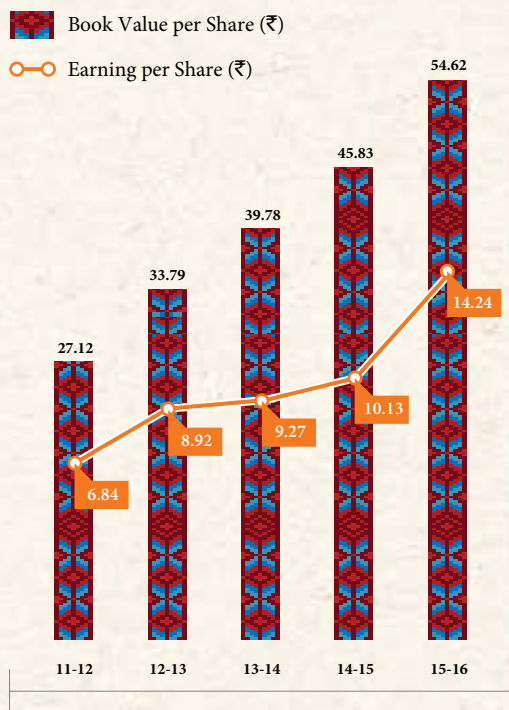
Dr. Fixit Healthy Hum Healthy Home was a free professional health check-up camp for Contractors and construction workers from Mumbai and Bangalore. Besides checking for symptoms of respiratory diseases and lung infections, Dr. Fixit also partnered with yoga experts to train the attendees in basic breathing techniques, followed by a speech by an expert on safety measures to be observed while on field.



Roff Experience Center (REC), an interactive zone at retail stores was launched in Kochi. REC provides end-to-end solutions in tile and stone grouting, maintenance. This educative zone allows consumers to touch, feel and experience the product through innovative technology.



Book Value Per Share & EPS



EPS excludes exceptional items

Growth in Market Capitalisation of Company and BSE SENSEX since 31st March, 2012



Miscellaneous

The Company's net worth (Equity Capital + Reserves) has grown from ₹ 13773 million as on 31st March, 2012 to ₹ 28003 million as on 31st March, 2016, giving a Compounded Annual Growth Rate (CAGR) of 19.4 %.

The market capitalization of the Company on 31st March, 2016 was ₹ 303,350 million and has grown at a CAGR of 31.7 % 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 @ 7.5%) + market risk premium (assumed @ 6.7%) 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 based on an appropriate mix of short, medium and long term debt, net of taxes.

Economic Value Added Analysis

Item	2011-12	2012-13	2013-14	2014-15	2015-16
1. Risk Free Return on Long Term GOI Securities	8.0%	7.5%	8.0%	7.8%	7.5%
2. Cost of Equity	14.0%	13.5%	12.4%	12.2%	12.9%
3. Cost of Debt (Post Tax)	5.9%	8.0%	0.0%	0.0%	0.0%
4. Effective Weighted Average Cost of Capital	12.5%	13.0%	12.2%	12.2%	12.8%
Economic Value Added (₹ in million)					
5. Average Debt	2754	1622	340	67	34
6. Average Equity (Shareholder Funds)	12584	15521	18860	21945	25748
7. Average Capital Employed (Debt + Equity)	15338	17143	19200	22012	25783
8. Profit After Tax (as per Statement of P&L)	3471 #	4548 #	4751 #	5194 #	7300 #
9. Interest (as per Statement of P&L, net of Income Tax)	143	54	64	63	38
10. Net Operating Profit After Tax (NOPAT)	3614	4601	4815	5257	7339
11. Weighted Average Cost of Capital (4 x 7)	1919	2226	2339	2677	3311
12. Economic Value Added (10 - 11)	1695	2375	2476	2579	4027
13. EVA as a % of Average Capital Employed (12÷7)	11.1%	13.9%	12.9%	11.7%	15.6%

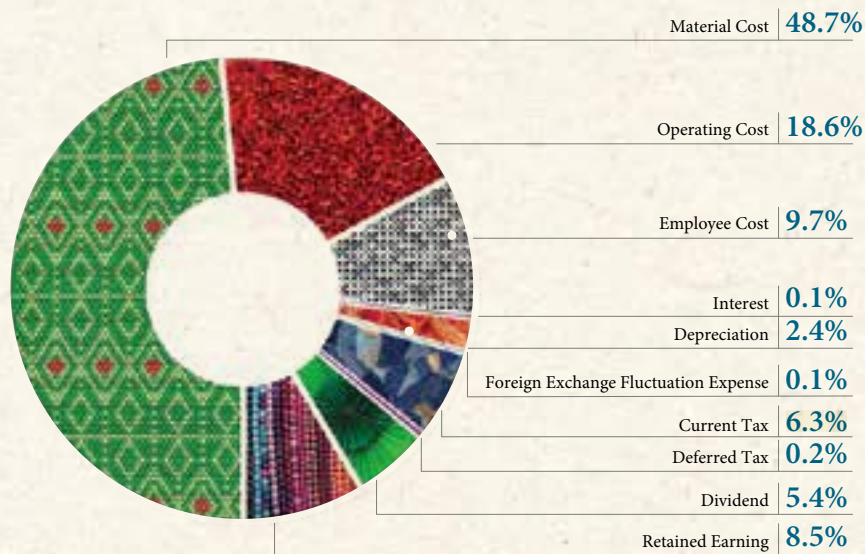
Profit after tax excludes exceptional items.

Notes

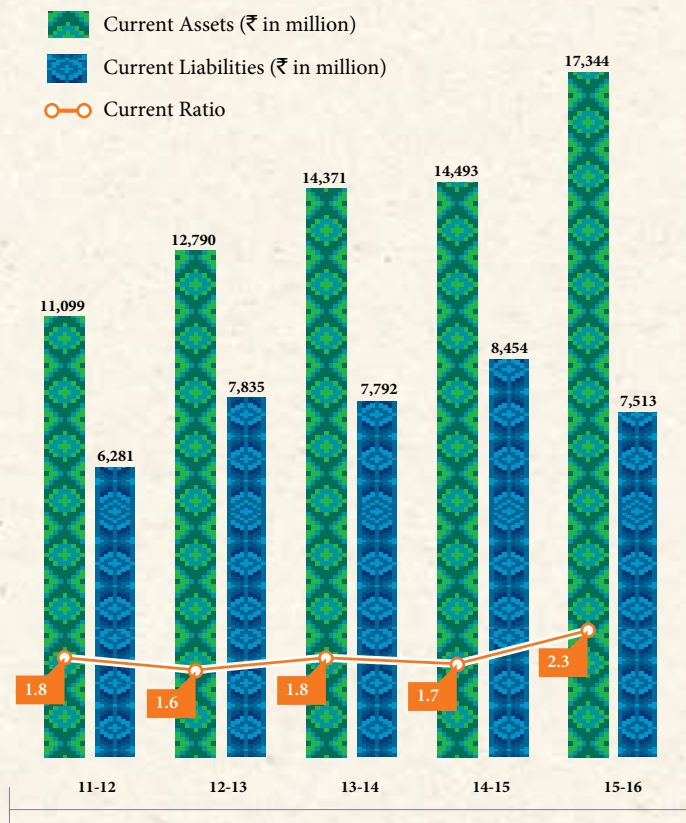
- Effects have been given in 10 Years' Financial Performance for above note.
- Figures in Financial Charts, 10 Years' Financial Performance and EVA are as per the Annual Report of respective years, except where stated otherwise.

Financial Charts

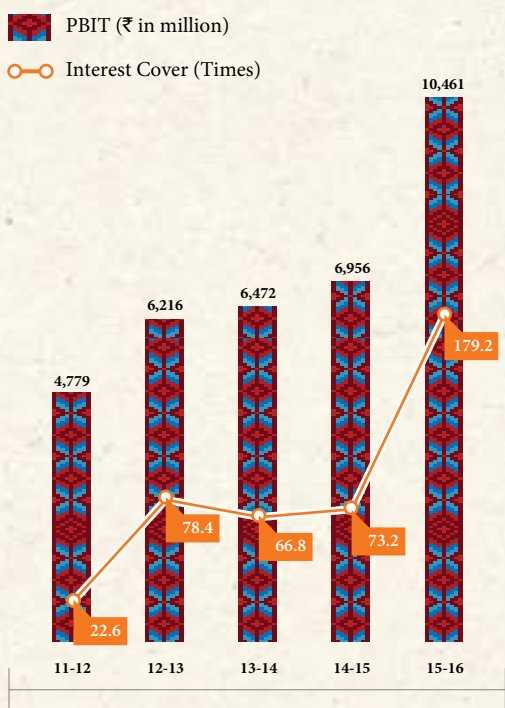
Distribution of Revenue (2015-16)



Current Ratio

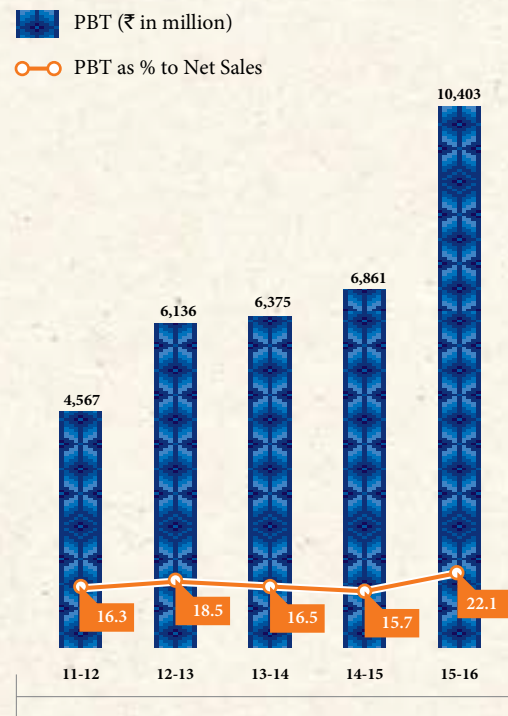


PBIT & Interest Cover



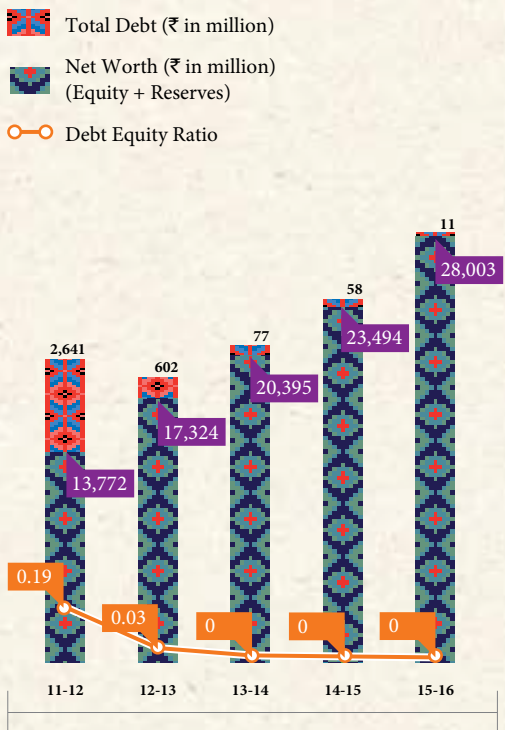
* PBIT excludes exceptional items.

PBT & PBT as % to Net Sales

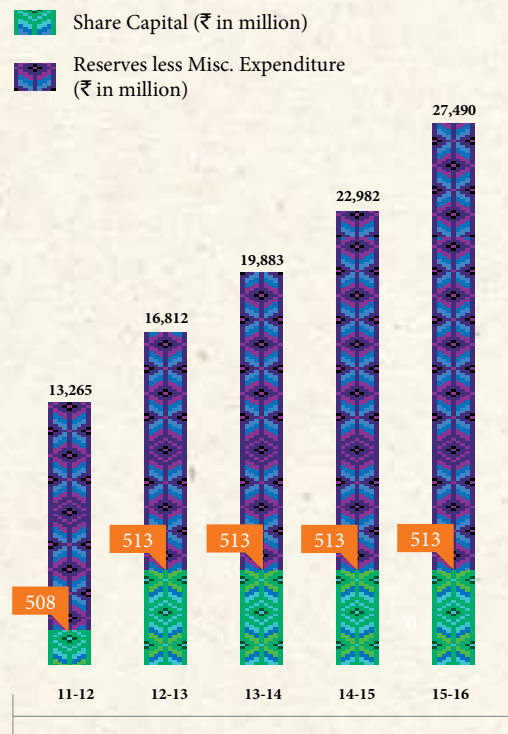


* PBT excludes exceptional items.

Debt Equity Ratio



Value Addition to Business through Reserves



10 Years Financial Performance

(₹ in million)

Highlights	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	CAGR %
Operating Results											
Sales and Other Income	13081	17248	19313	20512	25302	30174	36145	41688	47242	51103	16.35%
Manufacturing & Other Expenses	11186	14489	16730	16380	20357	24831	29393	34479	39184	39463	15.04%
Operating Profit	1895	2759	2583	4132	4945	5343	6752	7209	8058	11640	22.35%
Interest (Net)	63	161	318	286	268	212	79	97	95	58	-0.79%
Depreciation	302	385	472	464	444	479	532	686	1077	1150	16.00%
Profit from Ordinary Activities	1530	2213	1793	3382	4233	4652	6141	6426	6886	10432	23.77%
Exceptional Item	-	-	-	-	250	126	(59)	65	176	270	-
Foreign Exchange Difference - Expense/(Income)	(10) !!	(29) !!	161	93	8	85	5	51	25	29	-212.64%
Profit before Tax	1540	2242	1632	3289	3975	4441	6195	6310	6685	10133	23.28%
Current Tax	309	223	150	423	941	1052	1559	1599	1561	2987	28.67%
Deferred Tax	34	140	18	(25)	(6)	45	29	25	105	116	14.62%
Profit after Tax for the year	1197	1879	1464	2891	3040	3344	4607	4686	5018	7030	21.74%
Add: Prior Year's Tax Provision written back	2	4	-	44	-	-	-	-	-	-	-100.00%
Profit after Tax	1199	1883	1464	2935	3040	3344	4607	4686	5018	7030	21.71%
Dividend on Equity Shares	443 *	518 *	518 *	885 *	1029 *	1122 *	1559 *	1619 *	1789 *	2560 *	21.52%
Dividend on Preference Shares	-	- ~	1 !!	-	-	-	-	-	-	-	-
Retained Earning	756	1365	945	2050	2011	2222	3048	3067	3229	4470	21.82%
Financial Position											
Capital-Equity	252	253	253	506	506	508	513	513	513	513	8.19%
Capital-Preference	-	29	-	-	-	-	-	-	-	-	-
	252	282	253	506	506	508	513	513	513	513	8.19%
Reserve (Less Revaluation Reserve & Misc. Expenditure)	4625	6143	7083	8880	10889	13265	16812	19883	22982	27490	21.90%
Net Worth	4877	6425	7336	9386	11395	13773	17325	20396	23495	28003	21.43%
Borrowings	1383	5026	5580	4214	2867	2641	602	77	57	11	-
Deferred Tax Liability (Net)	339	423	441	415	410	454	484	508	545	661	7.70%
Funds Employed	6599	11874	13357	14015	14672	16868	18411	20981	24097	28675	17.73%
Fixed Assets **											
Gross Block	5554	8444	10166	10838	12051	13437	14694	16366	20043	21334	16.13%
Depreciation	2182	2973	3433	3889	4310	4764	5270	5942	7162	8267	15.95%
Net Block	3372	5471	6733	6949	7741	8673	9424	10424	12881	13067	16.24%
Investments in											
- Overseas Subsidiaries	753 #	1594 #	2197 #	2446 #	2328 #	2391 #	2603 #	3152 #	3408 #	3551 #	-
- Others	139	30	210	2659	1669	937	2867	2586	3597 ***	6933	54.45%
Net Current Assets	2335	4779	4217	1961	2934	4867	3517	4819	4211 ***	5124	9.12%
Total Assets	6599	11874	13357	14015	14672	16868	18411	20981	24097	28675	17.73%

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

*** Previous years' figures regrouped

(₹ in million)

Highlights	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Funds Flow										
Sources										
Internal Generation	1536	2335	1949	3373	3727	3995	< 5109	< 5462	6378	8566
Increase in Capital & Reserve on Conversion of FCCB	-	197	-	-	-	154	504	-	-	-
Increase in Equity Share Capital	-	-	-	-	-	-	-	-	-	~
Increase in Loans	830	3643	^ 554	-	-	-	-	77	-	-
Decrease in Investment - Other	-	109	-	-	990	732	-	355	-	-
Decrease in Working Capital	-	-	563	2257	-	-	1410	-	232	***
Decrease in Miscellaneous Expenditure	2	3	-	-	-	-	-	-	-	-
Total	2368	6287	3066	5630	4717	4881	7023	5894	6610	8566
Applications										
Decrease in Preference Capital on redemption	-	-	29	-	-	-	-	-	-	-
Repayment of Loans	-	-	-	1366	1347	226	2039	602	19	47
Capital Expenditure (Net) >	768	2484	1734	680	1236	1411	1284	1686	3535	1336
Investments in										
- Overseas Subsidiaries	528	841	603	251	132	189	265	549	256	143
- Domestic Subsidiaries	-	-	-	-	-	-	-	74	2	676
- Others	5	-	181	2448	-	-	1877	-	1009	***
Dividend	443	518	519	885	1029	1122	1559	1619	1789	2560
Increase in Working Capital	624	2444	@ -	-	973	1933	-	1364	-	1143
Total	2368	6287	3066	5630	4717	4881	7023	5894	6610	8566
Ratios										
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth) ##	26.7	33.4 *	21.3 *	34.6	31.7	27.6	29.3	25.2	23.7	28.4
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed)**##	29.3	27.1 *	16.0 *	27.0	32.3	31.2	36.2	33.7	31.6	40.6
Long Term Debt/Cash Flow	0.4	1.2	2.4	1.0	0.8	0.6	0.1	-	-	-
Gross Gearing % (Debt as a percentage of Debt plus Equity)	22.1	43.9	43.2	31.0	20.1	16.1	3.4	0.4	0.2	-
Current Ratio	2.3	3.1	2.5	1.5	1.6	1.8	1.6	1.8	1.7	2.3
Assets Turnover (times) (Gross Sales divided by Total Assets)	2.0	1.4	1.4	1.4	1.7	1.8	1.9	2.0	1.9	1.8

> 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

*** Previous years' figures regrouped

** Excluding Deferred Tax Liability (net)

@ Includes unutilised proceeds of FCCB bonds ₹ 1102.4 million

PAT & PBIT are excluding exceptional items

~ Less than ₹ 1 million

Directors' Report

To

The Members

Your Directors take pleasure in presenting the Forty Seventh Annual Report together with Audited Financial statements for the year ended 31st March, 2016.

Financial Results

	₹ in million	
	2015-16	2014-15
Gross Turnover	50385	46582
Turnover, Net of Excise	47064	43748
Profit Before Tax	10133	6685
Current Year's Tax	2987	1561
Profit After Current Year's Tax	7146	5124
Deferred Tax	116	106
Profit After Tax	7030	5018
Profit Brought Forward	4662	2184 *
Profit available for appropriation	11692	7202
Appropriations		
Interim Dividend paid	1871	-
Tax on Interim Dividend	381	-
Proposed Dividend on Equity Shares	256	1487
Tax on Dividend	52	303
Transfer to General Reserve	-	750
Total	2560	2540
Balance Carried to Balance Sheet	9132	4662
	11692	7202

*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 ₹ 11640 million increased by 44.5% and Net Profit at ₹ 7030 million increased by 40.1%. Income tax for the current year at ₹ 2987 million is higher by 91.3%.

Due to the slowdown in the overall economic environment, sales of the Company's products were affected.

Sales of Consumer & Bazaar products grew by 8.7%, lower than the growth rates recorded in the last 5 years.

Sales of Industrial products grew at a much slower rate of less than 1% due to weak domestic environment and slowdown in exports.

Decline in input prices led to improved margins for the year.

The Indian Rupee was at ₹ 66.31 to a US \$ as on 31st March, 2016 as compared to ₹ 62.62 to a US \$ as on 31st March, 2015.

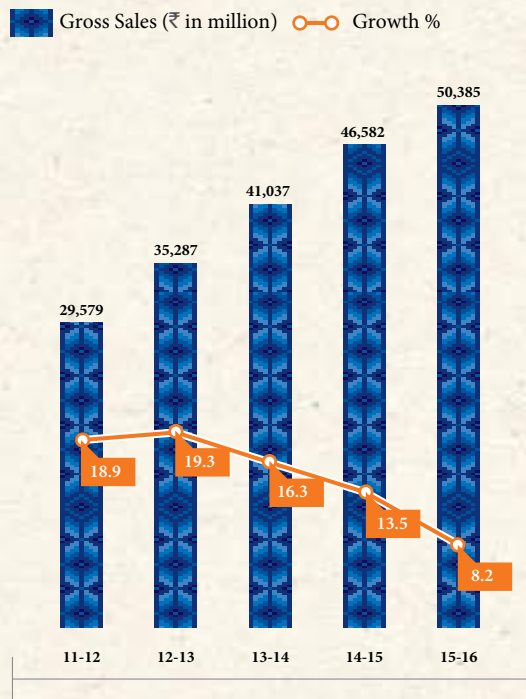
Dividend

An interim dividend of ₹ 3.65 per equity share of ₹ 1/- each amounting to ₹ 1871.3 million, was declared and paid during the year. In addition, the Directors recommend a final dividend of ₹ 0.50 per equity share of ₹ 1/- each, out of the current year's profit, on 512.68 million equity shares of ₹ 1 each amounting to ₹ 256.3 million. Dividend for the current year will be free of tax in the hands of shareholders upto an amount aggregating to ₹ 10 lacs. The dividend payout amount has grown at a CAGR of 22.9% during the last 5 years. The total dividend for the financial year 2015-16 aggregates to ₹ 4.15 per equity share (previous year @ ₹ 2.90 per equity share) amounting to ₹ 2127.6 million (previous year ₹ 1486.7 million).

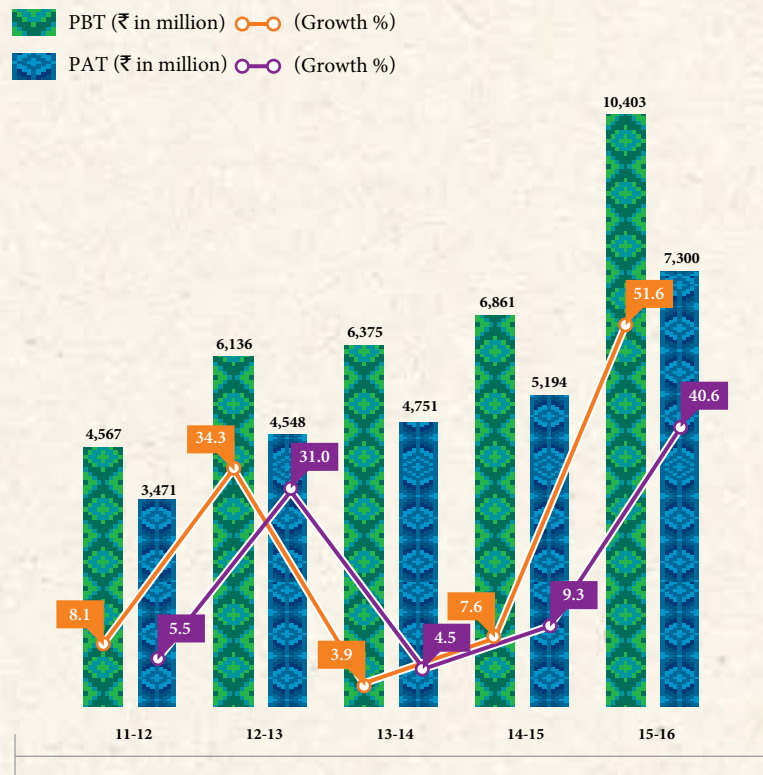
Term Finance

The Company has no outstanding term loans.

Gross Sales & Growth %



PBT, PAT & Growth (YOY)



Excludes exceptional items.

Capital Expenditure

The total expenditure during the year was ₹ 1344.1 million, spent on fixed assets for various manufacturing units, offices, laboratories, warehouses and on information technology.

Synthetic Elastomer Project

The Company has made several attempts in the past few years to find a strategic partner for the project. While several parties have shown interest, discussions have not yet progressed sufficiently. The Management team intends to intensify its efforts in search of a strategic partner in the coming financial year. In the meantime, the Company intends to utilize Dahej site for manufacturing Adhesives and other products for the export market.

Manufacturing

The new manufacturing facility at Karad, Maharashtra to produce electrical insulation tapes, was commissioned in August, 2015 and the manufacturing facility at Mahad, Maharashtra to produce Fevicol range of products, was commissioned in February, 2016.

Manufacturing capacity was enhanced at two plants at Himachal Pradesh.

Fixed Deposits

The Company has not accepted any fixed deposits during the year 2015-16.

Subsidiaries

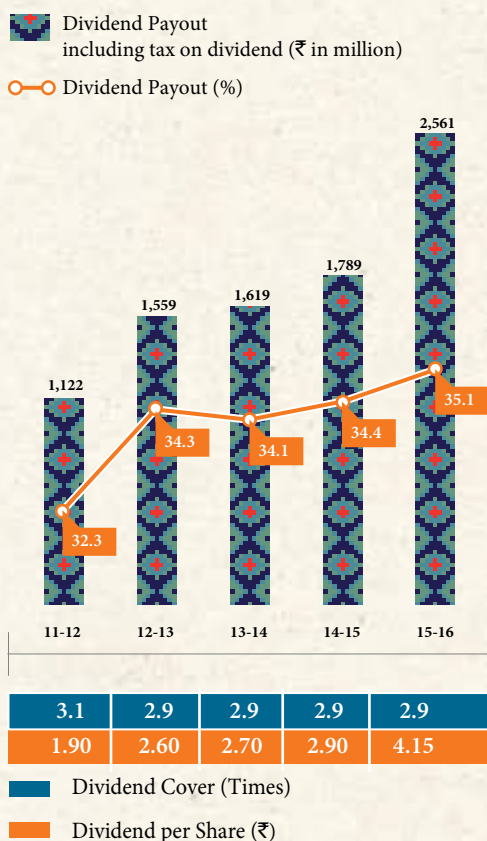
Investment in Subsidiaries

During the year, investment of ₹ 1088.5 million was made in subsidiaries. Of these ₹ 412.6 million was invested in overseas subsidiaries and ₹ 675.9 million was invested in domestic subsidiaries.

The investments in overseas subsidiaries were mainly in Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (₹ 127.3 million), Pidilite Middle East Ltd (₹ 199.2 million) for onward investments in Pidilite MEA Chemicals LLC (formerly known as Jupiter Chemicals LLC) and Pidilite International Pte Ltd (₹ 86.1 million).

The investments in domestic subsidiaries were mainly in Nina Waterproofing Systems Pvt Ltd (₹ 611.3 million), Building Envelope Systems India Ltd (₹ 64.5 million) and Wood Coat Pvt Ltd (₹ 0.1 million).

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



Performance of Domestic Subsidiaries

Nina Waterproofing System Pvt Ltd which commenced operations in April, 2015 reported sales of ₹ 1437.4 million and Profit after Tax of ₹ 89.7 million.

Percept Waterproofing Services Ltd reported sales of ₹ 291.7 million and Profit after Tax of ₹ 5.7 million.

Building Envelope Systems India Ltd reported sales of ₹ 46.2 million and Profit after Tax of ₹ 7.7 million.

During the year, the Company along with its Wholly Owned Subsidiary Fevicol Company Ltd incorporated Wood Coat Pvt Ltd (WCPL). Due to the joint venture agreement executed with Industria Chimica Adriatica Spa (ICA), the Company, alongwith its wholly-owned subsidiary, Fevicol Company Ltd, now holds 50% of the shareholding in WCPL and the remaining 50% of the shareholding is held by ICA alongwith a partner of the erstwhile Indian distributor of ICA. Subsequently, WCPL acquired on a slump sale basis, the wood coating distribution business from Italcoats and is now the exclusive distributor of ICA wood finishes in India and other select countries. WCPL proposes to setup a facility for manufacture of wood finishes.

Performance of Overseas Subsidiaries

Total Sales grew by 21.4% in constant currency term. Considering the currency movement over the period, the reported growth is 18.9%.

The subsidiary in US reported sales growth of 12.7% at constant currency. Sargent Art business continues to deliver

higher sales driven by robust retail segment growth. The focus on international business also resulted in higher sales in both Cyclo and Sargent Business. Higher volumes coupled with better product mix resulted in the US subsidiary reporting 142% growth in profit before tax.

The subsidiary in Brazil reported sales shrinkage of 6.8% in the current financial year at constant currency due to current economic recession. The strategic initiatives for cost reduction and margin improvement have been executed and started showing results in the last quarter of the financial year. Despite drop in sales, Brazil subsidiary reported 72.4% reduction in operating losses.

The subsidiary in Bangladesh reported net sales growth of 59% at constant currency. Increased geographical reach and addition of new product categories resulted in 121.9% growth in profit before tax.

The subsidiary in Egypt reported sales growth of 6.3% at constant currency. Margins were under stress due to sharp currency devaluation (~14%) against the USD. The subsidiary reported marginal operating losses of ₹ 2.1 million.

Sales of the subsidiaries in Thailand grew by 7.7% at constant currency. Business was impacted in the first half of the financial year, mainly due to low government spending on key projects. Margins however improved due to reduction in key raw materials' prices and better product mix. Profit before tax grew by 58.5%.

The subsidiary in Dubai reported sales growth of 98% at constant currency. This includes business of import and distribution of the Company's products in the GCC and CIS countries which was started in November 2014. During the year in December, 2015, the subsidiary has successfully commissioned capacity modern automated plant for manufacturing construction chemicals. Losses at PBT level have gone up by 181.5% over last year due to investment in people and market development.

The subsidiary in Srilanka started operation in October, 2015 and achieved breakeven profit. During the year, business has acquired Intellectual Property and Trademark rights from CIC Holdings PLC, Srilanka for manufacturing and distribution of their adhesive products.

The subsidiary in Singapore reported growth in sales by 14.4%. PBT during the year was down by 44.2% over last year mainly due to lower royalty income from group companies.

The sale in Latin America of the products bearing the Trademark "Rally" was low and the earning from royalty was minimal. The subsidiary in Singapore therefore, sold the Trademark "Rally" registered in few countries of Latin America. The profit on such sale was ₹ 43 million. The subsidiary continues to retain right for "Rally" brand for rest of the world.

Full year reported profit (PBT) of overseas subsidiaries is ₹ 226.8 million as compared to PBT loss of ₹ 20.2 million last year. In constant currency and excluding extraordinary transaction, the overseas subsidiaries made a profit of ₹ 212.1 million as compared to profit of ₹ 31.1 million last year.

During the year, the subsidiary in Ethiopia was allotted land admeasuring 10,000 sq.m. on lease for 80 years by Ethiopian land development authorities. The subsidiary has started the initial work of project engineering for construction of a factory.

During the year:

- a) Building System Solution Trading Limited Liability Company was incorporated in Qatar to be engaged in trading of building materials in which Pidilite Middle East Ltd, (a Wholly Owned Subsidiary) is the controlling shareholder.
- b) Plus Call Technical Services L.L.C was incorporated in Dubai as a joint venture of Pidilite Middle East Ltd (a Wholly Owned Subsidiary) with a local operating partner.
- c) Pidilite Lanka (Private) Limited was incorporated during the year. The Company has invested ₹ 104.8 million in Pidilite Lanka (Private) Limited (as on 31st March, 2016)

During the year the following companies became subsidiaries of the Company

1. Pidilite Lanka (Private) Limited
2. Wood Coat Pvt Ltd
3. Building System Solution Trading Limited Liability Company

Consolidated Financial Statements

In accordance with the requirements of Accounting Standards AS 21 (read with AS 23 and AS 27), issued by the Institute of Chartered Accountants of India, the Consolidated Financial Statements of the Company and its subsidiaries, associate and joint venture company are annexed to this Annual Report. A statement containing the salient features of the Company's subsidiaries, associate and joint venture 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, associate company and joint venture, as approved by their respective Board of Directors except Plus Call Technical Services L.L.C, for which the financial statements have been approved by the management of the joint venture.

The Consolidated Financial Statements of the Company for the financial year 2015-16 are prepared in compliance with applicable provisions of the Companies Act, 2013,

Accounting Standards and presented in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Directors and Key Managerial Personnel

Shri Vinod Kumar Dasari has been appointed as an Additional Director by the Board of Directors with effect from 1st September, 2015. In terms of Section 161 of the Companies Act, 2013, he holds office upto the date of the ensuing Annual General Meeting. Notice in writing with requisite deposit has been received from a member proposing his candidature for the office of Independent Director for a term of 5 years from the date of this Annual General Meeting upto the conclusion of the 52nd Annual General Meeting to be held in respect of financial year ending 31st March, 2021.

Shri Vinod Kumar Dasari 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.

Members approval is sought by way of Special Resolution for continuation of employment of Shri M B Parekh as Whole Time Director designated as Executive Chairman for remaining period of his office upto 31st July, 2018 on attaining 70 years of age. While such continuation of employment may not require any further approval of the shareholders, as a matter of abundant caution, it is proposed to obtain approval of the shareholders at the ensuing Annual General Meeting.

Shri N J Jhaveri, Director of the Company passed away on 6th June, 2015. He was associated with the Company since 1996. The Directors place on record their sincere appreciation of the valuable services rendered by Shri N J Jhaveri during his tenure as Director of the Company.

Shri Sandeep Batra, resigned with effect from 18th September, 2015, as the Chief Financial Officer (Key Managerial Personnel) of the Company. In terms of Section 203 of Companies Act, 2013, the Board has appointed Shri Pradeep Jain as the Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 11th January, 2016.

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

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, 2016 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 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

The 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 Regulation 46(2)(i) of Listing Regulations, is uploaded on the website of the Company.

Number of Meetings of Board of Directors

Seven 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

All the 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 Regulation 16(b) of Listing Regulations.

Corporate Governance

Reports on Corporate Governance and Management Discussion and Analysis, in accordance with Listing Regulations, 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.

There is no qualification or adverse remark in Auditors' Report. There is no incident of fraud requiring reporting by the auditors under Section 143(12) of the Companies Act 2013.

Corporate Social Responsibility Committee

The details of Corporate Social Responsibility Committee has been provided under Corporate Governance section of this Annual Report.

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

Audit Committee

The Audit Committee comprises of Directors namely Shri B S Mehta (Chairman), Shri Ranjan Kapur, Shri M B Parekh and Shri Uday Khanna 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 and employees and the same has been communicated to the Directors and 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. No complaints have been received during the year.

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, 2016 will be submitted in due course.

The Company has filed the Cost Audit Report for the year ended March, 2015 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. There is no qualification or adverse remark in their report.

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

In compliance with Regulation 21 of Listing Regulations, a Risk Management Committee has been constituted by the Board. Risk Management Committee 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.

The Company has laid out a risk management plan for identification and mitigation of risks. The Company has constituted a Management Risk Committee which is chaired by the Executive Director and has functional heads as members of the Committee. Business heads are invited as and when required. Risks (Business / Reputation) and mitigation plans are considered by this Committee. The Risk Management Committee of the Board provides reasonable oversight of the risks.

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 or 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 2013-14, 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 previous financial year, 20,500 options had vested and were exercised and during the current financial year, 12,500 options were exercised by the employees. The Company accordingly made an allotment of 12,500 equity shares on 25th November, 2015. Further, during the year, 2,33,800 options were granted and these options vest in the manner as specified in ESOS-2012.

The applicable disclosure as stipulated under the SEBI (Share Based Employee Benefits) Regulations, 2014 as on 31st March, 2016 with regard to Employee Stock Option Scheme is provided in Annexure 4 to this Report.

ESOP- 2016 covering grant of 45,00,000 options (including 250,000 Options to be granted to Employees / Directors of the subsidiary companies) was approved by the shareholders through Postal Ballot. Result of the Postal Ballot was declared on 2nd April, 2016.

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 the 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.

Business Responsibility Report

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives

taken by the Company on the environmental, social and governance front forms an integral part of this report.

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 & Craft Material and Others, 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 growing presence of multinationals in many of the product categories in which the Company operates.

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 plant now also manufactures Di-isopropyl Ether (DIPE).

The technology for these products have 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 is likely to have an adverse 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 major Raw materials and packing material were lower in the current year primarily due to sharp decline in crude prices and going forward marginal increase in costs are expected.

Three manufacturing units in Himachal Pradesh and one manufacturing unit in Assam enjoy exemption from excise duty and income tax. One of these units in Himachal Pradesh will be completing its income tax holiday period in the financial year 2016-17.

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 and adequacy of internal controls.

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 journey of transformation from being “professionally run by family” to being run by a “family of professionals” which started a few years ago, culminated with the joining of Shri Bharat Puri as Managing Director on 10th April, 2015. Prior to joining as the Managing Director, Shri Bharat Puri had been associated with the Company

as an Independent Director on the Board, for the past seven years. Formation of the “Pidilite Leadership Team” (PLT) led by Shri Bharat Puri, helped in creating a cohesive senior management group aligned to the overall Company objectives.

A Large Scale Interactive Process (LSIP) was initiated by the leadership team, to enhance connect with the frontline sales force and the middle management cadre. This has helped in aligning employees to Company’s vision, values and objectives and augment energy levels.

During the year, the Talent Management process has further evolved and strengthened. The Performance Management System has undergone considerable improvement and has enabled sharpening the process of setting goals and objectives.

The total number of employees as on 31st March, 2016 was 4978.

General

Company has not issued equity share with differential rights as well as sweat equity shares.

Disclosure Relating to Remuneration of Directors and Key Managerial Personnel

The remuneration paid to the Directors is in accordance with the Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013.

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, 2016

M B Parekh
Executive Chairman

Social & Community Initiatives



The Company has continued to support inter alia Triveni Kalyan Foundation (TKF), 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, Lokbharti Gram Vidyapeeth Trust, Shri Balvant Parekh Science City (Science City).



Expert guidance on farming techniques

Agriculture & Horticulture

The Company has made arrangements / signed MOUs with various institutes and expert organizations, for providing technical inputs to the farmers. For the important crops of the region such as cotton, onion, groundnut, coconut, etc., these tie-ups have helped the farmers to adopt the modern package of practices for working towards reducing input costs and increasing yields of these crops.

The Company has collaborated with Coastal Salinity Prevention Cell (CSPC) for Cotton, National Horticulture Research & Development Foundation (NHRDF) for Onion, Junagadh Agriculture University (JAU) for Groundnut, Coconut and other horticulture crops.

Water Management

The Company has supported activities for conservation of water and efficient usage of water soluble fertilizers.

A total of 512 hectares of farm land were covered under drip irrigation. The Company has also continued the well water recharging, to improve the quality of ground water. During the year, 221 wells were recharged across 27 villages of Mahuva Taluka.

Roof Rain Water Harvesting Systems were implemented across three villages of Mahuva Taluka and in the pilot phase more than 50 households were covered. In the second phase more than 15 villages will be covered under this program.

Model Village Development: Kaushalya Kalsar

Kalsar was identified for development as a Model Village by the District Collector of Bhavnagar. A unique initiative was started for making every villager "Swaccha", "Swastha", "Saksham" and "Sakshar".

An awareness and survey program was conducted covering over 4,500 villagers by identifying the interests and needs for skill-sets of the villagers and subsequently over 3,000 were trained in various skills such as tailoring, para-medical subjects, repair of electrical and home appliance, digital literacy, making of food and beverages, horticulture, cattle rearing, etc.

The Company has created a brand "Kaushalyanu Kalsar" for promoting arts and crafts made by the villagers of Kalsar. The first exhibition-cum-sale of the products under the brand was arranged during the Navratri and Diwali festival season.



Drip irrigation



Mural made by school students on Kaushalya Kalsar

Under the Digital Kalsar drive, more than 1,200 villagers were trained in the usage of computers. The Company has launched a program to provide e-learning facility for all the primary government schools in Mahuva Taluka. Currently this is implemented in 25 schools and it is proposed to cover 100 schools in the Taluka.

Sanitation

The Company has supported in the construction of over 400 toilets in the villages of Mahuva Taluka, by providing financial assistance and technological interventions, with the help of TKF and GNS.

Women Initiatives

The Company has set up 60 self-help groups covering over 700 women, through collaboration with Self Employed Women's Association (SEWA). Various training sessions and awareness sessions were organized for the *Mahilas*, for encouraging savings, managing finances and investing in the appropriate income-generating initiatives.



Digital literacy class



Inauguration of a multi speciality camp



Self-help group

Healthcare

During the year, Hanumant Hospital conducted free OPD benefitting 34,000 people, free eye check-up camps in 40 villages covering 5,460 patients, 525 free cataract surgeries and ENT check-up camps for 900 children from 20 schools.

Six centres for patients suffering from Parkinson's Disease have been functioning in Gujarat i.e. at Bhavnagar, Mahuva, Surat, Baroda, Rajkot and Ahmedabad. The Rajkot and Ahmedabad Centres were started during this year. On an average, 30 to 35 patients attend the sessions on a regular basis at each of these centres, benefitting from the services provided by the Trust.

Education

The Company continued supporting the Mobile Van education in remote villages of Bhavnagar district, by engaging the students through the teaching of Science, Mathematics and Social Sciences, by a practical approach of demonstrations and displays. More than 50,000 students from 400 schools have been covered under this initiative - making learning more interactive, fun and effective.

During the year, the Company supported Shri N. N. Mehta Memorial Education Trust in Mahuva which provided Scholarship to around 94 students and also prizes for achievement in the field of sports and cultural activities to around 89 students.

The Company has collaborated with FOX Broadcasting to screen documentaries of National Geographic in Gujarati language, covering topics like Nature, Cosmology, Science and Technology, etc. These documentaries are shown to the village children and adults of Gujarat, for enhancing their knowledge base.

Skill Development Initiatives

A successful pilot project was undertaken in Bhavnagar and Mahuva last year which resulted in the expansion of ITI initiatives across the state of Gujarat. Currently more than 1,400 students in 46 ITIs are studying in various courses such as Carpentry, Plumbing and Construction Technician, under the supervision of the Company. This initiative is in collaboration with Government of Gujarat.

The Company has taken over three new Industrial Training Institutes (ITIs) in Public Private Partnership (PPP) model namely ITI Sachin (Surat), ITI Gota (Ahmedabad) and ITI Jafrabad, along with continuing the association as a PPP with Mahila ITI, Bhavnagar. At Mahila ITI, Bhavnagar, four new short-term courses were introduced on Food and Beverage, Office Management and Secretarial Practice, Art and Craft, Banking and Accounting Systems.

The Company has collaborated with the Government of Gujarat for various Kaushalya Vardhan Kendras (KVKs) in Bhavnagar district. The Company has also been selected as a formal "Knowledge Partner" for all 500 Government KVKs across Gujarat. Assistance is provided by the Company in trainer selection, improvement in quality of skill imparted, course content, etc.

Balvant Parekh Science City at Bhavnagar started technical courses of videography, photography, video editing, accounting software and computer hardware. Similarly, Hanumant Hospital at Mahuva also initiated courses such as Optometrist, Bed-side Assistant, Radiologist and Dialysis Technician, training more than 200 students during the year.



Prof. Rodolphe Gasche in session



Skill development - Kaushalya Vardhan Kendra



CPAA Fashion show

General Semantics

During the year, Balvant Parekh Centre for General Semantics and Other Human Sciences organized seminars and lectures, in which eminent scholars from India and different parts of the world were present. Prof. Rodolphe Gasche (Eugenio Donato Chair of Comparative Literature at the University at Buffalo, State University of New York) delivered a lecture and Prof. Ashis Nandy also gave a talk in the Balvant Parekh Distinguished Lecture series. Several programs in regional language as a part of the Sapta Setu series took place during the year. These programs aimed at a linkage of the local life-situations and this year the focus was on water.

Cancer Patients Aid Association (CPAA)

The Company continued its association with the Cancer Patients Aid Association (CPAA) and presented the 11th edition of Annual 'Caring with Style' fashion show. Various celebrities walked the ramp to support the cause of CPAA.



Annexure 1 to the Directors' Report

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

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 Abled 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 2015-16, the Company has undertaken activities relating to Promoting Education, Healthcare, Rural development and Sanitation.

(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, 2016 is as follows:

- (a) Shri Sanjeev Aga
- (b) Shri N K Parekh
- (c) Shri A B Parekh
- (d) Smt. Meera Shankar
- (e) Shri Sabyaschi Patnaik

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

		(₹ in million)
		Profit
1)	2014 - 15	6726.4
2)	2013 - 14	6296.9
3)	2012 - 13	6168.3
Average Net profit		6397.2

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

₹ 127.94 million

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year - ₹ 127.94 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.	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; supporting poor students for higher education etc.	Promoting education	Gujarat/ Maharashtra	68.83	68.83	68.83	Direct and through implementing agencies
2.	Assistance to Cancer patients; supporting various activities of Hanumant hospital; diagnosis and treatment of parkinson's disease etc.	Promoting health care	Gujarat/ Maharashtra	44.61	44.61	44.61	Direct and through implementing agencies
3.	Water resource management; infrastructure development for agriculture; Gaushala; community science centre etc.	Rural development	Gujarat	13.55	13.55	13.55	Direct and through implementing agencies
4.	Contribution towards construction of toilets and Swachh Bharat Abhiyan.	Promoting Sanitation	Gujarat	3.49	3.49	3.49	Direct and through implementing agencies
Total expenditure towards CSR				130.48	130.48	130.48	

***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; Indian Cancer Society; Gram Nirman Samaj; Hanumant Seva Medicare Trust; Lokbharti; Parkinson's Disease and Movement Disorder Society, Mumbai; Triveni Kalyan Foundation; Lata Mangeshkar Medical Foundation; Indian Institute of Chemicals Technology; Shri Janseva Mandal, Vapi; Rotary Charitable Trust, Vapi; Gnyan Dham Vapi Charitable Trust; Vapi Nagar Panchayat Education Trust, Vapi; Ravi Krupa Trust; Mahuva Nagarpalika; B. K. Parekh Parkinson's Disease and Movement Disorder Society; Monghiben Balvihar Trust; Vision Foundation of India; Gram Dakshinamurti; Shrimad Ramchandra Educational Trust; Shri Narayan Ashram Trust; Maharshi Karve Stree Shikshan Samstha; Green Chemistree Foundation.

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, 2016

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, 2016

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

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, 2016 (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, 2016 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 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (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 (Share Based Employee Benefits) Regulations, 2014
- (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, as confirmed by 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. (**effective from 1st July, 2015**)
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**effective from 1st December, 2015**)

Annexure-A

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 Section 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 were carried out unanimously as recorded in the minutes of meetings of the Board of Directors or Committees 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 passed Special Resolutions by means of Postal Ballot process approving Employees Stock Option Plan, 2016 for offer, issue and allotment of shares not exceeding 45,00,000 equity shares.

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

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

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

M. M. SHETH
(Prop.)

FCS No. 1455
CP No. 729

Place: Mumbai
Date: 19th May, 2016

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

M. M. SHETH
(Prop.)

FCS No. 1455
CP No. 729

Place: Mumbai
Date: 19th May, 2016

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

As energy is a major contributor to the manufacturing cost, precise measurement and monitoring system has been established. Energy consumption across all manufacturing units are reviewed periodically and potential area of energy consumption optimization is explored. Energy saving initiatives have also been implemented across locations and savings of ₹ 82.4 million has been realized during the year.

Various initiatives and steps taken by your Company's manufacturing units are given below:

a. Green fuel:

Specification of Boiler and Thermic fluid heater has been standardized for all new projects with fuel as Biomass (Green Fuels) where feasible. Existing installation are mapped for type of fuel and all feasible locations have been migrated to green or Biomass fuel. During the year, a total saving of ₹ 43 million has accrued from this initiative.

Thermic fluid heater cum Steam generator using Biomass fuel has been commissioned in the new manufacturing unit at Karad, Maharashtra. Further optimization of Thermic fluid heater operation cycles was undertaken to utilize available heat to generate steam by installing steam generator.

b. Energy efficiency:

All manufacturing units continuously undertake initiatives to explore energy saving opportunity by replacing conventional equipment and lighting system with Energy efficient system to save on energy cost. Energy efficiency is defined as a key criterion for the purchase of any new equipment.

An initiative to install high efficiency agitators has been undertaken across plants. Conventional lighting system were replaced with LED lighting in major units at HP, Mahad, Vapi and Head Office. Various improvements were undertaken in compressed air and air conditioning systems. Energy efficient lighting systems were installed in the green-field project undertaken at Karad, Maharashtra. Through these various initiatives savings of ₹ 3.4 million was realized.

2. The steps taken by the Company for utilizing 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) is now 100% dedicated to manufacturing units at Gujarat and Maharashtra and Corporate office in Mumbai. These windmills have generated 83 Lacs KWH power during the year and credit of 52 Lacs KWH was received at Mahad, Vapi manufacturing units and Corporate Office. This initiative resulted in a saving of ₹ 35 million on purchase of electricity from State Electricity Board.

b. Solar Energy:

Systems based on solar energy were installed in various applications. Solar Thermal system was installed for process water heating at Mahad. Solar PV roof – top systems to generate electricity were installed at Corporate Office at Mumbai and Mahad manufacturing unit.

3. The capital investments on energy conservation equipment

An amount of ₹ 39.6 million was invested on energy conservation equipment and initiatives during the year 2015-16.

B] TECHNOLOGY ABSORPTION

1. The efforts made towards technology absorption:

- a. Your Company has undertaken collaborative efforts with various institutes such as CSIR-NCL, University of New Hampshire, US, Lehigh University, US for emulsion polymer technologies. Discussions are in progress with other open innovation providers and SMEs for IP of emerging technologies relevant to Company's business.
- b. To build capability in technology, a technology platform group was created to work on new areas and two new products developed by this group are slated for commercial introduction. In addition, several new products in our core 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 2016	Year ended 31 st March 2015
i) Capital	30.81*	10.50*
ii) Recurring	290.94	243.84
TOTAL	321.75	254.34

*Note- Capital work in progress on research and development for the year 2015-16 worth ₹ 1.39 million (for the year 2014-15 ₹ 29.8 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 2016	Year ended 31 st March 2015
i) Foreign exchange earned	4,336	4,173
ii) Foreign exchanged used	6,213	6,398

For and on behalf of the Board of Directors

Place: Mumbai
Date: 19th May, 2016

M B Parekh
Executive Chairman

Annexure 4 to the Directors' Report

Disclosure regarding Employee Stock Option Scheme (ESOS) of the Company for the year ended 31st March, 2016

- (i) Pursuant to the approval of shareholders at the Annual General Meeting held on 24th July, 2012, the Company has formulated a scheme for 3,00,000 options to be granted to the eligible employees of the Company. 49,000 options were granted in 2013-14. During the year 2015-16, 2,33,800 options were granted. The details are as under:

Sr. No.	Particulars	Employee Stock Option Scheme – 2012									
(a)	Date of shareholders' approval	24.07.2012									
(b)	Total number of options approved under ESOS	3,00,000									
(c)	Vesting requirements	<p>Options under a Grant shall begin to vest as per the following Vesting Schedule:</p> <table border="1"> <tr> <td>(a)</td> <td>On completion of 12 months from the date of Grant</td> <td colspan="2">50% of the options</td> </tr> <tr> <td>(b)</td> <td>On completion of 24 months from the date of Grant</td> <td colspan="2">Balance 50% of the options</td> </tr> </table> <p>In the case of employees who have not completed 3 years of employment as on date of the grant then all options which are due for Vesting shall vest as per (a) and (b) above OR on the completion of 3 years of employment in the Company by the employee concerned whichever is later.</p> <p>The Compensation Committee in its absolute discretion shall have the right to pre-pone the date of vesting. However the gap between the date of Grant and date of Vesting shall not be less than minimum period prescribed by the Securities and Exchange Board of India.</p>		(a)	On completion of 12 months from the date of Grant	50% of the options		(b)	On completion of 24 months from the date of Grant	Balance 50% of the options	
(a)	On completion of 12 months from the date of Grant	50% of the options									
(b)	On completion of 24 months from the date of Grant	Balance 50% of the options									
(d)	Exercise price or 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. The exercise price of the options granted till date is ₹ 1/- per option.									
(e)	Maximum term of options granted	The last date of vesting is 29 th January, 2019 and the options can be exercised within 5 years from the date of vesting.									
(f)	Source of shares (primary, secondary or combination)	Primary									
(g)	Variation in terms of options	Not Applicable									
(ii)	Method used to account for ESOS	Intrinsic value method									
(iii)	(a) Difference between the employee compensation cost computed as per intrinsic value method and the employee compensation cost as per the fair value of the options	₹ 1.59 million									
	(b) The impact of this difference on profits and on EPS of the Company	The effect on profits and earnings per share, had the fair value method been adopted is presented below:									
		Particulars	₹ in million								
		Profit (as reported)	7030.42								
		Add: Stock based employee compensation (intrinsic value)	38.23								
		Less: Stock based compensation expenses determined under fair value method for the grants issued	36.64								
		Net Profit / (Loss) (proforma)	7032.01								
		Earnings Per Share	Basic Diluted								
		As reported	13.71 13.71								
		As proforma	13.72 13.71								

(iv) Option movement during the year - Employee Stock Option Scheme-2012:

Particulars	Details
Number of options outstanding at the beginning of the period	14,500
Number of options granted during the year	2,33,800
Number of options forfeited / lapsed during the year	2,000
Number of options vested during the year	12,500
Number of options exercised during the year	12,500
Number of shares arising as a result of exercise of options	12,500
Money realized by exercise of options (₹)	12,500
Loan repaid by the Trust during the year from exercise price received	N.A.
Number of options outstanding as on 31 st March, 2016	2,33,800
Number of options exercisable as on 31 st March, 2016	Nil

(v) Weighted-average exercise prices and weighted-average fair values of options:

Particulars	Weighted average exercise price per option (₹)	Weighted average fair value per option (₹)
Options granted on 29.10.2013	1	251.76
Options granted on 27.07.2015	1	521.11
Options granted on 29.01.2016	1	532.20/525.01

(vi) Options granted during the year:

a) Senior managerial personnel*:

Sr. No.	Name of Employee	Designation	Number of options granted
1.	Shri Bharat Puri	Managing Director	200000
2.	Shri Sabyaschi Patnaik	Whole Time Director	400
3.	Shri Pradeep Jain	Chief Financial Officer	12000
4.	Shri Amol Devidas Ubhayakar	President - Commercial	1200
5.	Shri Ramnarayan Mohanty	President - Technology	1200
6.	Shri Sanjay Bahadur	Group CEO - CC	1600
7.	Shri Prabhakar Jain	CEO - International Business Division	1600
8.	Shri Rajesh Balakrishnan	CEO - Industrial Products	1600
9.	Shri Vivek Subramaniam	CEO - Fevicol Division	1200
10.	Shri Salil Chinchore	President - HR	5000

* The above Senior managerial personnel comprises of members of management one level below the Board of Directors.

b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year 2015-16 - Nil

c) Identified employees who were granted option, 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 - Nil

(vii) A description of the method used during the year to estimate the fair value of options, the weighted-average values of share price, the method used and the assumptions made to incorporate the effects of expected early exercise, how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility and whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.

The fair value of the option has been determined using the Black Scholes Model. The assumptions used in this model for calculating fair value are as below:

Particulars	Options granted on 29.10.2013	Options granted on 27.07.2015	Options granted on 29.01.2016
Risk Free Interest Rate	8.76%	8.07%	7.80%
Expected Life	4.5 yrs	3.5 yrs	3.5 yrs
Expected Annual Volatility of Shares	26.15%	52.17%	54.46%
Expected Dividend Yield	1.16%	0.91%	0.93%

Annexure 5 to the Directors' Report

EXTRACT OF ANNUAL RETURN AS ON 31ST MARCH, 2016

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	57.67%

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, Jammalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U24295MH1979PLC021508	Subsidiary	100	2(87)(ii)
2	Madhumala Traders Pvt Ltd	7 th Floor, Regent Chambers, Jammalal 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, Jammalal 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, Jammalal 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, Jammalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U24233MH2012PLC235431	Subsidiary	60	2(87)(ii)
6	Percept Waterproofing Services Ltd	7 th Floor, Regent Chambers, Jammalal 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	Wood Coat Pvt Ltd	7 th Floor, Regent Chambers, Jammalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	U24233MH2015PTC270308	Subsidiary	100	2(87)(ii)
9	Pidilite International Pte Ltd	80 Raffles Place #26-01 UOB Plaza Singapore 048624	200416836H	Subsidiary	100	2(87)(ii)
10	Pidilite Middle East Ltd	TPOFCB06WS103, P.O. Box 17870, Dubai, UAE	O.F 1264	Subsidiary	100	2(87)(ii)
11	Pidilite MEA Chemicals LLC (Formerly known as Jupiter Chemicals LLC)	P.O. Box 120657, Dubai, UAE	74874	Subsidiary	49	2(87)(ii)
12	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	House No. 167, Road No. 3, New DOHS Mohakhali, Dhaka, Bangladesh	C-60121(2129)/05	Subsidiary	100	2(87)(ii)
13	Pidilite Bamco Ltd	699, Modern Form Tower, 15 th Floor, Srinakaran Road Suan Luang, Bangkok 10250 Thailand	105535098263	Subsidiary	100	2(87)(ii)
14	PT Pidilite Indonesia	JL. Boulevard Artha Gading Komp. Artha Gading Niaga Blok H No. 16, Kel. Kelapa Gading Barat, KEC. Kelapa Gading, Jakarta Utara 14240	09.01.1.24.21859	Subsidiary	100	2(87)(ii)
15	Pidilite USA Inc	160, Greentree Drive, Suite 101, Dover, Kent County, Delaware 19904	20-4856128	Subsidiary	100	2(87)(ii)
16	Pidilite Innovation Centre Pte Ltd	61 Science Park Road, 03 -11/12 The Galen, 117525 Singapore	200619063N	Subsidiary	100	2(87)(ii)
17	Pidilite Industries Egypt SAE	Building No. 2002 in the whole ground floor, the second neighboring in Meraage City- next to Emarat-Misir Gas Station and Carrefour Centre in Maadi- Cairo	30178	Subsidiary	100	2(87)(ii)
18	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Av. Presidente Altino, 2468 Jaguare, State of Sao Paulo, Sao Paulo, Brasil, CEP 05323-903	08.814.961/0001-41	Subsidiary	100	2(87)(ii)
19	Bamco Supply and Services Ltd	699, Modern Form Tower 15 th Floor, Srinakaran Road Suan Luang, Bangkok 10250 Thailand	105551044555	Subsidiary	49	2(87)(ii)
20	PIL Trading (Egypt) Company	Building No. 2002 in the whole ground floor, the second neighboring in Meraage City- next to Emarat-Misir Gas Station and Carrefour Centre in Maadi- Cairo	40376	Subsidiary	99.99	2(87)(ii)
21	Pidilite Industries Trading (Shanghai) Co Ltd	1105, no.8 Dong An Road, Xu Hui District, Shanghai, China	9131000056478480W	Subsidiary	100	2(87)(ii)
22	Pidilite Chemical PLC	Arada K.K. Kebele 01/02. House # New Wereda 01. Apartment # B2.Addis Ababa, Ethiopia	EIA-IP/023369/07	Subsidiary	100	2(87)(ii)
23	Pidilite Lanka (Private) Limited	74, 1/1, Orient Building, Dawson Street, Colombo - 02	PV 106454	Subsidiary	76	2(87)(ii)
24	Building System Solution Trading Limited Liability Company	P.O. Box 17533, Doha, Qatar.	77228	Subsidiary		2(87)(ii)
25	Vinyl Chemicals (India) Ltd	7 th Floor, Regent Chambers, Jammalal Bajaj Marg, 208 Nariman Point, Mumbai-400 021	L24100MH1986PLC039837	Associate	40.64	2(6)

* % of Shares held is either directly or indirectly through subsidiary of Company

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 01.04.2015)				No. of Shares held at the end of the year (As on 31.03.2016)				% 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	270,915,868	-	270,915,868	52.84	270,041,500	-	270,041,500	52.67	(0.17)
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Governments(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	86,607,932	-	86,607,932	16.89	86,731,932	-	86,731,932	16.92	0.02
(e) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)	357,523,800	-	357,523,800	69.74	356,773,432	-	356,773,432	69.59	(0.15)
(2) Foreign									
(a) NRI- Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Bank/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A)(1)+(A)(2)	357,523,800	-	357,523,800	69.74	356,773,432	-	356,773,432	69.59	(0.15)
B. Public Shareholding									
1 Institutions									
(a) Mutual Funds	17,054,366	50	17,054,416	3.33	19,975,556	50	19,975,606	3.90	0.57
(b) Financial Institutions / Banks	85,022	-	85,022	0.02	327,709	-	327,709	0.06	0.04
(c) Central Government	442,084	-	442,084	0.09	424,760	-	424,760	0.08	(0.01)
(d) State Governments(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	4,555,052	-	4,555,052	0.89	11,781,000	-	11,781,000	2.30	1.41
(g) Foreign Institutional Investors	74,066,270	-	74,066,270	14.45	19,721,483	-	19,721,483	3.85	(10.60)
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Any Other									
i Foreign Portfolio Investors (Corporate)	4,874,997	-	4,874,997	0.95	48,539,324	-	48,539,324	9.47	8.52
ii UTI	350	-	350	-	-	-	-	-	-
Sub-Total (B) (1)	101,078,141	50	101,078,191	19.72	100,769,832	50	100,769,882	19.66	(0.06)
(2) Non-Institutions									
(a) Bodies Corporate									
i Indian	7,111,379	1,724	7,113,103	1.39	7,745,187	1,724	7,746,911	1.51	0.12
ii Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i Individual shareholders holding nominal share capital upto ₹ 1 lakh	35,679,257	3,383,591	39,062,848	7.62	37,108,744	3,080,918	40,189,662	7.84	0.22
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,669,546	120,000	7,789,546	1.52	6,978,280	120,000	7,098,280	1.38	(0.13)
(c) Any Other									
i Trust	95,342	-	95,342	0.02	97,163	-	97,163	0.02	-
Sub-Total (B) (2)	50,555,524	3,505,315	54,060,839	10.55	51,929,374	3,202,642	55,132,016	10.75	0.21
Total Public Shareholding (B) = (B)(1)+(B)(2)	151,633,665	3,505,365	155,139,030	30.26	152,699,206	3,202,692	155,901,898	30.41	0.15
C. Shares held by Custodians for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A) +(B)+(C)	509,157,465	3,505,365	512,662,830	100.00	509,472,638	3,202,692	512,675,330	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2015)			Shareholding at the end of the year (As on 31.03.2016)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Madhukar Balvantray Parekh	56,777,568	11.07	0.00	56,777,568	11.07	0.00	0.00
2	Narendrakumar Kalyanji Parekh	53,832,178	10.50	0.00	53,332,178	10.40	0.00	(0.10)
3	Ajay Balvantray Parekh	48,998,844	9.56	0.00	48,998,844	9.56	0.00	0.00
4	Sushilkumar Kalyanji Parekh	42,358,636	8.26	0.00	42,358,636	8.26	0.00	0.00
5	Devkalyan Sales Private Ltd	26,224,280	5.12	0.00	26,224,280	5.12	0.00	0.00
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	12,162,598	2.37	0.00	12,162,598	2.37	0.00	0.00
8	Harton Private Limited	12,357,634	2.41	0.00	12,357,634	2.41	0.00	0.00
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	8,206,086	1.60	0.00	7,706,086	1.50	0.00	(0.10)
11	Pidichem Pvt Ltd	8,014,916	1.56	0.00	8,138,916	1.59	0.00	0.02
12	Kalpana Apurva Parekh	6,664,334	1.30	0.00	6,664,334	1.30	0.00	0.00
13	Darshana Bimal Mody	6,500,000	1.27	0.00	5,790,000	1.13	0.00	(0.14)
14	Ami Ajay Parekh	6,340,166	1.24	0.00	6,340,166	1.24	0.00	0.00
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	3,362,120	0.66	0.00	3,238,120	0.62	0.00	(0.04)
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	1,239,208	0.24	0.00	0.04
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	Anuja Ankur Shah	187,600	0.04	0.00	187,600	0.04	0.00	0.00
32	Malay Rashmikant Parekh	161,600	0.03	0.00	161,600	0.03	0.00	0.00
33	Pareet D Sanghavi	95,600	0.02	0.00	95,600	0.02	0.00	0.00
34	Jimeet D Sanghavi	91,900	0.02	0.00	91,900	0.02	0.00	0.00
35	Panna Deepak Sanghavi	80,166	0.02	0.00	80,166	0.02	0.00	0.00
36	Harshada Harvadan Vakil	51,900	0.01	0.00	51,900	0.01	0.00	0.00
37	Harvadan	42,300	0.01	0.00	42,300	0.01	0.00	0.00
38	Urvi Malay Parekh	40,000	0.01	0.00	40,000	0.01	0.00	0.00
39	Monisha Harish Parekh	200,000	0.04	0.00	-	0.00	0.00	(0.04)
40	Indumati Chimanlal Parekh	40,368	0.01	0.00	-	0.00	0.00	(0.01)
41	Bijal Viral Thakker	-	0.00	0.00	1,000,000	0.20	0.00	0.20
		357,523,800	69.74	0.00	356,773,432	69.59	0.00	(0.15)

(iii) Change In Promoters' Shareholding

Sr. No.	Date	Reason	Shareholding as on 01.04.2015		Cumulative Shareholding during 2015-16	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year		357,523,800	69.74		
1	29.06.2015	Interse transfer	(200,000)	(0.04)	(200,000)	(0.04)
2	29.06.2015	Interse transfer	200,000	0.04	-	0.00
3	10.08.2015	Interse transfer	(40,368)	(0.01)	(40,368)	(0.01)
4	29.12.2015	Interse transfer	(1,000,000)	(0.20)	(1,040,368)	(0.20)
5	29.12.2015	Interse transfer	1,000,000	0.20	(40,368)	(0.01)
6	24.02.2016	Sale	(30,000)	(0.01)	(70,368)	(0.01)
7	25.02.2016	Purchase	124,000	0.02	53,632	0.01
8	25.02.2016	Sale	(145,033)	(0.03)	(91,401)	(0.02)
9	26.02.2016	Sale	(97,019)	(0.02)	(188,420)	(0.04)
10	29.02.2016	Sale	(37,604)	(0.01)	(226,024)	(0.04)
11	01.03.2016	Sale	(123,195)	(0.02)	(349,219)	(0.07)
12	02.03.2016	Sale	(401,149)	(0.08)	(750,368)	(0.15)
	At the end of the year				356,773,432	69.59

(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 (01.04.2015)/ end of the year (31.03.2016)	% 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	39,453,809	7.70	01.04.2015				
				22.05.2015	(106,647)	Transfer	39,347,162	7.67
				21.08.2015	(534,284)	Transfer	38,812,878	7.57
				09.10.2015	(423,386)	Transfer	38,389,492	7.49
				16.10.2015	(168,407)	Transfer	38,221,085	7.46
				23.10.2015	(118,095)	Transfer	38,102,990	7.43
				11.12.2015	(505,359)	Transfer	37,597,631	7.33
				18.12.2015	(1,164,478)	Transfer	36,433,153	7.11
				25.12.2015	(200,000)	Transfer	36,233,153	7.07
				31.12.2015	(1,243,100)	Transfer	34,990,053	6.82
				18.03.2016	(378,801)	Transfer	34,611,252	6.75
				21.03.2016	(34,000)	Transfer	34,577,252	6.74
				25.03.2016	(69,000)	Transfer	34,508,252	6.73
31.03.2016	(1,020,963)	Transfer	33,487,289	6.53				
2	Life Insurance Corporation of India	105,209	0.02	01.04.2015				
				17.04.2015	524,521	Transfer	629,730	0.12
				24.04.2015	142,893	Transfer	772,623	0.15
				01.05.2015	266,267	Transfer	1,038,890	0.20
				08.05.2015	241,522	Transfer	1,280,412	0.25
				15.05.2015	557,571	Transfer	1,837,983	0.36
				12.06.2015	433,209	Transfer	2,271,192	0.44
				19.06.2015	866,031	Transfer	3,137,223	0.61
				26.06.2015	200,000	Transfer	3,337,223	0.65
				30.06.2015	71,660	Transfer	3,408,883	0.66
				03.07.2015	22,948	Transfer	3,431,831	0.67
				28.08.2015	237,145	Transfer	3,668,976	0.72
				27.11.2015	165,375	Transfer	3,834,351	0.75
				04.12.2015	120,000	Transfer	3,954,351	0.77
				11.12.2015	148,338	Transfer	4,102,689	0.80
				18.12.2015	705,769	Transfer	4,808,458	0.94
				25.12.2015	700,000	Transfer	5,508,458	1.07
31.12.2015	376,917	Transfer	5,885,375	1.15				
01.01.2016	591,446	Transfer	6,476,821	1.26				
08.01.2016	59,436	Transfer	6,536,257	1.27				
15.01.2016	63,514	Transfer	6,599,771	1.29				
22.01.2016	1,029,360	Transfer	7,629,131	1.49				
29.01.2016	401,234	Transfer	8,030,365	1.57				
05.02.2016	2	Transfer	8,030,367	1.57				
18.03.2016	(25,000)	Transfer	8,005,367	1.56				
		8,005,367	1.56	31.03.2016				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% 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
3	Government Pension Fund Global	5,450,000	1.06	01.04.2015				
				17.04.2015	108,279	Transfer	5,558,279	1.08
				01.05.2015	217,713	Transfer	5,775,992	1.13
		5,775,992	1.13	31.03.2016				
4	Axis Mutual Funds	2,905,788	0.57	01.04.2015				
				17.04.2015	120,000	Transfer	3,025,788	0.59
				01.05.2015	(60,000)	Transfer	2,965,788	0.58
				01.05.2015	260,000	Transfer	3,225,788	0.63
				08.05.2015	(100,010)	Transfer	3,125,778	0.61
				22.05.2015	238,888	Transfer	3,364,666	0.66
				29.05.2015	200,000	Transfer	3,564,666	0.70
				26.06.2015	(103,813)	Transfer	3,460,853	0.68
				26.06.2015	103,813	Transfer	3,564,666	0.70
				10.07.2015	200,000	Transfer	3,764,666	0.73
				17.07.2015	133,715	Transfer	3,898,381	0.76
				07.08.2015	300,000	Transfer	4,198,381	0.82
				17.08.2015	100,000	Transfer	4,298,381	0.84
				21.08.2015	100,000	Transfer	4,398,381	0.86
				25.08.2015	10,000	Transfer	4,408,381	0.86
				28.08.2015	200,000	Transfer	4,608,381	0.90
				01.09.2015	100,000	Transfer	4,708,381	0.92
				25.09.2015	(216,975)	Transfer	4,491,406	0.88
				30.09.2015	208,000	Transfer	4,699,406	0.92
				09.10.2015	215,000	Transfer	4,914,406	0.96
				27.11.2015	12,000	Transfer	4,926,406	0.96
				04.12.2015	50,000	Transfer	4,976,406	0.97
				05.02.2016	(20,000)	Transfer	4,956,406	0.97
				26.02.2016	(50,000)	Transfer	4,906,406	0.96
				04.03.2016	(50,000)	Transfer	4,856,406	0.95
				31.03.2016	320,000	Transfer	5,176,406	1.01
				5,176,406	1.01	31.03.2016		
5	SBI Mutual Funds	3,061,704	0.60	01.04.2015				
				01.05.2015	200,000	Transfer	3,261,704	0.64
				29.05.2015	3,000	Transfer	3,264,704	0.64
				05.06.2015	(8,736)	Transfer	3,255,968	0.64
				12.06.2015	(431,264)	Transfer	2,824,704	0.55
				19.06.2015	73,500	Transfer	2,898,204	0.57
				10.07.2015	(13,500)	Transfer	2,884,704	0.56
				25.08.2015	53,495	Transfer	2,938,199	0.57
				28.08.2015	90,383	Transfer	3,028,582	0.59
				04.09.2015	37,872	Transfer	3,066,454	0.60
				13.11.2015	72,128	Transfer	3,138,582	0.61
				27.11.2015	(42,617)	Transfer	3,095,965	0.60
				08.01.2016	494,000	Transfer	3,589,965	0.70
				15.01.2016	342,930	Transfer	3,932,895	0.77
				22.01.2016	1,000,000	Transfer	4,932,895	0.96
				29.01.2016	(3,000)	Transfer	4,929,895	0.96
		19.02.2016	(304,000)	Transfer	4,625,895	0.90		
		26.02.2016	(210,000)	Transfer	4,415,895	0.86		
		4,415,895	0.86	31.03.2016				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% 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
6	Franklin Templeton Mutual Funds	4,659,651	0.91	01.04.2015				
				09.04.2015	(55,752)	Transfer	4,603,899	0.90
				01.05.2015	(10,892)	Transfer	4,593,007	0.90
				12.06.2015	(10,698)	Transfer	4,582,309	0.89
				19.06.2015	(139,302)	Transfer	4,443,007	0.87
				30.06.2015	(25,000)	Transfer	4,418,007	0.86
				10.07.2015	(300,000)	Transfer	4,118,007	0.80
				24.07.2015	(150,000)	Transfer	3,968,007	0.77
				31.07.2015	(87,500)	Transfer	3,880,507	0.76
				07.08.2015	(62,500)	Transfer	3,818,007	0.74
				14.08.2015	(25,000)	Transfer	3,793,007	0.74
				09.10.2015	(9,090)	Transfer	3,783,917	0.74
				16.10.2015	(123,000)	Transfer	3,660,917	0.71
				23.10.2015	(6,301)	Transfer	3,654,616	0.71
				30.10.2015	(3,699)	Transfer	3,650,917	0.71
				08.01.2016	(100,000)	Transfer	3,550,917	0.69
				15.01.2016	(66,800)	Transfer	3,484,117	0.68
				29.01.2016	(50,000)	Transfer	3,434,117	0.67
				12.02.2016	(100,000)	Transfer	3,334,117	0.65
				26.02.2016	(150,000)	Transfer	3,184,117	0.62
		04.03.2016	(200,000)	Transfer	2,984,117	0.58		
		11.03.2016	(135,000)	Transfer	2,849,117	0.56		
		18.03.2016	(175,000)	Transfer	2,674,117	0.52		
		31.03.2016	(100,000)	Transfer	2,574,117	0.50		
		2,574,117	0.50	31.03.2016				
7	General Insurance Corporation of India	2,600,000	0.51	01.04.2015				
				29.01.2016	(29,200)	Transfer	2,570,800	0.50
				05.02.2016	(20,800)	Transfer	2,550,000	0.50
				19.02.2016	(40,000)	Transfer	2,510,000	0.49
				26.02.2016	(40,000)	Transfer	2,470,000	0.48
				11.03.2016	(70,000)	Transfer	2,400,000	0.47
		2,400,000	0.47	31.03.2016				
8	Neerav A Parekh	2,145,600	0.42	01.04.2015		Nil Movement during the year	2,145,600	0.42
		2,145,600	0.42	31.03.2016				
9	UTI Funds	914,799	0.18	01.04.2015				
				08.04.2015	(7,896)	Transfer	906,903	0.18
				01.05.2015	10,000	Transfer	916,903	0.18
				29.05.2015	(20,337)	Transfer	896,566	0.17
				04.09.2015	25,000	Transfer	921,566	0.18
				11.09.2015	55,000	Transfer	976,566	0.19
				30.09.2015	12,000	Transfer	988,566	0.19
				11.12.2015	100,000	Transfer	1,088,566	0.21
				18.12.2015	145,000	Transfer	1,233,566	0.24
				25.12.2015	(5,974)	Transfer	1,227,592	0.24
				31.12.2015	38,123	Transfer	1,265,715	0.25
				15.01.2016	500,000	Transfer	1,765,715	0.34
				22.01.2016	170,000	Transfer	1,935,715	0.38
				29.01.2016	57,709	Transfer	1,993,424	0.39
		04.03.2016	40,000	Transfer	2,033,424	0.40		
		18.03.2016	39,981	Transfer	2,073,405	0.40		
		2,073,405	0.40	31.03.2016				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% 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
10	Vanguard Emerging Markets Stock Index Fund, A series of Vanguard International Equity Index Fund	2,053,214	0.40	01.04.2015				
				08.04.2015	165,776	Transfer	2,218,990	0.43
				01.05.2015	1,936	Transfer	2,220,926	0.43
				08.05.2015	2,200	Transfer	2,223,126	0.43
				14.08.2015	(2,200)	Transfer	2,220,926	0.43
				21.08.2015	(5,280)	Transfer	2,215,646	0.43
				25.08.2015	(3,520)	Transfer	2,212,126	0.43
				28.08.2015	(6,776)	Transfer	2,205,350	0.43
				01.09.2015	(4,752)	Transfer	2,200,598	0.43
				04.09.2015	(9,328)	Transfer	2,191,270	0.43
				11.09.2015	(7,392)	Transfer	2,183,878	0.43
				25.09.2015	(1,936)	Transfer	2,181,942	0.43
				30.09.2015	(5,808)	Transfer	2,176,134	0.42
				18.12.2015	(10,764)	Transfer	2,165,370	0.42
				25.12.2015	(5,436)	Transfer	2,159,934	0.42
				15.01.2016	(14,896)	Transfer	2,145,038	0.42
				22.01.2016	(7,296)	Transfer	2,137,742	0.42
				05.02.2016	(26,860)	Transfer	2,110,882	0.41
				12.02.2016	(10,535)	Transfer	2,100,347	0.41
				11.03.2016	5,460	Transfer	2,105,807	0.41
				18.03.2016	(23,684)	Transfer	2,082,123	0.41
				21.03.2016	(9,591)	Transfer	2,072,532	0.40
				25.03.2016	(15,284)	Transfer	2,057,248	0.40
		2,057,248	0.40	31.03.2016				
11	Wasatch Emerging Markets Small Cap Fund	2,435,869	0.48	01.04.2015				
				08.04.2015	(144,063)	Transfer	2,291,806	0.45
				09.04.2015	(61,349)	Transfer	2,230,457	0.44
				10.04.2015	(102,881)	Transfer	2,127,576	0.41
				24.04.2015	(133,029)	Transfer	1,994,547	0.39
				01.05.2015	(122,671)	Transfer	1,871,876	0.37
				08.05.2015	(69,155)	Transfer	1,802,721	0.35
				22.05.2015	(104,539)	Transfer	1,698,182	0.33
				29.05.2015	(20,261)	Transfer	1,677,921	0.33
				24.07.2015	(66,435)	Transfer	1,611,486	0.31
				31.07.2015	(27,465)	Transfer	1,584,021	0.31
				21.08.2015	(62,671)	Transfer	1,521,350	0.30
				25.08.2015	(64,029)	Transfer	1,457,321	0.28
				30.09.2015	(41,265)	Transfer	1,416,056	0.28
				02.10.2015	(6,238)	Transfer	1,409,818	0.27
				13.11.2015	(25,900)	Transfer	1,383,918	0.27
				18.12.2015	(68,100)	Transfer	1,315,818	0.26
				31.12.2015	(45,800)	Transfer	1,270,018	0.25
				08.01.2016	(18,100)	Transfer	1,251,918	0.24
				15.01.2016	(27,500)	Transfer	1,224,418	0.24
				05.02.2016	(63,538)	Transfer	1,160,880	0.23
				18.03.2016	(29,525)	Transfer	1,131,355	0.22
				1,131,355	0.22	31.03.2016		

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% 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
12	HDFC Trustee Company Ltd - A/C HDFC Mid - Cap opportunities Fund	3,383,442	0.66	01.04.2015				
				07.08.2015	(50,000)	Transfer	3,333,442	0.65
				14.08.2015	(27,600)	Transfer	3,305,842	0.64
				11.09.2015	(101,000)	Transfer	3,204,842	0.63
				25.09.2015	(60,000)	Transfer	3,144,842	0.61
				30.09.2015	(150,000)	Transfer	2,994,842	0.58
				09.10.2015	(94,842)	Transfer	2,900,000	0.57
				27.11.2015	6,000	Transfer	2,906,000	0.57
				31.12.2015	10,000	Transfer	2,916,000	0.57
				22.01.2016	(988,595)	Transfer	1,927,405	0.38
				29.01.2016	(20,147)	Transfer	1,907,258	0.37
				19.02.2016	(1,000)	Transfer	1,906,258	0.37
				26.02.2016	(587,258)	Transfer	1,319,000	0.26
				04.03.2016	(211,000)	Transfer	1,108,000	0.22
				31.03.2016	(8,000)	Transfer	1,100,000	0.21
		1,100,000	0.21	31.03.2016				
13	Franklin Templeton Investment Funds	4,432,982	0.86	01.04.2015				
				08.05.2015	(500,000)	Transfer	3,932,982	0.77
				04.12.2015	200,000	Transfer	4,132,982	0.81
				18.12.2015	(213,100)	Transfer	3,919,882	0.76
				25.12.2015	(346,900)	Transfer	3,572,982	0.70
				01.01.2016	(500,000)	Transfer	3,072,982	0.60
				08.01.2016	(440,000)	Transfer	2,632,982	0.51
				22.01.2016	(2,127,300)	Transfer	505,682	0.10
				19.01.2016	(505,682)	Transfer	-	0.00
				-	0.00	31.03.2016		

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
Shareholding of Directors:								
1	Madhukar Balvantray Parekh	56,777,568	11.07	01.04.2015		NIL movement during the year	56,777,568	11.07
		56,777,568	11.07	31.03.2016				
2	NarendraKumar Kalyanji Parekh	53,832,178	10.50	01.04.2015				
				29.12.2015	(500,000)	Interse transfer	53,332,178	10.40
		53,332,178	10.40	31.03.2016				
3	Ajay Balvantray Parekh	48,998,844	9.56	01.04.2015		NIL movement during the year	48,998,844	9.56
		48,998,844	9.56	31.03.2016				
4	Bansidhar S Mehta	24,716	0.00	01.04.2015		NIL movement during the year	24,716	0.00
		24,716	0.00	31.03.2016				
5	Apurva Narendrakumar Parekh	3,584,910	0.70	01.04.2015		NIL movement during the year	3,584,910	0.70
		3,584,910	0.70	31.03.2016				
6	Ranjan Kapur	-	0.00	01.04.2015		NIL movement during the year	-	0.00
		-	0.00	31.03.2016				

Sr. No.	Name	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
		No. of Shares at the beginning of the year (01.04.2015)/ end of the year (31.03.2016)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
7	Narendra Jamnadas Jhaveri (upto 06.06.2015)	10,000	0.00	01.04.2015		NIL movement during the period	10,000	0.00
		10,000	0.00	06.06.2015				
8	Bharat Puri (also Key Managerial Personnel)	-	0.00	01.04.2015		NIL movement during the year	-	0.00
		-	0.00	31.03.2016				
9	Sanjeev Aga	-	0.00	01.04.2015		NIL movement during the year	-	0.00
		-	0.00	31.03.2016				
10	Uday Khanna	5,000	0.00	01.04.2015		NIL movement during the year	5,000	0.00
		5,000	0.00	31.03.2016				
11	Meera Shankar	-	0.00	01.04.2015		NIL movement during the year	-	0.00
		-	0.00	31.03.2016				
12	J L Shah (upto 19.05.2015)	525	0.00	01.04.2015		NIL movement during the period	525	0.00
		525	0.00	19.05.2015				
13	Sabyaschi Patnaik (wef 19.05.2015)	-	0.00	19.05.2015		NIL movement during the year	-	0.00
		-	0.00	31.03.2015				
14	Vinod Kumar Dasari (wef 01.09.2015)	-	0.00	01.09.2015		NIL movement during the period	-	0.00
		-	0.00	31.03.2016				

Shareholding of Key Managerial Personnel:

1	Savithri Parekh	-	-	01.04.2015		NIL movement during the year	-	0.00
		-	-	31.03.2016				
2	Pradeep Jain (wef 11.01.2016)	-	-	11.01.2016		NIL movement during the period	-	0.00
		-	-	31.03.2016				
3	Sandeep Batra (upto 18.09.2015)	4,500	-	01.04.2015		NIL movement during the period	-	0.00
		4,500	-	18.09.2015				

(₹ in million)

V. INDEBTEDNESS

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

Particulars	Secured Loans (Excluding deposits)	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (as on 01.04.2015)				
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	-	-	57.80
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction (Repayment)	(46.62)	-	-	(46.62)
Net Change	(46.62)	-	-	(46.62)
Indebtedness at the end of the financial year (as on 31.03.2016)				
i. Principal Amount	11.18	-	-	11.18
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11.18	NIL	NIL	11.18

(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 (Executive Chairman)	Bharat Puri (Managing Director from 10.04.2015)	A B Parekh (Whole Time Director)	A N Parekh (Whole Time Director)	Sabyaschi Patnaik (Whole Time Director from 19.05.2015)	J L Shah (Whole Time Director upto 19.05.2015)	
1	Gross salary							
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,45,79,481	6,54,91,156	98,98,660	1,06,78,071	1,67,19,725	9,67,742	12,83,34,835
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	99,58,342	70,07,831	32,31,962	13,82,808	1,31,862	-	2,17,12,805
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-
2	Stock option	-	*	-	-	*	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission							
	- as % of profit	11,67,40,000	-	2,40,34,706	2,06,01,228	-	-	16,13,75,934
	- others	-	9,00,000**	-	-	-	-	9,00,000
5	Others: Employer contribution to provident and other funds	18,00,909	64,06,701	8,72,727	7,72,703	10,35,147	-	1,08,88,187
	Total (A)	15,30,78,732	7,98,05,688	3,80,38,055	3,34,34,810	1,78,86,734	9,67,742	32,32,11,761
	Ceiling as per the Act	Remuneration paid is within the ceiling limits calculated as per Section 198 of the Companies Act, 2013						

*Options granted have not yet vested. For details refer to Annexure 4 to the Directors' Report.

** Commission paid as a Non-Executive Director for the financial year 2014-15 paid in 2015-16.

(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 # (upto 06.06.2015)	40,000	9,00,000	-	9,40,000	
Shri Bansi S Mehta	3,40,000	9,00,000	-	12,40,000	
Shri Ranjan Kapur	2,60,000	9,00,000	-	11,60,000	
Shri Yash Mahajan # (upto 04.11.2014)	-	5,37,534	-	5,37,534	
Shri Sanjeev Aga	1,46,000	9,00,000	-	10,46,000	
Shri Uday Khanna	1,60,000	8,95,068	-	10,55,068	
Smt. Meera Shankar	1,60,000	6,04,110	-	7,64,110	
Shri Vinod Kumar Dasari @ (wef 01.09.2015)	40,000	-	-	40,000	
Shri D Bhattacharya # (upto 20.05.2014)	-	1,23,288	-	1,23,288	
Total (1)				69,06,000	
2 Non-Executive/Promoter Director:					
Shri N K Parekh (Non-Executive Vice Chairman wef 01.04.2015)*	-	-	-	-	
Total (2)				-	
Total (B) (1+2)				69,06,000	

Ceased to be a Director of the Company.

@ Has been appointed as Director of the Company.

The remuneration shown above is for part of the financial year 2015-16 with respect to # and @.

*Commission of ₹ 1,37,34,066/-, Gratuity and leave encashment of ₹ 1,26,68,240/- paid as per terms of employment.

(Amount in ₹)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:					
Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Sandeep Batra* Chief Financial Officer	Savithri Parekh Company Secretary	Pradeep Jain* Chief Financial Officer	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,38,67,551	83,77,121	66,79,698	2,89,24,370
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	10,080	-	-	10,080
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock option	-	-	**	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others	-	-	-	-
5	Others: Employer contribution to provident and other funds	5,64,193	3,10,120	1,87,998	10,62,311
	Total (C)	1,44,41,824	86,87,241	68,67,696	2,99,96,761

* for part of the year.

** options granted have not yet vested. For details refer to Annexure 4 to the Directors' Report.

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 2015-16 are as follows:

Name of Director	Total Remuneration (₹)	Ratio of Remuneration of Director to the Median Remuneration
Shri M B Parekh	15,30,78,732	379.47
Shri N K Parekh	2,64,02,306	##
Shri Bharat Puri	7,98,05,688	197.83
Shri A B Parekh	3,80,38,055	94.29
Shri A N Parekh	3,34,34,810	82.88
Shri N J Jhaveri## upto 06.06.2015	9,40,000	*
Shri Bansi S Mehta	12,40,000	3.07
Shri Ranjan Kapur	11,60,000	2.88
Shri Yash Mahajan ## upto 04.11.2014	5,37,534	*
Shri D Bhattacharya ## upto 20.05.2014	1,23,288	*
Shri Sanjeev Aga	10,46,000	2.59
Shri Uday Khanna	10,55,068	2.62
Smt. Meera Shankar	7,64,110	1.89
Shri J L Shah ## upto 19.05.2015	9,67,742	*
Shri Sabyaschi Patnaik @ wef 19.05.2015	1,78,86,734	44.34
Shri Vinod Kumar Dasari @ wef 01.09.2015	40,000	*

Notes:

- * Percentage increase in remuneration not reported as they were holding Directorship for the part of the financial year.
- # Commission of ₹ 1,37,34,066/-, Gratuity and leave encashment of ₹ 1,26,68,240/- paid as per terms of employment.
- ## Ceased to be Directors of the Company.
- @ Appointed as Director of the Company.
- The aforesaid details are calculated on the basis of remuneration paid during the financial year 2015-16.
- The remuneration to Non-Executive Directors comprises of sitting fees and commission paid to them during the financial year 2015-16.
- Median remuneration of the Company for all employees who were there in employment throughout the year (4,978 employees) is ₹ 4,03,404 for the financial year 2015-16.

B. Details of percentage increase in the remuneration of each Director, CFO and Company Secretary in the financial year 2015-16 are as follows:

Name and Designation of Director		Remuneration (₹)		% increase
		2015-16	2014-15	
Shri M B Parekh	Executive Chairman	15,30,78,732	14,48,91,767	5.65
Shri N K Parekh	Vice Chairman wef 01.04.2015	2,64,02,306#	3,08,67,129	*
Shri Bharat Puri	Managing Director wef 10.04.2015	7,98,05,688	10,60,000	**
Shri S K Parekh	Vice Chairman upto 03.04.2014	-	9,00,000	*
Shri A B Parekh	Whole Time Director	3,80,38,055	3,84,40,836	(1.05)
Shri A N Parekh	Whole Time Director	3,34,34,810	2,78,50,452	20.05
Shri N J Jhaveri	Director	9,40,000	11,60,000	*
Shri Bansi S Mehta	Director	12,40,000	12,80,000	(3.13)
Shri Ranjan Kapur	Director	11,60,000	12,80,000	(9.38)
Shri Yash Mahajan	Director	5,37,534	9,20,000	*
Shri D Bhattacharya	Director	1,23,288	9,00,000	*
Shri Sanjeev Aga	Director	10,46,000	11,26,000	(7.10)
Shri Uday Khanna	Director	10,55,068	1,80,000	*
Smt. Meera Shankar	Director	7,64,110	80,000	*
Shri Sabyaschi Patnaik	Whole Time Director	1,78,86,734	-	*
Shri Vinod Kumar Dasari	Director	40,000	-	*
Shri R Sreeram	Whole Time Director	-	1,34,40,800	*
Shri J L Shah	Whole Time Director	9,67,742	30,83,234	*
Shri Sandeep Batra	Chief Financial Officer	1,44,41,824	2,35,70,143	*
Smt. Savithri Parekh	Company Secretary	86,87,241	79,84,601	8.80
Shri Pradeep Jain	Chief Financial Officer	68,67,696	-	*

Notes:

- * Percentage increase in remuneration not reported as they were holding Directorship/Key Managerial Positions for the part of the financial year.
- # Commission of ₹ 1,37,34,066/-, Gratuity and leave encashment of ₹ 1,26,68,240/- paid as per terms of employment.
- The remuneration of Non-Executive Directors comprises of sitting fees and commission paid to them for the financial year 2015-16.
- 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 2015-16:

	2015-16 (₹)	2014-15 (₹)	% increase
Median remuneration of all employees per annum	4,03,404	3,81,204	5.82

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, 2016 – 4978.**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 2015-16 as compared to the financial year 2014-15 was 10.47%.

The Key indices of the Company's performance are:

(₹ in million)

	2015-16	2014-15	Growth (%)
Net Revenue from Operations	47,345.00	43,980.74	7.6%
Operating Profit Before Tax (i.e. PBT excluding other income & exceptional items)	9,964.91	6,433.74	54.9%
Profit Before Tax (including other income & after exceptional items)	10,132.87	6,685.38	51.6%
Profit After Tax	7,030.42	5,018.59	40.1%

Increase in remuneration is based on (a) Company's Performance (b) Individual Performance and 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 in 2015-16 cannot be compared to that of 2014-15 as stated in 'H' below. The Operating Profit Before Tax (i.e. PBT excluding other income & exceptional items) increased by 54.9% in 2015-16 compared to 2014-15.

G. Details of Share price and market capitalization:

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

	As on 31 st March, 2016	As on 31 st March, 2015	% Increase
Price Earning Ratio	43.15	61.38	(29.70%)
Market Capitalisation (₹ in million)	3,03,350	3,08,059	(1.53%)

- 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 ₹ 4.30 lakhs as on 31st March, 2016.

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 2015-16 compared to 2014-15	10.47%
Average increase in salary of Key Managerial Personnel in 2015-16 compared to 2014-15	- *

*Managing Director and Chief Financial Officer were appointed during the year and hence the same is not considered. The details relating to Company Secretary is given in 'B' above.

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.

Business Responsibility Report

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

A] GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L24100MH1969PLC014336
2. Name of the Company: Pidilite Industries Limited
3. Registered address: Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021, Maharashtra
4. Website: www.pidilite.com
5. E-mail id: investor.relations@pidilite.co.in
6. Financial Year reported: 2015-16
7. Sector(s) that the Company is engaged in (industrial activity code-wise):
Manufacture of Adhesives and Glues including Rubber based Glues and Adhesives (20295)
8. List three key products/ services that the Company manufactures/provides (as in balance sheet):
 - (i) Adhesives & Sealants
 - (ii) Construction Chemicals/ Paint Chemicals
 - (iii) Art Material

For additional information on segment wise products/ services, please refer to “Notes to the Financial Statements - Note 39”

9. Total number of locations where business activity is undertaken by the Company:
 - (a) Number of International Locations: 6 Branches and Representative offices (On Standalone basis)
 - (b) Number of National Locations:

Manufacturing locations (States / Union Territories)	6
Regional offices	8

10. Markets served by the Company – The Company’s products have a pan India presence and the products are also marketed in several countries like UAE, USA, Nigeria, Bangladesh, Sri Lanka, Nepal, Singapore, China, Indonesia, Thailand, Egypt and Brazil.

B] FINANCIAL DETAILS OF THE COMPANY

(₹ in million)

1. Paid up Capital (INR) 512.68
2. Total Turnover (INR) 50,384.55
3. Total profit after taxes (INR) 7,030.42
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: 1.86%*

*CSR expense is ₹ 130.48 million and current year PAT is ₹ 7,030.4 million. The Company has spent more than 2% of the average net profit for the last 3 years on CSR expenses.

5. Few activities in which expenditure in 4 above has been incurred:

The Company has been supporting the following activities:

- a. Promoting Education
- b. Promoting Healthcare
- c. Assisting in Rural Development etc.

For further details please refer to Social and Community Initiatives report.

C] OTHER DETAILS

The Company has 24 subsidiaries both direct and indirect as on 31st March, 2016. 8 of these subsidiaries are in India and 16 of them are located abroad.

The Business Responsibility policies of the subsidiaries are in line with the local requirements.

The Company encourages participation of its suppliers and distributors and other stakeholders in the Business Responsibility initiatives like Shram Dan Divas where contractors give one day's labour for the benefit of needy children.

D] BR INFORMATION

- (1) Details of Director/Directors responsible for BR:

- (a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1.	DIN	00035317
2.	Name	Shri A B Parekh
3.	Designation	Whole Time Director

- (b) Details of the BR head:

Sr. No.	Particulars	Details
1.	DIN	07183784
2.	Name	Shri Sabyaschi Patnaik
3.	Designation	Director – Operations
4.	Telephone number	022-2835 7313
5.	E-mail id	sabyasachi.patnaik@pidilite.com

- (2) Principle-wise (as per NVGs) BR policy/policies:

These Principles are as follows:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Principle 3: Businesses should promote the well-being of all employees.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

Principle 5: Businesses should respect and promote human rights.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

Principle 8: Businesses should support inclusive growth and equitable development.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y	
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes									
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Yes. The Policies are aligned to the legal requirements and are as per ISO and Occupational Health and Safety Assessment System.									
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes									
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The implementation and adherence to the Code of Conduct for employees is overseen by the human resource department. The Corporate Social Responsibility Policy is administered by the CSR Committee in line with requirements of the Companies Act, 2013. The EHS Policy is overseen by the Supply Chain Manufacturing and the Research and Technology function.									
6.	Indicate the link for the policy to be viewed online	Policies which are internal to the Company are available on the intranet of the Company. Other policies are on the website of the Company.									
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes									
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes									
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes									
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	-									

(3) Governance related to BR

Business Responsibility Report is applicable for the first time to the Company and is part of the Annual Report. It is also available on the Company's website www.pidilite.com

It is proposed to be periodically assessed every 6 months.

E] PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Company, in order to maintain these standards has adopted the 'Code of Conduct', which lays down the principles and standards that should govern the actions of the employees in the course of conduct of business of the Company. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. There is a Code for each of our subsidiaries in line with the local requirements prevailing in the country of operation.

The Company has a 'Whistle blower policy' which covers serious concerns that could have an impact on the operations and performance of the Company.

There were no complaints from shareholders pending at the beginning of the year. The Company received 14 complaints from shareholders during the year and all complaints have been resolved satisfactorily.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

The Company believes in developing products which are efficient and environment friendly.

Many steps are taken by the Company to minimize dust emissions in manufacturing operations.

Many water conservation initiatives were undertaken by the Company across units thereby significant reduction in consumption of water is achieved.

The Company has developed small producers located near the manufacturing plants and upgraded their technical capability and also imparted detailed understanding of quality control environment and manufacturing systems.

Further, at the factory locations, the Company endeavors to create jobs for the local communities.

The Environment Management practices of the Company focus on conservation of natural resources and has stringent waste management policies for internally generated wastes.

Principle 3: Businesses should promote the well-being of all employees

1. Total number of employees	4978
2. Total number of employees hired on temporary/ contractual/ casual basis	2243
3. Number of permanent women employees	308
4. Number of permanent employees with disabilities	9
5. There are no employees association that is recognized by the management	

6. Details of complaints filed during the financial year:

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

7. Percentage of employees who were given safety and skill upgradation training in the last year:

- a. Permanent Employees - 82.88%
- b. Permanent Women Employees - 77.41%
- c. Casual/ Temporary/ Contractual Employees - 88%
- d. Employees with Disabilities - 22%

Percentages mentioned above are computed for employees working in Manufacturing Units only.

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company supports various initiatives through Triveni Kalyan Foundation and Gram Nirman Samaj to set up around 60 Self-help groups which empower rural women to become independent.

With Hanumant Hospital, healthcare is provided to economically backward patients. Free check-up camps are held for people of Mahuva and surrounding villages.

Under rural development, the Company has supported initiatives towards Agriculture & Horticulture development, Water Management & Harvesting, Training of Farming techniques to the farmers etc.

For further details please refer to Social and Community Initiatives report.

Principle 5: Businesses should respect and promote human rights

The Code of Conduct is applicable to all the employees of the group. There have been no complaints received in the past financial year.

The Company promotes the Code of Conduct which apart from other things ensures that there are no instances of sexual harassment, child labour or discriminatory practices.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

All our manufacturing units have policies on environment, health and safety measures in line with the Environment, Health and Safety Policy adopted by the Company. For the subsidiaries and joint ventures, the Code is applicable in line with the local requirements prevailing in the area or country of operation.

All units are covered under ISO 14000 environment management system.

The Company undertakes initiatives in the use of green fuel (biomass feed to boilers) and use of renewable sources of energy (windmills, PV solar roof top systems).

The Company also monitors hazardous wastes and emissions in its manufacturing units and the wastes and emissions are within limits.

There are no pending show cause notices as at the end of the financial year.

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company is a member of the following trade / chamber / association:

- a) International Market Assessment India Pvt Ltd
- b) Federation of Indian Chambers of Commerce and Industry
- c) Indian Speciality Chemical Manufacturers Association
- d) Bombay Chamber of Commerce and Industry

Principle 8 : Businesses should support inclusive growth and equitable development

The Company has a policy on Corporate Social Responsibility and the focal areas being rural development, education, health care, general semantics, women empowerment etc.

These initiatives are implemented by the Company mainly through the following implementing agencies:

Shree Mahuva Education Trust; Balwant Parekh Centre for General Semantics; Triveni Kalyan Education Trust; Shri N. N. Mehta Memorial Education Trust, Mahuva; Gram Nirman Samaj; Hanumant Seva Medicare Trust; Parkinson's Disease and Movement Disorder Society, Mumbai; Triveni Kalyan Foundation; B K Parekh Parkinson's Disease & Movement Disorder Society; Monghiben Balvihar Trust.

Details are covered in the Social and Community Initiatives report and Annexure to the Directors' Report.

Principle 9 : Businesses should engage with and provide value to their customers in a responsible manner

There are 14 consumer cases pending as at the end of the financial year. For receiving and resolving customer complaints there are systems in place to record and manage complaints. Customers may register their grievances over the dedicated helpline. The Company displays product information on the product label, over and above what is mandated as per local laws. There are no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as at the end of the financial year.

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, 2016, the Statement of Profit and Loss and 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 prescribed under section 133 of the Act, as applicable.

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 and the Order under section 143 (11) of the Act.

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 prescribed under section 133 of the Act, as applicable.

- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 32A to the standalone 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.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place: Mumbai
Date: 19th May, 2016

Annexure “A” to Independent Auditors’ Report

To the Members of Pidilite Industries Limited for the year ended 31st March, 2016

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Pidilite Industries Limited (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting

were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Mumbai
Date: 19th May, 2016

Annexure “B” to Independent Auditors’ Report

To the Members of Pidilite Industries Limited for the year ended 31st March, 2016

(Referred to in paragraph 2 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.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year to which the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 apply.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, 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, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2016 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)
Income Tax Act, 1961	Income tax	Commissioner (Appeals)	AY 2007-08 to 2012-13	159.63*
Central Excise Act, 1944	Excise Duty in Various States	Commissioner of Central Excise (Appeals)	2008-09, 2009-10, 2013-14, 2014-15	6.50
	Excise Duty in Various States	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	1997-98, 2005-06 to 2013-14	72.84
Central Excise Act, 1944 - Total				79.34#
Sales Tax Act	Sales Tax in Various States	Deputy Joint commissioner of Sales Tax	1994-95, 1998-99, 2001-02, 2004-05 to 2015-16	1,139.78
	Sales Tax in Various States	Sales Tax Tribunal	1994-95, 1995-96, 1999-00 & 2000-01, 2002-03, 2005-06 to 2012-13	69.46
	Sales Tax in Various States	High Court	2003-2004, 2004-2005, 2006-07 to 2013-14	53.15
Sales Tax Act – Total				1,262.39^

* Net of ₹ 40.78 million paid under protest

^ Net of ₹ 128.84 million paid under protest

Net of ₹ 3.94 million paid under protest

There are no dues of Service Tax, Customs Duty and Value Added Tax which have not been deposited as on 31st March, 2016 on account of disputes.

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government and has not issued any debentures.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x) 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 by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Place: Mumbai
Date: 19th May, 2016

Balance Sheet

As at 31st March, 2016

(₹ in million)

Particulars	Note No.	As at 31 st March 2016	As at 31 st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	512.68	512.66
Reserves and Surplus	4	27,489.73	22,981.81
		28,002.41	23,494.47
Non-Current liabilities			
Deferred Tax Liabilities (net)	5	660.54	544.89
Long-Term Provisions	6	218.57	177.30
		879.11	722.19
Current liabilities			
Short-Term Borrowings	7	11.18	57.80
Trade Payables			
Micro & Small Enterprises		93.86	142.05
Other than Micro & Small Enterprises		3,076.54	2,798.34
		3,170.40	2,940.39
Other Current Liabilities	9	3,799.37	3,409.81
Short-Term Provisions	10	531.73	2,045.92
		7,512.68	8,453.92
TOTAL		36,394.20	32,670.58
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	6,662.54	5,496.04
Intangible Assets	12	2,467.06	2,782.27
Capital Work-In-Progress		3,937.62	4,603.05
		13,067.22	12,881.36
Non-Current Investments	13	5,172.54	4,213.24
Long-Term Loans and Advances	14	810.46	1,015.35
Other Non-Current Assets	15	0.30	67.80
		19,050.52	18,177.75
Current Assets			
Current Investments	16	5,311.69	2,791.65
Inventories	17	4,942.02	5,347.18
Trade Receivables	18	5,588.60	5,145.83
Cash and Cash Equivalents	19	713.46	480.95
Short-Term Loans and Advances	20	631.83	675.35
Other Current Assets	21	156.08	51.87
		17,343.68	14,492.83
TOTAL		36,394.20	32,670.58
Significant Accounting Policies	2		
See accompanying notes forming part of the financial statements	1 to 54		

In terms of our report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

B. P. SHROFF

Partner

Place: Mumbai

Date: 19th May, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI

Managing Director

PRADEEP JAIN

Chief Financial Officer

M B PAREKH

Executive Chairman

SAVITHRI PAREKH

Company Secretary

Place: Mumbai

Date: 19th May, 2016

Statement of Profit and Loss

For The Year Ended 31st March, 2016

(₹ in million)

Particulars	Note No.	For the year ended 31 st March 2016	For the year ended 31 st March 2015
INCOME			
Revenue from Operations (gross)	22	50,665.25	46,814.47
Less: Excise Duty		3,320.25	2,833.73
Revenue from Operations (net)		47,345.00	43,980.74
Other Income	23	437.96	427.69
Total Income		47,782.96	44,408.43
EXPENSES			
Cost of Materials Consumed	24	20,595.11	22,688.13
Purchases of Stock-in-Trade (Traded goods)	25	2,046.70	1,661.09
Change in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	180.40	(67.80)
Employee Benefits Expense	27	4,576.26	4,093.86
Finance Costs	28	58.38	95.05
Depreciation and Amortisation Expense	29	1,150.10	1,077.20
Other Expenses	30	8,773.14	7,999.47
Total Expenses		37,380.09	37,547.00
Profit before Exceptional Items and Tax		10,402.87	6,861.43
(Add)/Less: Exceptional Items (net)	31	270.00	176.05
Profit before Tax		10,132.87	6,685.38
Tax Expense			
Current Tax		2,986.80	1,561.00
Deferred Tax		115.65	105.79
Net Tax expense		3,102.45	1,666.79
Profit for the year		7,030.42	5,018.59
Earnings Per Share:			
Basic (₹)	40	13.71	9.79
Diluted (₹)		13.71	9.78
Face Value of Share (₹)		1.00	1.00
Significant Accounting Policies	2		
See accompanying notes forming part of the financial statements	1 to 54		

In terms of our Report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

B. P. SHROFF
Partner

Place: Mumbai
Date: 19th May, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

PRADEEP JAIN
Chief Financial Officer

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 19th May, 2016

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 applicable rules of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”). 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.

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) Computer Software - 6 years
- c) 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 recognized in reserves are recognized 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 SEBI (Share Based Employee Benefits) Regulations, 2014. 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 Regulations; 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 2016	As at 31 st March 2015
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:			
512,675,330	(512,662,830) Equity Shares of ₹ 1 each, fully paid-up	512.68	512.66
TOTAL		512.68	512.66

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 2016		As at 31 st March 2015	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Equity Shares				
Shares outstanding at the beginning of the year	512,662,830	512.66	512,642,330	512.64
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	12,500	0.02	20,500	0.02
Shares outstanding at the end of the year	512,675,330	512.68	512,662,830	512.66
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.

The Board of Directors at its meeting held on 11th March, 2016 declared an interim dividend of ₹ 3.65 per equity share of ₹ 1 each. At the Board Meeting held on 19th May, 2016, a final dividend of ₹ 0.50 per equity share of ₹ 1 each has been recommended by the Board of Directors, subject to approval of the shareholders at the ensuing Annual General Meeting. If approved, the total dividend (interim and final dividend) for the financial year 2015-16 will be ₹ 4.15 per equity share of ₹ 1 each (₹ 2.90 per equity share of ₹ 1 each was paid as dividend for the previous year).

c. Details of shareholders holding more than 5% shares in the Company:				
	As at 31 st March 2016		As at 31 st March 2015	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	56,777,568	11.07	56,777,568	11.07
Shri Narendrakumar Kalyanji Parekh	53,332,178	10.40	53,832,178	10.50
Shri Ajay Balvantray Parekh	48,998,844	9.56	48,998,844	9.56
Shri Sushilkumar Kalyanji Parekh	42,358,636	8.26	42,358,636	8.26
Genesis Indian Investment Co. Ltd. - General Sub fund	33,487,289	6.53	39,453,809	7.70
Devkalyan Sales Pvt Ltd	26,224,280	5.12	26,224,280	5.12

d. Aggregate number of bonus shares issued, share 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 2016	As at 31 st March 2015
	Number of Shares	Number of Shares

Equity Shares

Allotted as fully paid bonus shares (in 2009-10)	-	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:

	As at 31 st March 2016	As at 31 st March 2015
	Number of Shares	Number of Shares

Equity Shares of ₹ 1 each	267,000	279,500
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(₹ in million)

4 Reserves and Surplus	As at 31 st March 2016	As at 31 st March 2015
Capital Reserve	3.37	3.37
Securities Premium Account		
Balance as per last financial statements	656.35	650.97
Add: Premium on Shares issued against ESOP	3.27	5.38
Closing Balance	659.62	656.35
Cash Subsidy Reserve	9.47	9.47
Employee Stock Options Outstanding		
Employee Stock Options Outstanding		
Balance as per last financial statements	3.80	12.85
Add: Options granted during the year	127.57	-
Less: Transferred to Securities Premium on Options exercised during the year	3.27	5.38
Less: Lapsed during the year	0.53	3.67
Closing Balance (A)	127.57	3.80
Deferred Employees Stock Options Cost		
Balance as per last financial statements	(1.10)	(8.79)
Add: Options granted during the year	(127.57)	-
Add: Exercised during the year	0.95	3.11
Add: Amortisation during the year	37.66	1.90
Add: Lapsed during the year	0.15	2.68
Closing Balance (B)	(89.91)	(1.10)
Closing Balance (A+B)	37.66	2.70
General Reserve		
Balance as per last financial statements	17,647.02	16,897.02
Add: Transferred from Statement of Profit and Loss	-	750.00
Closing Balance	17,647.02	17,647.02
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	4,662.90	2,317.62
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	7,030.42	5,018.59
Less: Interim Dividend	1,871.26	-
Amount per share ₹ 3.65 (₹ Nil)		
Tax on interim dividend	380.95	-
Proposed final equity dividend	256.34	1,486.72
Amount per share ₹ 0.50 (₹ 2.90)		
Tax on proposed equity dividend	52.18	302.66
Transferred to:		
• General Reserve	-	750.00
Total	2,560.73	2,539.38
Closing Balance	9,132.59	4,662.90
TOTAL	27,489.73	22,981.81

(₹ in million)

5 Deferred Tax Liabilities (net)		
	As at 31 st March 2016	As at 31 st March 2015
Tax effect of items constituting Deferred Tax Liabilities		
On difference between book and tax depreciation	858.54	715.97
Tax effect of items constituting Deferred Tax Liabilities	858.54	715.97
Tax effect of items constituting Deferred Tax Assets		
Provision for Employee Benefits	99.61	86.96
Provision for doubtful debts	72.55	50.16
Disallowance under Section 35DDA of Income Tax Act, 1961	12.81	32.56
Others	13.03	1.40
Tax effect of items constituting Deferred Tax Assets	198.00	171.08
TOTAL	660.54	544.89

6 Long-Term Provisions		
	As at 31 st March 2016	As at 31 st March 2015
Provision for Employee Benefits:		
Compensated Absences	203.06	163.54
Anniversary Awards	8.08	7.58
Premature Death Pension Scheme	6.25	5.10
Total Disability Pension Scheme	1.18	1.08
TOTAL	218.57	177.30

7 Short-Term Borrowings		
	As at 31 st March 2016	As at 31 st March 2015
Loans repayable on demand from banks:		
Secured Working Capital Loan (Cash Credit Accounts)	11.18	57.80
TOTAL	11.18	57.80

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 2016	As at 31 st March 2015
Trade Payables		
Total outstanding dues of micro and small enterprises (Refer Note 45)	93.86	142.05
Total outstanding dues to other than micro and small enterprises (Other than Acceptances)	3,076.54	2,798.34
TOTAL	3,170.40	2,940.39

(₹ in million)

9 Other Current Liabilities		
	As at 31 st March 2016	As at 31 st March 2015
Other Liabilities		
Unclaimed Dividend	16.88	7.49
Other Payables		
Statutory remittances	425.41	320.78
Payables on purchase of fixed assets	28.72	72.51
Employee related liabilities	192.07	269.47
Contractually reimbursible expenses	18.98	2.69
Trade/ Security Deposit received	752.73	709.97
Advance from customers	143.15	101.45
Accrued liabilities for expenses	2,221.43	1,925.45
TOTAL	3,799.37	3,409.81

10 Short-Term Provisions		
	As at 31 st March 2016	As at 31 st March 2015
Provision for Employee Benefits		
Gratuity (Net) (Refer Note 43)	4.57	33.18
Compensated Absences	85.43	90.39
Anniversary Awards	1.26	0.98
Premature Death Pension Scheme	0.97	1.04
Total Disability Pension Scheme	0.19	0.16
Provision for Tax (Net of Advance Tax ₹ 863.29 million (₹ 863.29 million))	130.79	130.79
Provision for proposed equity dividend	256.34	1,486.72
Provision for tax on proposed equity dividend	52.18	302.66
TOTAL	531.73	2,045.92

FIXED ASSETS SCHEDULE AS ON 31ST MARCH, 2016

(₹ in million)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 1.4.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	As at 1.04.2015	Provided during the year	Deductions/ Adjustments	Transition Adjustments	As at 31.03.2016	As at 31.03.2016
11 Tangible Assets										
Freehold Land	474.78 (418.41)	74.27 (56.37)	-	549.05 (474.78)	-	-	-	-	-	549.05 (474.78)
Leasehold Land	227.76 (214.43)	0.43 (13.33)	-	228.19 (227.76)	15.23 (13.12)	2.17 (2.11)	-	-	17.40 (15.23)	210.79 (212.53)
Building	1,803.86 (1,654.13)	333.77 (149.73)	0.14	2,137.49 (1,803.86)	524.64 (467.64)	59.57 (51.11)	0.01	(5.89)	584.20 (524.64)	1,553.29 (1,279.22)
Plant & Machinery	7,301.69 (6,514.30)	1,372.69 (838.41)	4.61 (51.02)	8,669.77 (7,301.69)	4,428.90 (3,695.85)	562.89 (617.87)	60.61 (46.48)	(161.66)	4,931.18 (4,428.90)	3,738.59 (2,872.79)
Vehicles	184.33 (185.66)	17.68 (15.69)	9.12 (17.02)	192.89 (184.33)	109.68 (103.46)	14.41 (18.73)	8.04 (12.82)	(0.31)	116.05 (109.68)	76.84 (74.65)
Furniture & Fixtures	557.56 (510.56)	103.45 (47.92)	8.19 (0.92)	652.82 (557.56)	311.73 (242.43)	58.10 (57.37)	5.43 (0.72)	(12.65)	364.40 (311.73)	288.42 (245.83)
Office Equipments	837.50 (764.07)	86.70 (74.33)	30.58 (0.90)	893.62 (837.50)	501.26 (387.75)	117.19 (91.78)	(29.61) (0.86)	(22.59)	648.06 (501.26)	245.56 (336.24)
TOTAL	11,387.48 (10,261.56)	1,988.99 (1,195.78)	52.64 (69.86)	13,323.83 (11,387.48)	5,891.44 (4,910.25)	814.33 (838.98)	44.48 (60.88)	(203.10)	6,661.29 (5,891.44)	6,662.54 (5,496.04)
12 Intangible Assets										
Goodwill	983.86 (95.29)	- (888.57)	-	983.86 (983.86)	122.77 (74.18)	90.95 (48.59)	-	-	213.72 (122.77)	770.14 (861.09)
Trademarks	2,321.76 (979.25)	- (1,342.51)	-	2,321.76 (2,321.76)	742.70 (631.92)	169.50 (110.78)	-	-	912.20 (742.70)	1,409.56 (1,579.06)
Computer Software	378.72 (361.08)	20.57 (17.64)	0.51	398.78 (378.72)	218.41 (170.94)	44.22 (47.47)	0.50	-	262.13 (218.41)	136.65 (160.31)
Copyrights	91.95 (81.85)	- (10.10)	-	91.95 (91.95)	44.74 (37.32)	7.77 (7.42)	-	-	52.51 (44.74)	39.44 (47.21)
Technical Knowhow Fees	230.51 (230.51)	-	-	230.51 (230.51)	123.73 (105.00)	18.45 (18.73)	-	-	142.18 (123.73)	88.33 (106.78)
Non Compete Fees	45.62 (45.62)	-	-	45.62 (45.62)	17.80 (12.57)	4.88 (5.23)	-	-	22.68 (17.80)	22.94 (27.82)
TOTAL	4,052.42 (1,793.60)	20.57 (2,258.82)	0.51	4,072.48 (4,052.42)	1,270.15 (1,031.93)	335.77 (238.22)	0.50	-	1,605.42 (1,270.15)	2,467.06 (2,782.27)
GRAND TOTAL	15,439.90	2,009.56	53.15	17,396.31	7,161.59	1,150.10	44.98	-	8,266.71	9,129.60
Previous Year	(12,055.16)	(3,454.60)	(69.86)	(15,439.90)	(5,942.18)	(1,077.20)	(60.88)	(203.10)	(7,161.59)	(8,278.31)

Note:

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

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION					NET BLOCK	
	As at 1.4.2015	Additions	Deductions/ Adjustments	As at 31.03.2016	As at 1.04.2015	Provided dur- ing the year	Deductions	Transition Adjustments	As at 31.03.2016	As at 31.03.2016
Freehold Land										
- Given under Operating Lease	137.89	-	-	137.89	-	-	-	-	-	137.89
	(16.33)	(121.56)	-	(137.89)	-	-	-	-	-	(137.89)
Leasehold Land										
- Given under Operating lease	40.70	-	-	40.70	1.84	0.39	-	-	2.23	38.47
	(21.17)	(19.31)	((0.22))	(40.70)	(1.34)	(0.49)	((0.01))	-	(1.84)	(38.86)
Buildings										
- Given under Operating lease	142.95	178.28	-	321.23	40.56	9.53	-	-	50.09	271.14
	(112.08)	(30.87)	-	(142.95)	(33.72)	(6.84)	-	-	(40.56)	(102.39)

b Figures in bracket indicate previous year's figures.

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

(₹ in million)

13	Non-Current Investments		
		As at 31 st March 2016	As at 31 st March 2015
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)			
	• 20,562,716 (19,229,316) Equity Shares of USD 1 each of Pidilite International Pte Ltd	957.29	871.24
	• 74,601,692 (63,329,163) Equity Shares of AED 1 each of Pidilite Middle East Ltd	1,098.45	899.23
	• 69,460,776 (62,436,448) Equity Shares of BRL 1 each of Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	1,656.94	1,529.62
	• 14,780,000 (14,780,000) Equity Shares of USD 1 each of Pidilite USA Inc	647.75	647.75
	• 6,428 (6,428) Equity shares of EGP 100 each of Pidilite Industries Egypt SAE	4.54	4.54
	• 39,497 (39,497) Equity Shares of BIRR 100 each of Pidilite Chemical PLC	12.09	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
	• 5,010,000 (2,430,000) Equity Shares of ₹ 10 each of Building Envelope Systems India Ltd	88.80	24.30
	• 4,800,000 (4,800,000) Equity Shares of ₹ 10 each of Percept Waterproofing Services Ltd	48.00	48.00
	• 699,999 (233,333) Equity Shares of ₹ 10 each of Nina Waterproofing Systems Pvt Ltd	613.67	2.33
	• 9900 (Nil) Equity Shares of ₹ 10 each of Wood Coat Pvt Ltd	0.10	-
	TOTAL (a)	5,136.88	4,048.35
(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	11.79	11.79
	[Market Value ₹ 373.69 million (₹ 487.70 million)]		
	TOTAL (b)	11.79	11.79
	Total of trade investments (A) (a+b)	5,148.67	4,060.14
B] Other Investments:			
(a) In Equity Instruments (quoted) (fully paid up)			
	• 121,300 (121,300) Equity Shares of ₹ 10 each of Pal Peugeot Ltd	1.21	1.21
	TOTAL (a)	1.21	1.21

(₹ in million)

	As at 31 st March 2016	As at 31 st March 2015
(b) Investments in Mutual Funds		
• Nil (10,922,740) Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Growth Option	-	109.23
• 10,000,000 (10,000,000) Units of HDFC-FMP 370D Feb 2014 (1) Series 29-Growth	100.00	100.00
• Nil (10,000,000) Units of DSP- Black Rock FMP- S146-12M-reg	-	100.00
• 10,000,000 (10,000,000) Units of HDFC-FMP 369D Feb 2014 (2) Series 29-Growth	100.00	100.00
• Nil (10,000,000) Units of ICICI Prudential FMP Series 73 366 days Plan A-Regular-Growth	-	100.00
• 10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 366 days Plan A-Cumulative	100.00	-
• Nil (10,000,000) Units of ICICI Prudential FMP Series 73 368 days Plan D-Regular-Growth	-	100.00
• 10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 368 days Plan D-Cumulative	100.00	-
• Nil (10,000,000) Units of Birla Sun life Fixed Term Plan series KN (1099 days) GR Regular	-	100.00
• 10,000,000 (Nil) Units of HDFC-FMP 370D April 2014 (2) Series 31-Regular-Growth	100.00	-
• 10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 369 days Plan S-Cumulative	100.00	-
• 10,000,000 (Nil) Units of Reliance Fixed Horizon Fund XXV-Series28-Growth Plan	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-Reg-Growth	100.00	-
Total (b)	850.00	709.23
Total (B) (a+b)	851.21	710.44
Total [A+B]	5,999.88	4,770.58
Less: Provision for Diminution in value of Investments	827.34	557.34
TOTAL	5,172.54	4,213.24
Aggregate amount of quoted investments	11.79	11.79
Aggregate amount of unquoted investments	5,988.09	4,758.79
Aggregate market value of quoted investments	373.69	487.70

14 Long -Term Loans and Advances		
	As at 31 st March 2016	As at 31 st March 2015
Unsecured, considered good		
Capital Advances	58.90	257.25
Security Deposit	109.48	118.55
Prepaid Expenses	9.29	2.93
Loans and Advances to Employees & Others*	70.90	75.90
Advance Payment of Taxes (Net of Provisions ₹ 9,754.99 million (₹ 6,768.19 million))	354.09	336.19
Balance with Government Authorities	207.80	224.53
TOTAL	810.46	1,015.35

* Loans given for business purpose.

15 Other Non-Current Assets		
	As at 31 st March 2016	As at 31 st March 2015
Other Receivables		
Unsecured, Considered good	-	17.44
Considered doubtful	17.44	-
	17.44	17.44
Less: provision for doubtful balances	17.44	-
	-	17.44
Fixed Deposits*	0.30	0.89
Export Benefits receivable	-	49.47
TOTAL	0.30	67.80

* Of the above, Fixed Deposit amounting to ₹ 0.30 million (₹ 0.79 million) is under lien.

(₹ in million)

16	Current Investments		
		As at 31 st March 2016	As at 31 st March 2015
A] Current Portion of Long Term Investments (at cost)			
a) Investments in Mutual Funds			
	• Nil (10,000,000) Units of HDFC FMP 370D April 2014 (2) Series 31-Regular-Growth	-	100.00
	• 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
	• Nil (10,000,000) Units of Reliance Fixed Horizon Fund XXV-Series 28-Growth Plan	-	100.00
	• Nil (10,000,000) Units of ICICI Prudential FMP Series 73 369 days Plan A-Regular-Growth	-	100.00
	• 10,000,000 (Nil) Units of DSP-Black Rock FMP- S146-12M-reg	100.00	-
	• 10,000,000 (Nil) Units of Birla Sun life Fixed Term Plan series KN (1099 days) GR Regular	100.00	-
	• 10,922,740 (Nil) Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Cumulative	109.23	-
b) Investments in Deposits with			
	• IL & FS Financial Services Limited	109.00	100.00
Total A		418.23	550.00
B] Other Current Investments (at lower of cost or fair value)			
Investments in Mutual Funds			
	• Nil (7,885,875) Units of DWS-Guilt Fund-Regular-Growth	-	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
	• 3,742,948 (4,422,923) Units of Birla Sunlife Saving Fund Inst.Growth	1,027.95	1,169.91
	• 6,096,371 (6,096,371) Units of ICICI Prudential Short Term Fund-Growth Option	150.00	150.00
	• 9,103,616 (9,103,616) Units of IDFC Banking Debt Fund-Regular Growth Fund	100.00	100.00
	• Nil (28,902,735) Units of ICICI Prudential Ultra Short Term-Regular-Growth (LP)	-	405.29
	• 37,945,617 (Nil) Units of ICICI Prudential Ultra Short Term-Growth	545.33	-
	• 5,981,314 (Nil) Units of Birla Dynamic Bond Fund-Retail-Growth-Reg plan	150.00	-
	• 240,628 (Nil) Units of UTI Treasury Adv Fund-Institutional Plan-Growth	490.02	-
	• 9,997,900 (Nil) Units of IDFC Corporate Bond Fund-Reg plan-Growth	100.00	-
	• 140,673 (Nil) Units of SBI Premier Liquid Fund-Reg Plan-Growth	331.95	-
	• 87,917 (Nil) Units of TATA Floater Fund-Regular Plan-Growth	200.00	-
	• 95,040 (Nil) Units of Reliance Liquid Fund -Treasury Plan-Growth Plan Growth Option	343.55	-
	• 97,537 (Nil) Units of HDFC-Liquid Fund-Growth	288.90	-
	• 78,85,875 (Nil) Units of DHFL Pramerica Gilt Fund-Growth	100.00	-
	• 24,015,831 (Nil) Units of HDFC Arbitrage Fund-Wholesale Plan-Nor Div-Reg Gr	250.00	-
	• 13,782,838 (Nil) Units of Birla SF Enhanced Arbitrage Fund-Dividend-Reg plan-Payout	149.31	-
	• 15,000,000 (Nil) Units of HDFC FMP 92D March 2016-Regular Growth-Series 35	150.00	-
	• 10,000,000 (Nil) Units of ICICI Prudential FMP Series 78 95 days Plan K-Cumulative	100.00	-
	• 10,000,000 (Nil) Units of Reliance Fixed Horizon Fund XXX-Series 9-Growth Plan	100.00	-
Total B		4,893.46	2,241.65
TOTAL [A+B]		5,311.69	2,791.65
Aggregate amount of unquoted investments		5,311.69	2,791.65
Aggregate diminution in carrying amount of unquoted investments		0.69	-

(₹ in million)

17 Inventories (At lower of cost and net realizable value)		
	As at 31 st March 2016	As at 31 st March 2015
Raw Material and Packing Material (Including Goods in Transit: ₹ 38.67 million (₹ 69.94 million))	1,456.97	1,762.16
Work-in-Progress (Including Goods in Transit: ₹ 15.63 million (₹ 17.88 million))	465.20	518.59
Finished Goods (Including Goods in Transit: ₹ 248.4 million (₹ 359.92 million))	2,666.19	2,710.66
Stock-in-Trade (acquired for trading) (Including Goods in Transit: ₹ 12.26 million (₹ 17.5 million))	325.54	316.72
Stores and Spares	28.12	39.05
TOTAL	4,942.02	5,347.18

18 Trade Receivables		
	As at 31 st March 2016	As at 31 st March 2015
Outstanding for period exceeding six months from the date they were due for payment		
• Secured, considered good	13.50	8.97
• Unsecured, considered good	72.29	118.98
• Considered doubtful	189.68	144.95
	275.47	272.90
Less: Provision for doubtful receivables	189.68	144.95
Total (A)	85.79	127.95
Other Trade Receivables - considered good		
• Secured, considered good	550.47	480.66
• Unsecured, considered good	4,952.34	4,537.22
Total (B)	5,502.81	5,017.88
TOTAL (A+B)	5,588.60	5,145.83

19 Cash and Cash Equivalents		
	As at 31 st March 2016	As at 31 st March 2015
Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)		
Cash on Hand	1.12	2.13
Cheques on Hand	177.51	197.89
Balance with Banks		
In Current Account (Refer Note a & b)	68.21	154.01
In EEFC Account	219.66	91.67
In Fixed Deposit Accounts with original maturity of 3 months or less	200.00	-
Total Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)	666.50	445.70
Other Bank Balances		
• In Fixed Deposit Accounts with original maturity of more than 12 months (Refer Note c)	14.82	4.15
• In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months (Refer Note c)	10.82	19.08
Earmarked Account		
Dividend Payment Bank Account	21.32	12.02
Total Other Bank Balances	46.96	35.25
TOTAL	713.46	480.95
Cash and Cash Equivalents as per AS 3	666.50	445.70

Note:

- Balance with banks in Current Account includes debit balance of Cash Credit Accounts amounting to ₹ 38.86 million (₹ 32.28 million).
- Balance with banks in Current Account includes the balances having restriction on repatriation amounting to ₹ 5.02 million (₹ 6.06 million).
- Of the above, Fixed Deposit amounting to ₹ 25.64 million (₹ 22.28 million) is under lien.

(₹ in million)

20 Short-Term Loans and Advances		
	As at 31 st March 2016	As at 31 st March 2015
Loan and advances to related parties* (Refer Note a below)		
Unsecured, Considered good	49.88	44.22
Considered doubtful	3.25	-
	53.13	44.22
Less: provision for doubtful balances	3.25	-
	49.88	44.22
Unsecured, Considered Good		
Security Deposit	23.63	22.88
Advances to vendors	137.06	163.61
Other loans and advances		
• Prepaid Expenses	41.50	47.69
• Balances with Government Authorities	270.60	285.05
• Loans and Advances to Employees & Others*	107.50	111.06
• Share Application Money in Subsidiary Company	1.66	0.84
TOTAL	631.83	675.35

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

	As at 31 st March 2016	As at 31 st March 2015
Name of Party		
• Parekh Marketing Ltd	-	0.02
• Vinyl Chemicals (India) Ltd	0.39	-
• Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	10.67	14.62
• Pidilite MEA Chemicals LLC (Formerly known as Jupiter Chemicals LLC)	11.37	2.89
• Pidilite USA Inc	0.42	8.97
• Pidilite Speciality Chemicals Bangladesh Pvt Ltd	13.16	7.55
• Pidilite Bamco Ltd	1.60	0.16
• Bamco Supply and Services Ltd	0.21	0.16
• Pidilite Innovation Centre Pte Ltd	0.02	0.02
• Pidilite Industries Egypt SAE	11.19	6.53
• Pagel Concrete Technologies Pvt Ltd	3.25	3.25
• PIL Trading (Egypt) Company	-	0.05
• Pidilite Lanka (Private) Limited	0.85	-
TOTAL	53.13	44.22

*Loans given for business purpose.

(₹ in million)

21 Other Current Assets			
		As at 31 st March 2016	As at 31 st March 2015
Export Benefits receivable			
Unsecured, Considered good		122.01	34.25
Considered doubtful		2.50	-
		124.51	34.25
Less: provision for doubtful balances		2.50	-
		122.01	34.25
Unsecured, considered good			
Other Receivables		21.14	6.09
Interest Accrued:			
• Bank Deposits		1.50	1.16
• Investments		7.51	7.51
Deferred Premium on Forward Contract		3.92	2.86
TOTAL		156.08	51.87
22 Revenue from Operations			
		For the year ended 31 st March 2016	For the year ended 31 st March 2015
Revenue from Operations (gross)			
Sale of Products			
Finished Goods		47,366.42	43,747.42
Traded Goods		3,018.13	2,834.33
TOTAL (A)		50,384.55	46,581.75
Other Operating Revenue			
Scrap Sales		116.31	128.61
Cash Discount Received		29.38	31.02
Export Incentives		135.01	73.09
TOTAL (B)		280.70	232.72
Revenue from Operations (gross) (A+B)		50,665.25	46,814.47
Less: Excise Duty		3,320.25	2,833.73
TOTAL		47,345.00	43,980.74
Details of Products sold			
		For the year ended 31 st March 2016	For the year ended 31 st March 2015
Finished Goods			
Chemicals		39,755.34	35,246.09
Dyes		6,089.43	6,531.19
Others		1,521.65	1,970.14
TOTAL		47,366.42	43,747.42
Traded Goods			
Chemicals		2,186.36	1961.28
Dyes		23.26	27.98
Others		808.51	845.07
TOTAL		3,018.13	2,834.33

(₹ in million)

23 Other Income		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Interest on:		
Bank Deposit	2.86	83.08
Overdue Trade Receivables	16.74	15.52
Others	16.23	12.21
Dividend on:		
Current Investments - Others	15.25	0.03
Long-term Investments - Associates	11.18	7.45
Net Gain on Sale of:		
Current Investments	209.52	94.01
Long-term Investments	-	54.64
Other Non-Operating Income:		
Windmill Income	44.16	27.42
Royalty & Technical Knowhow Income	26.35	16.48
Insurance claim received	0.70	8.28
Liabilities/ provisions no longer required written back	15.89	31.14
Rental income from operating leases	26.18	10.74
Miscellaneous Income	52.90	66.69
TOTAL	437.96	427.69
24 Cost of Materials Consumed		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Inventory at the beginning of the year	1,762.16	1,578.92
Add: Purchases	20,289.92	22,871.37
	22,052.08	24,450.29
Less: Inventory at the end of the year	1,456.97	1,762.16
TOTAL	20,595.11	22,688.13
Details of Materials Consumed		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Vinyl Acetate Monomer	3,088.84	3,668.86
Other Raw Materials (Gross of resale of Raw Materials)	12,669.85	14,041.88
Packing Material	4,836.42	4,977.39
TOTAL	20,595.11	22,688.13
25 Details of Purchase of Stock in Trade		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Chemicals	1,509.63	1,169.46
Dyes	26.91	23.03
Others	510.16	468.60
TOTAL	2,046.70	1,661.09

(₹ in million)

26 Change in Inventories of Finished Goods, Work in Progress and Stock in Trade		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Inventories at end of the year		
Stock-in-Trade	325.54	316.72
Work-in-Progress	465.20	518.59
Finished Goods	2,666.19	2,710.66
(A)	3,456.93	3,545.97
Inventories at beginning 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
(B)	3,545.97	3,473.58
TOTAL (B)-(A)	89.04	(72.39)
Increase / (Decrease) of Excise Duty on inventory of FG	91.36	4.59
TOTAL	180.40	(67.80)
27 Employee Benefits Expense		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Salaries and Wages	4,199.19	3,762.50
Contribution to Provident and Other Funds	211.55	228.06
Expense on employee stock option (ESOP) scheme	38.23	4.02
Staff Welfare Expenses	127.29	99.28
TOTAL	4,576.26	4,093.86
28 Finance Costs		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Interest expense on:		
Borrowings	0.95	42.34
Dealer Deposits & others	57.43	52.71
TOTAL	58.38	95.05
29 Depreciation and Amortisation Expense		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Depreciation on Tangible Assets (Refer Note 11)	814.33	838.98
Amortisation of Intangible Assets (Refer Note 12)	335.77	238.22
TOTAL	1,150.10	1,077.20

(₹ in million)

30 Other Expenses			For the year ended 31 st March 2016	For the year ended 31 st March 2015
	Consumption of Stores and Spares		156.95	147.74
	Clearing, Forwarding and Octroi Duty		2,195.59	2,077.06
	Power and Fuel		422.51	484.78
	Water Charges		22.57	21.98
	Rent		290.75	247.47
	Rates and Taxes		21.00	17.25
	Insurance		29.25	27.70
	License fees		4.89	6.29
	Repairs:			
	Buildings	47.74		37.31
	Machinery	99.02		98.51
	Others	53.28		36.24
			200.04	172.06
	Directors' Fees		1.15	1.69
	Advertisement and Publicity		1,778.74	1,785.47
	Legal, Professional and Consultancy fees		465.02	300.98
	Communication Expenses		144.52	121.38
	Printing and Stationery		52.79	43.63
	Travelling and Conveyance Expenses		799.21	762.50
	Bad Debts		9.91	19.82
	Provision for Doubtful Debts, Advances and Other Receivables		67.92	13.37
	Processing and Packing Charges		670.59	618.50
	Sales commission		35.86	33.40
	Payments to Auditor (Refer Note 46)		9.25	6.67
	Donations		4.05	3.23
	Corporate Social Responsibility Expenses (Refer Note 52)		130.48	114.39
	Adjustment to the carrying amount of Investment (Other than Subsidiaries)-Current Investments		0.69	-
	Loss on Fixed Assets Sold / Discarded (Net)		22.83	3.42
	Net loss on foreign currency transactions and translation		29.20	24.61
	Miscellaneous expenses		1,207.38	944.08
	TOTAL		8,773.14	7,999.47
31 Exceptional Items (net)			For the year ended 31 st March 2016	For the year ended 31 st March 2015
	Provision for Diminution in value of Investment in Subsidiary Company		270.00	127.00
	Voluntary Retirement Scheme		-	49.05
	TOTAL		270.00	176.05

(₹ in million)

32 Contingent Liabilities and Commitments		As at 31 st March 2016	As at 31 st March 2015
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	200.41	133.26
b)	Excise duty claims disputed by the Company relating to issues of classifications.	83.28	25.34
c)	Sales tax claims disputed by the Company relating to issues of declaration forms and classifications.	1,437.93	662.68
d)	Other Matters (relating to disputed electricity duty, Gram Panchayat Tax, open access charges, etc.)	23.65	31.58
2 a) Guarantees given by Banks in favour of Government and others			
b) Guarantees given by Company*			
	Pidilite USA Inc	132.60	375.66
	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	205.53	150.27
	Pidilite Bamco Ltd	28.51	97.95
	Pidilite MEA Chemicals LLC (Formerly known as Jupiter Chemicals LLC)	361.00	90.33
	Pidilite Lanka (Private) Limited	159.78	-
	Bamco Supply and Services Ltd	9.61	19.24
TOTAL		897.03	733.45
*Guarantee given are for business purpose.			
B) Commitments:			
a)	Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	186.29	435.57
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	29.20	24.61

34 Disclosure as per Regulation 34(3) of Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015

a) Loans and Advances in the nature of loans given to subsidiaries, associates, firms/ companies in which directors are interested

Name of the Companies	31 st March 2016			31 st March 2015	
	Relationship	Amount Outstanding	Maximum Balance Outstanding during the year	Amount Outstanding	Maximum Balance Outstanding during the year
i) Pagel Concrete Technologies Pvt Ltd	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 and have been fully provided for.

(₹ 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 2016	For the year ended 31 st March 2015	For the year ended 31 st March 2016	For the year ended 31 st March 2015
	(₹ in million)		%	
Raw Materials				
Imported	6,841.75	7,776.85	43.42	43.91
Indigenous	8,916.94	9,933.89	56.58	56.09
TOTAL	15,758.69	17,710.74	100.00	100.00
Packing Materials				
Imported	0.75	2.22	0.02	0.04
Indigenous	4,835.67	4,975.17	99.98	99.96
TOTAL	4,836.42	4,977.39	100.00	100.00
Consumables and Spares				
Imported	11.39	20.17	7.26	13.65
Indigenous	145.56	127.57	92.74	86.35
TOTAL	156.95	147.74	100.00	100.00

36 Value of imports calculated on CIF basis			
		For the year ended 31 st March 2016	For the year ended 31 st March 2015
Raw Materials and Packing Materials		4,925.38	5,340.98
Capital Goods		243.01	103.74
Traded Goods		580.45	561.93
Stores and Spares		8.65	17.50
TOTAL		5,757.49	6,024.15

37 Expenditure in foreign currency (accrual basis)			
Foreign Travel		51.33	42.15
Professional fees		122.82	82.15
Royalty		26.38	36.96
Others		255.31	212.76
TOTAL		455.84	374.02

38 Earnings in Foreign Exchange			
Export of goods calculated on FOB basis*		4,301.83	4,148.85
Royalty and Technical Know How		26.35	16.48
Others		8.16	7.93
TOTAL		4,336.34	4,173.26

* 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 consists of Organic Pigments, Industrial Resins and Industrial Adhesives. Others consist of VAM manufacturing unit of Vinyl Chemicals (India) Ltd demerged into the Company wef 1 st April 2007. 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	38,901.24 (35,774.39)	8,720.96 (8,692.07)	404.47 (451.43)	48,026.67 (44,917.89)
Less: Inter Segment Revenue (at cost plus fixed margin)	32.95 (51.13)	928.82 (1,118.74)	0.60 -	962.37 (1,169.87)
Net Revenue	38,868.29 (35,723.26)	7,792.14 (7,573.33)	403.87 (451.43)	47,064.30 (43,748.02)
Segment Result	11,046.82 (7,675.50)	1,535.91 (966.65)	(48.05) 107.18	12,534.68 (8,534.97)
Unallocable Expenses				2,928.48 (2,335.83)
Unallocable Income				522.79 (463.00)
Operating Income				10,128.99 (6,662.14)
Interest Expenses				58.38 (95.05)
Interest / Dividend Income				62.26 (118.29)
Profit Before Tax				10,132.87 (6,685.38)
Tax Expense				3,102.45 (1,666.79)
Profit for the year				7,030.42 (5,018.59)
Segment Assets	13,977.81 (13,920.27)	3,886.05 (3,888.77)	387.09 (453.87)	18,250.95 (18,262.91)
Unallocable Assets				18,143.25 (14,407.67)
Total Assets				36,394.20 (32,670.58)
Segment Liabilities	5,326.16 (4,794.71)	1,512.09 (1,415.23)	47.77 (60.33)	6,886.02 (6,270.27)
Unallocable Liabilities				1,505.77 (2,905.84)
Total Liabilities				8,391.79 (9,176.11)
Other Information				
Capital Employed				28,002.41 (23,494.47)
Capital expenditure (including Capital Work in Progress) (allocable)	770.14 (3,202.30)	223.88 (242.81)	23.81 (47.06)	1,017.83 (3,492.17)
Capital Expenditure (unallocable)				326.29 (254.61)
Depreciation and Amortisation (allocable)	697.76 (610.90)	129.32 (136.62)	18.25 (19.69)	845.33 (767.21)
Depreciation and Amortisation (unallocable)				304.77 (309.99)

(₹ in million)

Information about Geographical Segments			
Geographical Segments	India	Other Countries	Total
Revenue for the year	42,539.85	4,524.45	47,064.30
	(39,309.71)	(4,438.31)	(43,748.02)
Segment Assets	17,260.71	990.24	18,250.95
	(17,225.91)	(1,037.00)	(18,262.91)
Capital expenditure incurred during the year	1,344.12	-	1,344.12
	(3,746.44)	(0.34)	(3,746.78)

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 2016	As at 31st March 2015
Basic:		
Total Operations for the year		
Profit for the year	7,030.42	5,018.59
Weighted average number of equity shares in calculating basic EPS	512,667,202	512,650,979
Par value per share (₹)	1.00	1.00
Earning per share (Basic) (₹)	13.71	9.79
Diluted:		
Total Operations for the year		
Profit for the year	7,030.42	5,018.59
Weighted average number of equity shares in calculating basic EPS	512,667,202	512,650,979
Add: Effect of ESOS	233,800	279,500
Weighted average number of equity shares in calculating diluted EPS	512,901,002	512,930,479
Par value per share (₹)	1.00	1.00
Earning per share (Diluted) (₹)	13.71	9.78

41 Details of Forward Contract and Unhedged foreign currency exposure as at the end of Year.

	Foreign Currency		₹ in million	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
(a) Forward Contract outstanding				
USD - Buy	6,900,000.00	4,149,388.75	457.47	259.79
EUR - Sale	79,848.60	-	5.99	-
(b) No of Contracts Outstanding	4	12		
(c) The purpose of taking the forward cover is to hedge the risk arising due to foreign currency exposure.				
(d) Foreign currency exposures as on 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 2016	31 st March 2015	31 st March 2016	31 st March 2015
Amounts recoverable / (advance) in foreign currency on account of the following:				
EUR	1,357,171.39	944,516.49	101.81	63.89
GBP	-	(6,785.00)	-	(0.63)
USD	12,609,669.56	14,440,508.34	836.02	904.12
ZAR	(59,733.18)	41,593.82	(0.27)	0.21
Amounts payable / (advance) in foreign currency on account of the following:				
AED	104,756.68	50,210.96	1.89	0.86
AUD	12,100.00	49,915.00	0.61	2.38
BDT	1,694,341.40	2,707,360.66	1.44	2.18
BRL	249,143.28	249,143.28	4.59	4.83
CHF	1,639.35	37,185.15	0.11	2.40
EGP	950.00	(109,066.97)	0.01	(0.90)
EUR	(211,805.94)	708,378.17	(15.89)	47.91
GBP	44,740.00	(29,873.64)	4.25	(2.76)
GHC	-	(34,153.21)	-	(0.56)
JPY	(1,605,000.00)	558,000.00	(0.95)	0.29
SGD	(226,510.08)	(232,765.13)	(11.12)	(10.59)
USD	(125,288.53)	(1,968,698.91)	(8.31)	(123.26)
ZAR	100,103.69	83,985.69	0.44	0.43

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 Pvt Ltd	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.	Pidilite MEA Chemicals LLC (Formerly known as 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
aa.	Pidilite Lanka (Private) Limited	Subsidiary
ab.	Wood Coat Pvt Ltd	Subsidiary
ac.	Building System Solution Trading Limited Liability Company	Subsidiary
ad.	Plus Call Technical Services L.L.C	Substantial Interest in Voting Power (Joint Venture)
(ii) Key Management Personnel:		
a.	Shri M B Parekh*	Executive Chairman
b.	Shri Bharat Puri (wef 10 th April, 2015)*	Managing Director
c.	Shri A B Parekh	Whole Time Director
d.	Shri A N Parekh	Whole Time Director
e.	Shri J L Shah (upto 19 th May, 2015)	Whole Time Director
f.	Shri Sabyaschi Patnaik (wef 19 th May, 2015)	Whole Time Director
g.	Shri N K Parekh (Joint Managing Director upto 31 st March, 2015)	Non-Executive Vice Chairman
* Wef 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.		
(iii) Relatives of Key Management Personnel:		
a.	Smt. Mala M Parekh	Wife of Executive Chairman

42	(iv)	Transactions with Related Parties for the year ended 31 st March, 2016 are as follows:							
	Nature of Transaction	Remune- ration to Directors	Parekh Marketing Ltd	Vinyl Chemicals (India) Ltd	Nitin Enter- prises	Fevicol Company Ltd	Bhimad Com- mercial Company Pvt Ltd	Madhumala Traders Pvt Ltd	Pagel Concrete Technologies Pvt Ltd
a.	Sales and Related Income		837.47	NIL	NIL	NIL	NIL	NIL	NIL
			(710.66)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
b.	Other Income		NIL	NIL	NIL	NIL	NIL	NIL	NIL
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
c.	Purchases and Other Related Services		NIL	2,866.88	334.89	NIL	NIL	NIL	NIL
			(NIL)	(3,605.96)	(262.31)	(NIL)	(NIL)	(NIL)	(NIL)
d.	Remuneration to Key Management Personnel:								
	- Shri M B Parekh	35.39							
		(150.37)							
	- Shri N K Parekh	12.67							
		(29.31)							
	- Shri Bharat Puri	118.93							
		(NIL)							
	- Shri A B Parekh	49.71							
		(40.17)							
	- Shri A N Parekh	43.54							
		(32.91)							
	- Shri J L Shah	0.97							
		(3.04)							
	- Shri S Patnaik	17.89							
		(NIL)							
	- Shri R Sreeram	NIL							
		(12.74)							
e.	Investment in Share Capital		NIL	NIL	NIL	NIL	NIL	NIL	NIL
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
f.	Purchase of Fixed Assets		NIL	NIL	NIL	NIL	NIL	NIL	NIL
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
g.	Sale of Fixed Assets		NIL	NIL	NIL	NIL	NIL	NIL	NIL
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
h.	Advance paid		0.30	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)
j.	Reimbursement of expenses made		0.26	NIL	NIL	NIL	NIL	NIL	NIL
			(0.45)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
k.	Reimbursement of expenses received		NIL	NIL	NIL	NIL	NIL	NIL	NIL
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
l.	Diminution in value of Investment		NIL	NIL	NIL	NIL	NIL	NIL	NIL
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
m.	Corporate guarantee given to bank		NIL	NIL	NIL	NIL	NIL	NIL	NIL
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
n.	Outstanding Balances:								
	- Debtors		144.58	NIL	NIL	NIL	NIL	NIL	3.25
			(122.88)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(3.25)
	- Creditors		0.02	145.83	13.27	NIL	NIL	NIL	NIL
			(NIL)	(253.23)	(5.76)	(NIL)	(NIL)	(NIL)	(NIL)
	- Net Outstanding Receivable/(Payable)		144.56	(145.83)	(13.27)	NIL	NIL	NIL	3.25
			(122.88)	((253.23))	((5.76))	(NIL)	(NIL)	(NIL)	(3.25)

42	(iv)	Transactions with Related Parties for the year ended 31 st March, 2016 are as follows:							
	Nature of Transaction	Pidilite International Pte Ltd	Pidilite Middle East Ltd	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Pidilite USA Inc	Pidilite MEA Chemicals LLC (Formerly known as Jupiter Chemicals LLC)	PT Pidilite Indonesia	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	Pidilite Innovation Centre Pte Ltd
a.	Sales and Related Income	NIL (NIL)	NIL (NIL)	NIL (NIL)	76.94 (69.36)	469.71 (187.35)	NIL (NIL)	150.98 (67.03)	6.12 (4.39)
b.	Other Income	NIL (NIL)	NIL (NIL)	NIL (0.30)	1.28 (4.37)	4.69 (2.89)	NIL (NIL)	14.67 (7.55)	0.13 (0.15)
c.	Purchases and Other Related Services	2.64 (2.41)	NIL (NIL)	NIL (NIL)	55.89 (10.34)	NIL (NIL)	5.52 (4.68)	NIL (NIL)	73.67 (84.14)
d.	Remuneration to Key Management Personnel:								
	- Shri M B Parekh								
	- Shri N K Parekh								
	- Shri Bharat Puri								
	- Shri A B Parekh								
	- Shri A N Parekh								
	- Shri J L Shah								
	- Shri S Patnaik								
	- Shri R Sreeram								
e.	Investment in Share Capital	86.05 (NIL)	199.23 (189.90)	127.31 (178.99)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
f.	Purchase of Fixed Assets	NIL (NIL)	NIL (NIL)	2.92 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
g.	Sale of Fixed Assets	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (1.59)	NIL (NIL)	NIL (NIL)	NIL (NIL)
h.	Advance paid	NIL (NIL)	NIL (NIL)	NIL (1.98)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
i.	Rent Paid / (Received)	NIL (NIL)	NIL (NIL)	NIL ((0.40))	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
j.	Reimbursement of expenses made	NIL (NIL)	NIL (NIL)	NIL (NIL)	7.44 (6.48)	40.82 (34.29)	0.03 (0.38)	NIL (NIL)	0.60 (0.54)
k.	Reimbursement of expenses received	NIL (NIL)	NIL (NIL)	NIL (2.39)	9.55 (6.92)	3.30 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
l.	Diminution in value of Investment	NIL (NIL)	NIL (NIL)	270.00 (127.00)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
m.	Corporate guarantee given to bank	NIL (NIL)	NIL (NIL)	205.53 (NIL)	132.60 (NIL)	361.00 (NIL)	NIL (NIL)	NIL (NIL)	NIL (NIL)
n.	Outstanding Balances:								
	- Debtors	NIL (NIL)	NIL (NIL)	10.67 (14.62)	31.72 (52.63)	172.34 (189.93)	NIL (NIL)	29.98 (20.49)	4.49 (1.83)
	- Creditors	1.34 (0.91)	NIL (NIL)	NIL (NIL)	35.72 (2.20)	NIL (NIL)	0.30 (0.57)	NIL (NIL)	10.97 (10.70)
	- Net Outstanding Receivable/(Payable)	(1.34) ((0.91))	NIL (NIL)	10.67 (14.62)	(4.00) (50.43)	172.34 (189.93)	(0.30) ((0.57))	29.98 (20.49)	(6.48) ((8.87))

42 (iv) Transactions with Related Parties for the year ended 31st March, 2016 are as follows:

	Nature of Transaction	Pidilite Industries Egypt SAE	Pidilite Bamco Ltd	Bamco Supply and Services Limited	Pidilite Industries Trading (Shanghai) Co Ltd	PIL Trading (Egypt) Company	Building Envelope Systems India Ltd	Percept Water-proofing Services Ltd	Hybrid Coatings
a.	Sales and Related Income	50.52	NIL	NIL	NIL	32.89	3.32	137.53	NIL
		(44.14)	(9.36)	(NIL)	(NIL)	(33.05)	(NIL)	(136.21)	(NIL)
b.	Other Income	8.06	3.13	0.70	NIL	NIL	NIL	0.12	0.66
		(5.63)	(2.12)	(0.74)	(NIL)	(NIL)	(NIL)	(NIL)	(1.30)
c.	Purchases and Other Related Services	NIL	NIL	NIL	11.40	NIL	52.93	NIL	88.67
		(NIL)	(1.32)	(NIL)	(16.03)	(NIL)	(NIL)	(2.53)	(96.41)
d.	Remuneration to Key Management Personnel:								
	- Shri M B Parekh								
	- Shri N K Parekh								
	- Shri Bharat Puri								
	- Shri A B Parekh								
	- Shri A N Parekh								
	- Shri J L Shah								
	- Shri S Patnaik								
	- Shri R Sreeram								
e.	Investment in Share Capital	0.82	NIL	NIL	NIL	NIL	64.50	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
f.	Purchase of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
g.	Sale of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
h.	Advance paid	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)	(0.07)
j.	Reimbursement of expenses made	0.18	NIL	NIL	NIL	NIL	NIL	0.41	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(0.24)	(NIL)	(NIL)	(NIL)
k.	Reimbursement of expenses received	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(0.22)	(NIL)	(0.01)	(NIL)
l.	Diminution in value of Investment	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
m.	Corporate guarantee given to bank	NIL	28.51	9.61	NIL	NIL	NIL	NIL	NIL
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
n.	Outstanding Balances:								
	- Debtors	46.37	1.60	0.21	NIL	27.86	3.32	84.02	NIL
		(56.42)	(3.93)	(0.16)	(NIL)	(30.83)	(NIL)	(66.59)	(NIL)
	- Creditors	NIL	NIL	NIL	1.86	1.05	0.95	NIL	3.12
		(NIL)	(NIL)	(NIL)	(1.28)	(NIL)	(NIL)	(NIL)	(NIL)
	- Net Outstanding Receivable/(Payable)	46.37	1.60	0.21	(1.86)	26.81	2.37	84.02	(3.12)
		(56.42)	(3.93)	(0.16)	((1.28))	(30.83)	(NIL)	(66.59)	(NIL)

42 (iv) Transactions with Related Parties for the year ended 31st March, 2016 are as follows:

	Nature of Transaction	Pidilite Chemical PLC	Nina Waterproofing Systems Pvt Ltd	Wood Coat Pvt Ltd	Pidilite Lanka (Private) Limited	Plus Call Technical Services L.L.C	Mala M Parekh	Total
a.	Sales and Related Income	NIL	119.32	NIL	53.58	NIL	NIL	1,938.38
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(1,261.55)
b.	Other Income	NIL	NIL	NIL	0.87	NIL	NIL	34.31
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(25.05)
c.	Purchases and Other Related Services	NIL	NIL	NIL	NIL	NIL	NIL	3,492.49
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(4,086.13)
d.	Remuneration to Key Management Personnel:							
	- Shri M B Parekh							35.39
								(150.37)
	- Shri N K Parekh							12.67
								(29.31)
	- Shri Bharat Puri							118.93
								(NIL)
	- Shri A B Parekh							49.71
								(40.17)
	- Shri A N Parekh							43.54
								(32.91)
	- Shri J L Shah							0.97
								(3.04)
	- Shri S Patnaik							17.89
								(NIL)
	- Shri R Sreeram							NIL
								(12.74)
e.	Investment in Share Capital	NIL	611.33	0.10	NIL	NIL	NIL	1,089.34
		(12.09)	(2.33)	(NIL)	(NIL)	(NIL)	(NIL)	(383.31)
f.	Purchase of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL	2.92
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	0.00
g.	Sale of Fixed Assets	NIL	NIL	NIL	NIL	NIL	NIL	0.00
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(1.59)
h.	Advance paid	NIL	NIL	NIL	NIL	NIL	NIL	0.30
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(1.98)
i.	Rent Paid / (Received)	NIL	NIL	NIL	NIL	NIL	6.16	6.16
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(5.68)	(5.75)
j.	Reimbursement of expenses made	NIL	NIL	NIL	0.60	NIL	NIL	50.34
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(42.38)
k.	Reimbursement of expenses received	NIL	NIL	NIL	1.26	NIL	NIL	14.11
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(9.54)
l.	Diminution in value of Investment	NIL	NIL	NIL	NIL	NIL	NIL	270.00
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(127.00)
m.	Corporate guarantee given to bank	NIL	NIL	NIL	159.78	NIL	NIL	897.03
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	0.00
n.	Outstanding Balances:							
	- Debtors	NIL	94.38	NIL	36.41	NIL	NIL	691.20
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(563.56)
	- Creditors	NIL	NIL	NIL	NIL	NIL	NIL	214.43
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(274.65)
	- Net Outstanding Receivable/(Payable)	NIL	94.38	NIL	36.41	NIL	NIL	476.77
		(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(NIL)	(288.91)

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 2016	For the year ended 31 st March 2015
(i) Contribution to Provident Fund	93.86	95.09
(ii) Contribution to Employees' Superannuation Fund	6.74	6.14
(iii) Contribution to Employees' State Insurance Scheme	3.34	2.77
(iv) Contribution to Employees' Pension Scheme 1995	59.75	46.31
(v) Contribution to National Pension Scheme	4.44	4.64
TOTAL	168.13	154.95
(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%	7.75%
(ii) Rate of increase in Compensation levels (per annum)	6.50%	6.50%
(iii) Expected Rate of Return on Assets	8.45%	9.00%
(iv) Attrition Rate	upto 5 yrs - 19%, 5 - 10 yrs - 9%, Above 10 yrs - 8%	upto 5 yrs - 19%, 5 - 10 yrs - 9%, Above 10 yrs - 8%
(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 2016	31 st March 2015			
		Gratuity Funded	Gratuity Funded			
(i)	Changes in Present value of Obligation					
a.	Opening Present value of Obligation	461.59	386.99			
b.	Interest Cost	34.00	33.41			
c.	Current Service Cost	38.64	30.70			
d.	Benefits Paid	(45.85)	(31.60)			
e.	Actuarial (Gain)/Loss	4.03	42.09			
f.	Closing Present value of Obligation	492.41	461.59			
(ii)	Changes in Fair value of Plan Assets					
a.	Opening Present value of Plan Assets	428.41	350.56			
b.	Expected Return on Plan Assets	39.58	33.57			
c.	Actuarial Gain/(Loss)	(3.00)	(0.62)			
d.	Employer's Contributions	68.70	76.50			
e.	Benefits Paid	(45.85)	(31.60)			
f.	Closing Fair value of Assets	487.84	428.41			
(iii)	Actual Return on Plan Assets					
a.	Expected Return on Plan Assets	39.58	33.57			
b.	Actuarial Gains/(Losses) on Plan Assets	(3.00)	(0.62)			
c.	Actual Return on Plan Assets	36.58	32.95			
(iv)	Percentage of each category of Plan Assets to Total Closing Fair value					
a.	Administered by Life Insurance Corporation of India	487.84	428.41			
(v)	Reconciliation of the Present Value of Defined Present Obligations and Fair Value of Assets					
a.	Closing Present value of Funded Obligation	492.41	461.59			
b.	Closing Fair value of plan Assets	487.84	428.41			
c.	Funded (Asset) / Liability recognised in the Balance Sheet	4.57	33.18			
(vi)	Amounts recognised in the Balance Sheet					
a.	Closing Present value of Obligation	492.41	461.59			
b.	Closing Fair value of Plan Assets	487.84	428.41			
c.	(Asset) / Liability recognized in the Balance Sheet	4.57	33.18			
(vii)	Expenses recognized in the Statement of Profit and Loss					
a.	Current Service Cost	38.64	30.70			
b.	Interest Cost	34.00	33.41			
c.	Expected Return on Plan Assets	(39.58)	(33.57)			
d.	Net Actuarial (Gain) / Loss	7.03	42.71			
e.	Total Expenses recognized in the Statement of Profit and Loss	40.09	73.25			
(viii)	Experience adjustments					
		31 st March 2016	31 st March 2015	31 st March 2014	31 st March 2013	31 st March 2012
	Fair value of Plan Assets, End of Period	487.84	428.41	350.56	315.59	278.46
	Projected Benefit Obligation, End of Period	492.41	461.59	386.99	348.53	305.63
	(Surplus)/Deficit in the Plan	4.57	33.18	36.43	32.94	27.17
	Experience Adjustments on Plan Assets	(3.00)	(0.62)	(0.48)	3.92	-
	(Gains)/losses due to change in Assumptions	-	34.05	(13.14)	2.88	11.27
	Experience (Gains)/Losses on PBO	4.03	8.04	26.81	12.54	2.11
	Total (Gain)/Loss	4.03	42.09	13.67	15.42	13.38
(ix)	Expected company contribution for the next year	105.71	108.51			

(₹ in million)

44 Research & Development Expenditure		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Capital expenditure included in fixed assets	30.81	10.50
Revenue expenditure charged to Statement of Profit and Loss	290.94	243.84
TOTAL	321.75	254.34

45 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006		
	As at 31 st March 2016	As at 31 st March 2015
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	93.86	142.05
(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	93.86	142.05

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 2016	For the year ended 31 st March 2015
Audit fees	4.93	3.00
Other Services:		
Limited Review	1.95	1.50
Certification Fees	1.58	1.96
Reimbursement of expenses	0.41	0.21
Others*	0.38	-
TOTAL	9.25	6.67

* Fees paid to network firm.

47 Employee Stock Option Scheme	
a)	<p>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). 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.</p> <p>The ESOS-2012 allows the issue of options to employees of the Company. Each option comprises one underlying equity share. Out of the 49000 options granted earlier, 20,500 options were exercised in the year 2014-15 and 12,500 options were exercised in the year 2015-16. During the year, 2,33,800 options were granted to the eligible employees of the Company. The exercise price of each option shall be ₹ 1/- per equity share. The options vest in the manner as specified in ESOS 2012. 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.</p> <p>ESOP- 2016 covering grant of 45,00,000 options (including 250,000 Options to be granted to Employees / Directors of the subsidiary Companies) was approved by the shareholders through Postal Ballot. Result of the Postal Ballot was declared on 2nd April, 2016. The exercise price shall be ₹ 1/- per option or such other higher price as may be fixed by the Board or Committee. Options to be granted under the Plan shall vest not earlier than One year but not later than a maximum of Six years from the date of grant of such Options. In the case of Eligible Employee who has not completed 3 years of employment as on date of the grant of Options then the Options which are due for Vesting before completion of 3 years as above, shall vest as on the completion of 3 years of employment in the Company by the Employee concerned or as may be approved by the Nomination and Remuneration Committee. Vested Options will have to be exercised within 3 years from the date of respective Vesting.</p> <p>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.</p>

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

	For the year ended 31 st March 2016		For the year ended 31 st March 2015	
	Options (Nos)	Weighted average exercise price per option (₹)	Options (Nos)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:	14,500	₹ 1	49,000	₹ 1
- ESOS 2012				
Granted during the year:	233,800	₹ 1	Nil	₹ 1
Vested during the year:	12,500	₹ 1	20,500	₹ 1
Exercised during the year:	12,500	₹ 1	20,500	₹ 1
Lapsed during the year:	2,000	₹ 1	14,000	₹ 1
Options outstanding at the end of the year:	233,800	₹ 1	14,500	₹ 1
Options available for grant:	33,200	₹ 1	265,000	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year		₹ 569.00		₹ 413.53
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 2016	For the year ended 31 st March 2015
Profit (as reported)	7,030.42	5,018.59
Add: stock based employee compensation (intrinsic value)	38.23	4.02
Less: stock based compensation expenses determined under fair value method for the grants issued (See note (d) below)	36.64	3.80
Net Profit / (Loss) (proforma)	7,032.01	5,018.81
Basic earnings per share (as reported) (₹)	13.71	9.79
Basic earnings per share (proforma) (₹)	13.72	9.79
Diluted earnings per share (as reported) (₹)	13.71	9.78
Diluted earnings per share (proforma) (₹)	13.71	9.78

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:

(₹ in million)

Options granted on 29.10.2013		
Assumptions	31 st March 2016	31 st March 2015
Risk Free Interest Rate	8.76%	8.76%
Expected Life	4.5 yrs	3.5 yrs
Expected Annual Volatility of Shares	26.15%	26.15%
Expected Dividend Yield	1.16%	1.14%

(₹ in million)

Options granted on 27.07.2015		
Assumptions	31 st March 2016	31 st March 2015
Risk Free Interest Rate	8.07%	-
Expected Life	3.5 yrs	-
Expected Annual Volatility of Shares	52.17%	-
Expected Dividend Yield	0.91%	-

Options granted on 29.01.2016		
Assumptions	31 st March 2016	31 st March 2015
Risk Free Interest Rate	7.80%	-
Expected Life	3.5 yrs	-
Expected Annual Volatility of Shares	54.46%	-
Expected Dividend Yield	0.93%	-

48 Operating Lease

a) Operating lease payment recognised in Statement of Profit and Loss amounting to ₹ 290.75 million (₹ 247.47 million)

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 3 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 2016	For the year ended 31 st March 2015
not later than one year	21.23	33.52
later than one year and not later than five years	19.38	40.61
later than five years	-	-

- 49 During the previous year, as per the requirement of the provisions of Schedule II of the Companies Act, 2013 (the “Act”), the Management had 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 were 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 to the Companies Act, 2013, the Company had 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 had 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.

- 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 During the year,

- Pidilite International Pte Ltd and Pidilite Middle East Ltd, Wholly Owned Subsidiaries of the Company have set up a Joint Venture Company namely Pidilite Lanka (Private) Limited along with the Joint venture Partner, Macbertan Holdings (Private) Limited in Srilanka to “carry on the business as manufacturers and sellers of manufactured products and trade and market all kinds of products and services including but not limited to adhesives, binders, sealants, synthetic and natural resins and products thereof”.
- Pidilite Middle East Ltd, Wholly Owned Subsidiary of the Company, has set up a subsidiary named “Building System Solution Trading Limited Liability Company” in Qatar to carry out “trading of building materials”.
- The Company along with its wholly owned subsidiary Fevicol Company Ltd incorporated Wood Coat Pvt Ltd to be engaged in all types of coatings for wood including wood stains, fillers, primers, wood finish etc.

- 52 In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Company during the year was ₹ 127.94 million (₹ 113.25 million). The Company has paid / spent ₹ 130.48 million (₹ 114.39 million) during the year.

- 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, 2016

(₹ in million)

	31 st March 2016	31 st March 2015
A	Cash Flows From Operating Activities	
Profit before tax	10,132.87	6,685.38
Adjustments to reconcile profit before tax to net cash flows		
Depreciation / amortisation	1,150.10	1,077.20
Provision for Diminution in value of Investment	270.69	126.83
Finance Costs	58.38	95.05
Dividend income	(26.43)	(7.48)
Interest income	(35.83)	(110.81)
(Profit) / Loss on Sale of Investment	(209.52)	(148.65)
(Profit) / Loss on Sale of Assets	22.83	3.42
Unrealized Foreign exchange loss / (Gain)	23.66	0.11
Provision for employee benefits	7.93	12.33
Deferred Employee compensation expense	38.23	4.02
Provision for doubtful debts	67.92	13.37
	1,367.96	1,065.39
Operating Profit before Working Capital changes	11,500.83	7,750.77
Movements in working capital:		
Increase/ (decrease) in trade payables	210.35	(50.67)
Increase/ (decrease) in other current liabilities	423.97	497.61
Decrease/ (increase) in inventories	405.16	(265.17)
Decrease/ (increase) in trade receivables	(472.43)	(650.79)
Decrease/ (increase) in long-term loans and advances	24.44	(70.36)
Decrease/ (increase) in short-term loans and advances	41.09	174.61
Decrease/ (increase) in other current assets	(106.37)	58.21
Decrease/ (increase) in other non-current assets	50.06	(8.51)
	576.27	(315.07)
Cash generated from operations	12,077.10	7,435.70
Direct taxes paid (net of refunds)	(3,004.70)	(1,701.04)
Net Cash flows generated from Operating Activities (A)	9,072.40	5,734.66
B	Cash Flows From Investing Activities	
Purchase of Fixed Assets including intangible assets, CWIP	(1,206.56)	(3,858.26)
Proceeds from sale of Fixed Assets	2.33	5.56
Purchase of investments (current & non-current)	(24,051.01)	(15,363.95)
Proceeds from sale/ maturity of current Investments	20,510.50	14,218.84
(Increase)/ decrease in share application money	(0.82)	1.54
(Increase)/ decrease in bank deposits (having maturity of more than three months)	(11.71)	433.21
Interest received	35.49	109.35
Dividend received	26.43	7.48
Net Cash flows used in Investing Activities (B)	(4,695.35)	(4,446.23)

Cash Flow Statement

For The Year Ended 31st March, 2016

(₹ in million)

	31 st March 2016	31 st March 2015
C Cash Flows From Financing Activities		
Issue of Share Capital	0.02	0.02
Net Increase in Short-Term Borrowings	(46.62)	(19.04)
Finance Costs	(58.38)	(95.05)
Dividend paid (Including Dividend Tax, where applicable)	(4,032.20)	(1,619.14)
Net Cash Flows used in Financing Activities (C)	(4,137.18)	(1,733.21)
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	239.87	(444.78)
Cash and Cash Equivalents at the beginning of the year	437.11	881.89
Cash and Cash Equivalents at the end of the year	676.98	437.11
	239.87	(444.78)
Reconciliation of Cash and Cash equivalents with the Balance Sheet:		
Cash and Bank Balances as per Balance Sheet (Refer Note 19)	666.50	445.70
Unrealised gain on foreign currency cash and cash equivalents	10.48	(8.59)
Cash and Cash equivalents as restated as at the year end	676.98	437.11

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 comprises 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 ₹ 5.02 million (₹ 6.06 million).
- In respect of Corporate Social Responsibility activities, the Company has paid / spent ₹ 130.48 million (₹ 114.39 million) during the year.
- 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, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

PRADEEP JAIN
Chief Financial Officer

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 19th May, 2016

Corporate Governance Report

In compliance with Regulation 34(3) and Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) 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 Listing Regulations. The Company endeavours to ensure that highest standards of ethical and responsible conduct are met.

2. Board of Directors

During the Financial Year 2015-16, 7 Board Meetings were held on 19th May, 2015, 28th July, 2015, 1st September, 2015, 16th October, 2015*, 28th October, 2015, 29th January, 2016 and 11th March, 2016.

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 positions as on 31st March, 2016 are given below:

Sr. No.	Name	DIN	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 M B Parekh# (Executive Chairman)	00180955	ED(P)	7	Yes	9	1	-
2.	Shri N K Parekh (Vice Chairman)	00111518	NED(P)	7	Yes	10	1	-
3.	Shri Bharat Puri## (Managing Director)	02173566	ED	6	Yes	1	-	-
4.	Shri A B Parekh (Whole Time Director)	00035317	ED(P)	7	Yes	15	-	-
5.	Shri A N Parekh (Whole Time Director)	00111366	ED(P)	6	Yes	16	-	-
6.	Shri N J Jhaveri ### (upto 06.06.2015)	00198912	NED (I)	1	NA	NA	NA	NA
7.	Shri Bansi S Mehta	00035019	NED (I)	6	Yes	10	6	2
8.	Shri Ranjan Kapur	00035113	NED (I)	5	Yes	8	1	-
9.	Shri Sanjeev Aga	00022065	NED (I)	5	Yes	6	4	2
10.	Shri Uday Khanna	00079129	NED (I)	6	Yes	6	3	2
11.	Smt. Meera Shankar	06374957	NED (I)	7	Yes	2	1	-
12.	Shri J L Shah ### (upto 19.05.2015)	00045662	ED	1	NA	NA	NA	NA
13.	Shri Sabyaschi Patnaik @ (wef 19.05.2015)	07183784	ED	5	Yes	-	-	-
14.	Shri Vinod Kumar Dasari@@ (wef 01.09.2015)	00345657	NED(I)	2	NA	9	-	1

* Meeting was held on 16th October, 2015 and continued upto 18th October, 2015.

** 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, (excluding Private Limited Company, Foreign Company and Section 8 Company) as provided in Regulation 26(1) of Listing Regulations.

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

Shri Bharat Puri has been appointed as Managing Director wef 10th April, 2015.

Ceased to be a Director.

@ Appointed as a Whole Time Director wef 19th May, 2015.

@@ Appointed as an Additional and Independent Director wef 1st September, 2015. As per Section 152 of the Companies Act, 2013 was entitled to attend Board meeting only from 16th October, 2015 and could not attend Board meeting held at shorter notice (11.03.2016).

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

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.

The number of shares held by Non-Executive Directors as on 31st March, 2016:

Shri Ranjan Kapur - Nil; Shri B S Mehta -24716; Shri Sanjeev Aga - Nil; Shri Uday Khanna - 5000; Smt. Meera Shankar - Nil; Shri Vinod Kumar Dasari-Nil.

The Familiarisation programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company and can be accessed through the following link: <http://www.pidilite.com/financials-policies.html>

Independent Directors' Meeting

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25(3) of Listing Regulations, a meeting of the Independent Directors of the Company was held on 16th October, 2015.

3. Audit Committee

During the financial year 2015-16, 5 meetings of the Committee were held on 18th May, 2015, 27th July, 2015, 1st September, 2015, 28th October, 2015 and 28th January, 2016.

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)	5
2	Shri N J Jhaveri *	Member	NED (I)	1
3	Shri Ranjan Kapur	Member	NED (I)	4
4	Shri M B Parekh	Member	ED(P)	5
5	Shri Uday Khanna#	Member	NED (I)	1

* Ceased to be a member wef 6th June, 2015 due to demise.

At the Board meeting held on 1st September, 2015, Shri Uday Khanna was appointed as a Member of the Audit Committee. Shri Bharat Puri, Managing Director is a permanent invitee, ex-officio.

The Company Secretary is the Secretary of the Committee. The Chief Financial Officer, Vice President – Domestic Accounts, Chief Internal Auditor, 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 under Regulation 18 and Part C of Schedule II of Listing Regulations and Section 177 of the Companies Act, 2013. The remuneration of Chief Internal Auditor, is reviewed by the management.

4. Nomination and Remuneration Committee

A. During the financial year 2015-16, 5 meetings of the Committee were held on 19th May, 2015, 27th July, 2015, 1st September, 2015, 16th October, 2015 and 29th January, 2016.

Nomination and Remuneration Committee also functions as Compensation Committee as per SEBI (Share Based Employee Benefits) Regulations, 2014.

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)	4
3	Shri N K Parekh#	Member	NED (P)	4

Members elect Chairman at each meeting.

Shri N K Parekh was appointed as a member wef 15th May, 2015.

Shri Bharat Puri resigned as a member wef 18th May, 2015.

During the year, the President of Business Resource Group was the Secretary of the Committee.

Committee's constitution and terms of reference are in compliance with the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of Listing Regulations, SEBI (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.

The criteria for performance evaluation cover the areas relevant to the functioning of Independent Directors such as preparation, participation, conduct and effectiveness.

B. Remuneration of Directors

Executive Directors' remuneration details for the financial year 2015-16 are given below:

Sr. No.	Name	Salary * (₹)	Commission Payable (₹)	Perquisites (₹)	Total (₹)	Tenure (No. of years)	Stock option details
1	Shri M B Parekh (Executive Chairman)	1,53,40,261	-	1,82,61,780	3,36,02,041	5 years from 01/08/2013**	-
2	Shri Bharat Puri (Managing Director)	4,72,87,504	4,00,28,889***	2,52,29,617	11,25,46,010	5 years from 10/04/2015	2,00,000#
3	Shri A B Parekh (Whole Time Director)	65,74,391	3,58,24,445	64,43,821	4,88,42,657	5 years from 01/08/2013	-
4	Shri A N Parekh (Whole Time Director)	57,29,989	3,07,06,667	63,35,699	4,27,72,355	5 years from 01/07/2015	-
5	Shri J L Shah (Whole Time Director upto 19.05.2015)	9,67,742	-	-	9,67,742	1 year from 04/11/2014	-
6	Shri Sabyaschi Patnaik (Whole Time Director)	55,08,000	-	1,17,16,864	1,72,24,864	3 years from 19/05/2015	400#

* Includes House Rent Allowance

** Shri M B Parekh was Managing Director from 1st August, 2013 to 10th April, 2015 and Executive Chairman from 10th April, 2015.

*** Refers to Commission (₹ 2,55,88,889/-) and also Variable Pay (₹ 1,44,40,000/-) payable to Shri Bharat Puri.

The Stock options are not issued at Discount.

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.

Period over which accrued and over which exercisable.

Sr. No.	Name of the Director	Vesting date	No. of options	Exercise period
1	Shri Bharat Puri	10/04/2017 10/04/2018	1,00,000 1,00,000	5 years from the date of vesting
2	Shri Sabyaschi Patnaik	29/01/2017 29/01/2018	200 200	5 years from the date of vesting

Details of fixed component and performance linked incentives, along with the performance criteria

a) Service Contracts

Notice period for the Executive Directors is as applicable to the senior employees of the Company except for Shri Bharat Puri where the notice period is of 365 days. No severance fee is payable to the Executive Directors on termination of employment.

b) 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, 2016 are as under:

Sr. No.	Name	Sitting fees (₹)	Commission Payable (₹)	Total (₹)
1	Shri N J Jhaveri*	40,000	2,71,233	3,11,233
2	Shri B S Mehta	3,40,000	15,00,000	18,40,000
3	Shri Ranjan Kapur	2,60,000	15,00,000	17,60,000
4	Shri Sanjeev Aga	1,46,000	15,00,000	16,46,000
5	Shri Uday Khanna	1,60,000	15,00,000	16,60,000
6	Smt. Meera Shankar	1,60,000	15,00,000	16,60,000
7	Shri Vinod Kumar Dasari	40,000	8,75,342	9,15,342
8	Shri N K Parekh	-	15,00,000	15,00,000

* Ceased to be a Director wef 6th June, 2015 due to demise.

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.

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 14th January, 2016 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	NED (P)
3	Shri A B Parekh	Member	ED(P)

The Committee has the power to look into redressal of shareholders'/investors' grievance such as complaints relating to transfer/transmission of shares, 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 Listing Regulations.

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 1022 of which only 14 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. 1 request for transfer and 6 requests for dematerialization of shares were pending as on 31st March, 2016 which were resolved by 6th April, 2016.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. All the Directors, Employees and other persons specified therein are governed by this Code. The Company has appointed Shri A N Parekh, Whole Time Director and Smt. Savithri Parekh, Company Secretary as the Compliance Officer.

6. Risk Management Committee

In compliance with the provisions of Regulation 21 of Listing Regulations and Companies Act, 2013, Risk Management Committee has been constituted under Chairmanship of Shri Banshi Mehta and presently consists of Shri Uday Khanna, Shri A N Parekh, Shri Sabyaschi Patnaik, Shri A D Ubhaykar, Shri Sanjay Bahadur and Shri Pradeep Jain as members.

7. Corporate Social Responsibility (CSR) Committee

The composition of the CSR Committee is in alignment with provisions of Section 135 of the Companies Act, 2013.

The Committee met 2 times during the financial year 2015-16 on 19th May, 2015 and 29th January, 2016. The constitution of the CSR Committee of the Board of Directors of the Company along with the details of the meetings attended by the members of the Committee during the financial year 2015-16 is detailed below:

Sr. No.	Name	Designation	Category	No. of meetings attended
1	Shri N K Parekh	Member	NED (P)	2
2	Shri Sanjeev Aga	Member	NED (I)	2
3	Shri A B Parekh	Member	ED (P)	2
4	Shri Sabyaschi Patnaik*	Member	ED	1
5	Smt. Meera Shankar**	Member	NED (I)	1

Members elect Chairman at each meeting.

* Shri Sabyaschi Patnaik was appointed as a member of the CSR Committee wef 1st September, 2015.

** Smt. Meera Shankar was appointed as a member of the CSR Committee wef 28th October, 2015.

Smt. Savithri Parekh acts as Secretary to the Committee.

The CSR Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Formulate and recommend to the Board a Corporate Social Responsibility policy indicating the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred.
- Monitor the Corporate Social Responsibility Policy.

The details of the CSR initiatives of the Company form part of the CSR Section in the Annual Report. The CSR Policy has been placed on the website of the Company and can be accessed through the following link:

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

8. 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
2014-15	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	1 st September, 2015 at 11.00 a.m.
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.

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

2014-15

- No Special Resolutions were passed.

2013-14

- Approval for offer, issue and 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 a 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).

Postal Ballot:

During the year 2015-16, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following two Special Resolutions by postal ballot :

	Special Resolutions	Votes cast in favour of the resolution		Votes cast against the resolution		Invalid Votes		Date of declaration of result
		No.	%	No.	%	No.	%	
1	Special Resolution for approval of Employee Stock Option Plan 2016 (ESOP 2016) under Section 62(1)(b) of the Companies Act, 2013	428868398	95.10	22043489	4.89	33606	0.01	2 nd April, 2016
2	Special Resolution for approval of grant of options to the Employees / Directors of its Subsidiary company/ies under ESOP 2016 under Section 62(1)(b) of the Companies Act, 2013	428877041	95.10	22045013	4.89	42037	0.01	2 nd April, 2016

The Company successfully completed the process of obtaining approval of its shareholders for Special Resolutions on the items detailed above, vide postal ballot.

Shri M M Sheth of M M Sheth & Co., Company Secretaries was appointed as the scrutinizer for carrying out the postal ballot process in a fair and transparent manner.

No Special Resolutions are proposed to be conducted through postal ballot in the ensuing Annual General Meeting.

Procedure for postal ballot

In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules and Listing Regulations, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company generally engages the services of NSDL for the purpose of providing e-voting facility to all its members. The members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its members whose names appear on the register of members /list of beneficiaries as on a cut-off date. The postal ballot notice is sent to members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding)/the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting.

The scrutinizer submits his report to the Chairman or any other Director of the Company, after the completion of scrutiny of the postal ballots (including remote e-voting). The results of the postal ballot (including remote e-voting) are announced by the Chairman or any other Director of the Company. The results are also displayed at the registered office of the Company, intimated to NSDL and the Stock Exchanges where the Company's shares are listed and also displayed along with the Scrutinizer's report on the Company's website viz. www.pidilite.com. The resolution, if passed by requisite majority, shall be deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting.

9. Means of Communication

- The quarterly results of the Company are normally published in the following newspapers:
Financial Express (English) and Loksatta (Marathi) and are displayed on the Company's website (www.pidilite.com). The abridged results and extract of standalone and consolidated results were 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.

10. General Information for Shareholders

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

11. 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, 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 a Vigil Mechanism and Whistle Blower Policy for Directors and 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.

- The Company has complied with all applicable mandatory requirements of Listing Regulations.
- Sample letter of appointment issued to Independent Director is available on the website of the Company.
- Policy for determining 'material' subsidiary is uploaded on the website of the Company and can be accessed through the following link: <http://www.pidilite.com/financials-policies.html>
- Company's Policy on Related Party Transactions is uploaded on the website of the Company and can be accessed through the following link: <http://www.pidilite.com/financials-policies.html>
- In order to manage foreign exchange risk, the Company hedges net Imports through appropriate forward contracts on a staggered basis. The Company does not have any foreign currency debt. The details of foreign currency, exposure are disclosed in the notes to the Annual Accounts.

12. Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations

Details of Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI are as follows:

Description	No. of Records	No. of Equity Shares of ₹ 1/- each
No. of shareholders and outstanding shares at the beginning of the year	245	204469
No. of shareholder's request received for transfer of shares during the year	11	7834
No. of shareholders to whom shares transferred during the year	11	7834
No. of shareholders and outstanding shares at the end of the year	234	196635

The voting rights on the above shares shall remain frozen till the rightful owner of such shares claims the shares.

13. Compliance of Discretionary requirements under Regulation 27 of Listing Regulations

- The Chairman of the Company is Executive Chairman.
- As the financial results are published in the newspapers and also posted on Company's website, the same are not being sent to the shareholders.
- The Company's financial statements for the financial year ended 31st March, 2016 does not contain any modified audit opinion.
- Shri Bharat Puri is Managing Director and Chief Executive Officer of the Company. Shri M B Parekh is the Executive Chairman of the Company.
- The Internal Auditor reports to the Audit Committee.

14. Information relating to Directors

Information relating to Directors seeking appointment / reappointment as required under Regulation 36(3) of Listing Regulations is given in the Notice of the Annual General Meeting.

15. Declaration by the Managing Director under Schedule V (D)

Declaration by the Managing Director of the Company under Schedule V (D) of Listing Regulations:

"Pursuant to Schedule V (D) of Listing Regulations, I hereby declare that all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended 31st March, 2016."

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 for the financial year ended 31st March, 2016 under Clause 49 of the Listing Agreement with BSE Limited and National Stock Exchange of India Limited for the period from 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Regulation 15(2), Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from 1st December, 2015 to 31st March, 2016. 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 Listing Agreement/ Listing Regulations as applicable.

Date: 19th May, 2016
Mumbai

For M M SHETH & CO
Company Secretaries

M M SHETH
Proprietor
FCS.1455, CP.729

Information for Shareholders

Annual General Meeting

Day, Date and Time:

Friday, 2nd September, 2016 at 11.00 a.m.

Venue:

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

Financial Year: 1st April, 2015 to 31st March, 2016

Date of Book Closure:

26th August, 2016 to 2nd September, 2016 (both days inclusive-only in case of shares held in physical form).

Dividend Payment:

Interim Dividend for financial year 2015-16 of ₹ 3.65 per Equity Share declared by the Board on 11th March, 2016 was paid on 28th March, 2016.

Credit/dispatch of final dividend will commence from 6th September, 2016, 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 Limited (BSE) and National Stock Exchange of India Limited (NSE). The Annual Listing fee for the financial year 2016-17 has been paid to BSE and NSE.

Stock Codes

Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.	500331
National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.	PIDILITIND

Market Price Data

Share prices during the financial year 2015-16 at NSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April, 2015	611.70	537.00
May, 2015	611.95	535.25
June, 2015	567.85	521.10
July, 2015	578.00	531.00
August, 2015	610.80	507.30
September, 2015	576.95	542.00
October, 2015	589.90	555.00
November, 2015	579.90	523.05
December, 2015	564.85	520.30
January, 2016	575.90	528.50
February, 2016	648.00	558.00
March, 2016	610.00	562.45

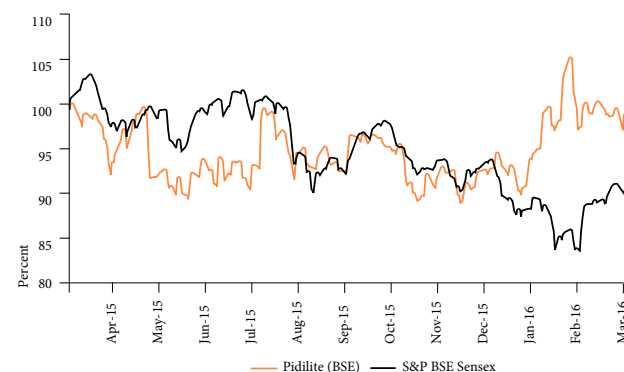
Share prices during the financial year 2015-16 at BSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April, 2015	611.70	537.65
May, 2015	611.55	535.80
June, 2015	568.00	521.20
July, 2015	577.15	531.25
August, 2015	610.95	507.50
September, 2015	575.00	540.10
October, 2015	589.90	556.00
November, 2015	578.30	523.95
December, 2015	566.00	521.05
January, 2016	575.00	528.75
February, 2016	647.55	558.10
March, 2016	610.00	565.10

Stock Performance

Base is considered to be 100 as on 31st March, 2015.

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



Registrar and Share 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, 2016

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 5000	66,762	96.52	1,92,90,865	3.76
5001 – 10000	1,654	2.39	1,25,44,983	2.45
10001– 20000	344	0.50	50,20,035	0.98
20001 – 30000	99	0.14	24,53,212	0.48
30001 – 40000	52	0.08	18,78,330	0.37
40001 – 50000	38	0.05	17,32,306	0.34
50001 – 100000	63	0.09	47,43,604	0.92
100001 and above	158	0.23	46,50,11,995	90.70
Total	69,170	100.00	51,26,75,330	100
No. of Shareholders and shares in physical mode	1,617	2.34	32,02,692	0.62
No. of beneficial owners and shares in electronic mode	67,553	97.66	50,94,72,638	99.38
Total	69,170	100.00	51,26,75,330	100.00

Dematerialisation of shares & liquidity

As on 31st March, 2016, 99.38% of total equity shares of the Company were held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. 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, Taloja, Karad (Maharashtra); Vapi, Surat (Gujarat); Daman (Union Territory of India); Kala Amb, Baddi (Himachal Pradesh); Secunderabad (Telangana); Guwahati (Assam).

Address for Correspondence

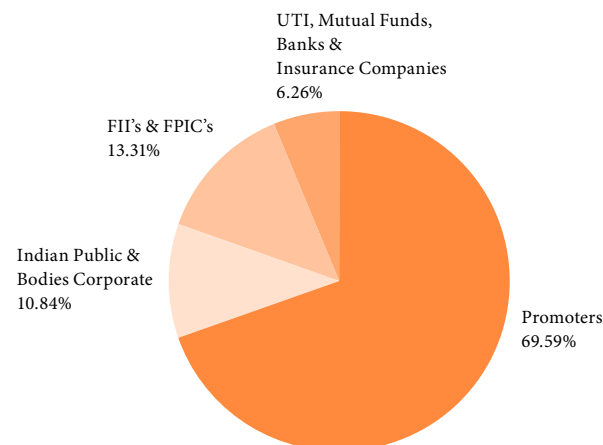
Registered Office:

Regent Chambers, 7th Floor, Jamnalal 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 - 400 059
Tel No : 022-28357000/7949
Fax No : 022-28216007
E-mail : investor.relations@pidilite.co.in
Website : www.pidilite.com

Shareholding Pattern as on 31st March, 2016



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, 2016.

Employee Stock Options

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

**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"), its associate and jointly controlled entity, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10)

of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters 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, its associate and jointly controlled entity as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements / financial information of 24 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 6,891.6 million as at 31st March, 2016, total revenues of ₹ 6,097.8 million and net cash flows amounting to ₹ 305.2 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 ₹ 29.3 million for the year ended 31st March, 2016, 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, is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements / financial information of a jointly controlled entity, whose financial statements / financial information reflect total assets of ₹ 247.3 million as at 31st March, 2016, total revenues of ₹ 48.1 million and net cash flows amounting to ₹ NIL 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 jointly controlled entity, 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 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 prescribed under Section 133 of the Act, as applicable.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and jointly controlled company incorporated in India, none of the directors of the Group companies, its associate company and jointly controlled company incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in “Annexure A”, which is based on the auditors’ reports of the Holding company, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company’s, subsidiary company’s and associate company’s, incorporated in India, internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entity. Refer Note 33(A) to consolidated financial statements.
- ii. The Group, its associate and jointly controlled entity 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 Holding Company, its subsidiary companies and associate company, incorporated in India.

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

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

Place: Mumbai
Date: 19th May, 2016

Annexure “A” to Independent Auditors’ Report

To the Members of Pidilite Industries Limited for the year ended 31st March, 2016

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Pidilite Industries Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies, its associate company and jointly controlled company, which are companies incorporated in India, as of 31st March, 2016, in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Holding Company, its subsidiary companies, its associate company and jointly controlled company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the Guidance Note”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit of the Holding Company, its subsidiary companies, its associate company and jointly controlled company, which are companies incorporated in India. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the

Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies, its associate company and jointly controlled company, which are

companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 8 subsidiary companies and an associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Place: Mumbai
Date: 19th May, 2016

Consolidated Balance Sheet

As at 31st March, 2016

(₹ in million)

Particulars	Note No.	As at 31 st March 2016	As at 31 st March 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	512.68	512.66
Reserves and Surplus	4	27,316.37	22,193.12
		27,829.05	22,705.78
Minority Interest			
		427.29	51.04
Non-Current liabilities			
Long-Term Borrowings	5	93.61	5.00
Deferred Tax Liabilities (net)	6	702.03	576.69
Other Long-Term Liabilities	7	122.85	-
Long-Term Provisions	8	292.70	229.73
		1,211.19	811.42
Current liabilities			
Short-Term Borrowings	9	749.24	579.17
Trade Payables			
Micro & Small Enterprises		94.03	143.86
Other than Micro & Small Enterprises	10	3,697.54	3,175.19
		3,791.57	3,319.05
Other Current Liabilities	11	4,508.66	3,613.47
Short-Term Provisions	12	564.88	2,078.16
		9,614.35	9,589.85
TOTAL		39,081.88	33,158.09
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13	7,793.37	6,422.74
Intangible Assets	14	3,279.97	3,146.69
Capital Work-In-Progress		4,001.48	4,618.20
		15,074.82	14,187.63
Goodwill on Consolidation		239.25	215.48
Non-Current Investments	15	1,177.94	907.35
Deferred Tax Assets (net)	16	32.23	10.44
Long-Term Loans and Advances	17	978.24	1,062.24
Other Non-Current Assets	18	97.03	68.11
		17,599.51	16,451.25
Current Assets			
Current Investments	19	5,311.69	2,791.65
Inventories	20	6,290.01	6,410.35
Trade Receivables	21	7,293.99	5,861.12
Cash and Cash Equivalents	22	1,319.32	760.04
Short-Term Loans and Advances	23	798.63	823.13
Other Current Assets	24	468.73	60.55
		21,482.37	16,706.84
TOTAL		39,081.88	33,158.09
Significant Accounting Policies	2		
See accompanying notes forming part of the consolidated financial statements	1 to 52		

In terms of our Report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

B. P. SHROFF

Partner

Place: Mumbai

Date: 19th May, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI

Managing Director

PRADEEP JAIN

Chief Financial Officer

M B PAREKH

Executive Chairman

SAVITHRI PAREKH

Company Secretary

Place: Mumbai

Date: 19th May, 2016

Consolidated Statement of Profit and Loss

For The Year Ended 31st March, 2016

(₹ in million)

Particulars	Note No.	For the year ended 31 st March 2016	For the year ended 31 st March 2015
INCOME			
Revenue from Operations (gross)	25	57,098.78	51,328.62
Less: Excise Duty		3,404.31	2,887.58
Revenue from Operations (net)		53,694.47	48,441.04
Other Income	26	509.89	454.86
Total Income		54,204.36	48,895.90
EXPENSES			
Cost of Materials Consumed	27	22,986.21	24,609.50
Purchases of Stock-in-Trade (Traded goods)		2,659.88	2,198.47
Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	28	216.89	(122.37)
Employee Benefits Expense	29	5,743.41	4,972.51
Finance Costs	30	132.70	156.43
Depreciation and Amortisation Expense	31	1,331.27	1,177.57
Other Expenses	32	10,349.13	9,075.41
Total Expenses		43,419.49	42,067.52
Profit before Exceptional Items and Tax		10,784.87	6,828.38
(Add) / Less: Exceptional Items (net)	33	-	49.05
Profit before Tax		10,784.87	6,779.33
Tax Expense			
Current Tax		3,101.39	1,596.12
Deferred Tax		119.67	97.96
Net Tax Expense		3,221.06	1,694.08
Profit after tax before share of profit of Associate and Minority Interest		7,563.81	5,085.25
Add: Share of Profit in Associate		29.28	50.23
Profit after tax before Minority Interest		7,593.09	5,135.48
Less: Minority Interest		37.59	9.79
Profit for the year		7,555.50	5,125.69
Earnings Per Share	36		
Basic (₹)		14.74	10.00
Diluted (₹)		14.73	9.99
Face Value of Share (₹)		1.00	1.00
Significant Accounting Policies	2		
See accompanying notes forming part of the consolidated financial statements	1 to 52		

In terms of our Report attached

For DELOITTE HASKINS & SELLS

Chartered Accountants

B. P. SHROFF

Partner

Place: Mumbai

Date: 19th May, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director

PRADEEP JAIN
Chief Financial Officer

M B PAREKH
Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai
Date: 19th May, 2016

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 applicable rules of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”). 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.

2.2 Principles of consolidation

The Consolidated Financial Statements relate to Pidilite Industries Limited (‘the Company’), its subsidiary companies, joint venture 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, joint venture and an associate used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31st March, 2016.
- 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) Share of profit / loss, assets and liabilities in the joint ventures, which are not subsidiaries, have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, incomes and expenses on a proportionate basis to the extent of the Group’s equity interest in such entity as per AS 27 Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group’s share in the entity.
- e) The excess of cost to the Group of its investments in the subsidiary companies, joint venture and associate company 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 subsidiaries, joint venture and associate company 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.
- f) 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.
- g) 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.
- h) Goodwill arising on consolidation is not amortised but tested for impairment.

- i) Following subsidiary companies, joint venture 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 2016	31 st March 2015
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) Pidilite MEA Chemicals LLC (Formerly known as 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%	98.99%
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 Pvt Ltd	Subsidiary	India	70%	70%
xxiv) Wood Coat Pvt Ltd	Subsidiary	India	100%	-
xxv) Building System Solution Trading Limited Liability Company	Subsidiary	Qatar	100%	-
xxvi) Pidilite Lanka (Private) Limited	Subsidiary	Sri Lanka	76%	-
xxvii) Plus Call Technical Services L.L.C	Joint Venture	Dubai	40%	-
xxviii) Vinyl Chemicals (India) Ltd	Associate	India	40.64%	40.64%

The Consolidated Financial Statement 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, in whose case, the life of assets has been assessed as under:

a)	Buildings	20 years
b)	Leasehold improvements	5 to 20 years
c)	Plant & Machinery	5 to 10 years
d)	Vehicles	4 to 8 years
e)	Furniture & Fixtures	5 to 10 years
f)	Office Equipments	3 to 10 years

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

- a) Goodwill (acquired) - 10 years, except in case of foreign subsidiaries Goodwill is tested only for impairment.
- b) Computer Software - 5 to 10 years
- c) Other intangibles (Copyrights, Trademarks, Technical Knowhow etc. acquired by the Company) - 15 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 realizable 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 recognized upon transfer of significant risk 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 recognized on accrual basis.

Income from sale of service is recognized as sale as and when the related services are performed and certified by the client. Services performed and not certified by the client, are recognized as Sales and are recorded as uncertified revenue and unbilled revenue under Short Term Loans and Advances. Incomplete services are recorded at cost as work in progress and disclosed under Inventories.

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 recognized in reserves are recognized 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.

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 exceed 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 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".

2.18 Employee share based payments

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014. 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 Regulations; 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 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 2016	As at 31 st March 2015
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:			
	512,675,330 (512,662,830) Equity Shares of ₹ 1 each, fully paid-up	512.68	512.66
	TOTAL	512.68	512.66

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 2016		As at 31 st March 2015	
	Number of Shares	₹ in million	Number of Shares	₹ in million
Equity Shares				
Shares outstanding at the beginning of the year	512,662,830	512.66	512,642,330	512.64
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	12,500	0.02	20,500	0.02
Shares outstanding at the end of the year	512,675,330	512.68	512,662,830	512.66

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.

The Board of Directors at its meeting held on 11th March, 2016 declared an interim dividend of ₹ 3.65 per equity share of ₹ 1 each. At the Board Meeting held on 19th May, 2016, a final dividend of ₹ 0.50 per equity share of ₹ 1 each has been recommended by the Board of Directors, subject to approval of the shareholders at the ensuing Annual General Meeting. If approved, the total dividend (interim and final dividend) for the financial year 2015-16 will be ₹ 4.15 per equity share of ₹ 1 each (₹ 2.90 per equity share of ₹ 1 each was paid as dividend for the previous year).

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

	As at 31 st March 2016		As at 31 st March 2015	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	56,777,568	11.07	56,777,568	11.07
Shri Narendrakumar Kalyanji Parekh	53,332,178	10.40	53,832,178	10.50
Shri Ajay Balvantray Parekh	48,998,844	9.56	48,998,844	9.56
Shri Sushilkumar Kalyanji Parekh	42,358,636	8.26	42,358,636	8.26
Genesis Indian Investment Co. Ltd. - General Sub fund	33,487,289	6.53	39,453,809	7.70
Devkalyan Sales Pvt Ltd	26,224,280	5.12	26,224,280	5.12

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 2016	As at 31 st March 2015
	Number of shares	Number of shares

Equity Shares

Allotted as fully paid bonus shares (in 2009-10)	-	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 42):

	As at 31 st March 2016	As at 31 st March 2015
	Number of shares	Number of shares
Equity Shares of ₹ 1 each	267,000	279,500

(₹ in million)

4 Reserves and Surplus	As at 31 st March 2016	As at 31 st March 2015
Capital Reserve	3.37	3.37
State Investment Fund	1.53	-
Securities Premium Account		
Balance as per last financial statements	656.35	650.97
Add: Premium on Shares issued against ESOP	3.27	5.38
Closing Balance	659.62	656.35
Cash Subsidy Reserve	9.47	9.47
Legal Reserve	2.35	2.41
Employee Stock Options Outstanding		
- Employees Stock Options Outstanding		
Balance as per last financial statements	3.80	12.85
Add: Options granted during the year	127.57	-
Less: Transferred to Security Premium on options exercised during the year	3.27	5.38
Less: Lapsed during the year	0.53	3.67
Closing Balance (A)	127.57	3.80
- Deferred Employees Stock Options Cost		
Balance as per last financial statements	(1.10)	(8.79)
Add: Options granted during the year	(127.57)	-
Add: Exercised during the year	0.95	3.11
Add: Amortisation during the year	37.66	1.90
Add: Lapsed during the year	0.15	2.68
Closing Balance (B)	(89.91)	(1.10)
Closing Balance (A+B)	37.66	2.70
General Reserve		
Balance as per last financial statements	17,647.02	16,897.02
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	-	750.00
Closing Balance	17,647.02	17,647.02
Foreign Currency Translation reserve		
Opening Balance	432.92	459.89
Add/ (Less): Addition during the year	88.78	(26.97)
Closing Balance	521.70	432.92
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	3,438.88	986.50
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 46)	-	(133.93)
Add: Profit for the year	7,555.50	5,125.69
Less: Interim Dividend	1,871.26	-
Amount per share ₹ 3.65 (₹ Nil)		
• Tax on interim dividend	380.95	-
Proposed final equity dividend	256.34	1,486.72
Amount per share ₹ 0.50 (₹ 2.90)		
• Tax on proposed final equity dividend	52.18	302.66
Transferred to:		
• General Reserve	-	750.00
Total	2,560.73	2,539.38
Closing Balance	8,433.65	3,438.88
TOTAL	27,316.37	22,193.12

(₹ in million)

5 Long-Term Borrowings		
	As at 31 st March 2016	As at 31 st March 2015
Unsecured - Term Loan from Bank	91.91	5.00
Secured - Term Loan From Bank*	1.70	-
TOTAL	93.61	5.00
* Secured by first exclusive charge on Stock and Book Debts.		
6 Deferred Tax Liabilities (net)		
	As at 31 st March 2016	As at 31 st March 2015
Tax effect of items constituting Deferred Tax Liabilities		
On difference between book and tax depreciation	908.02	749.34
Tax effect of items constituting Deferred Tax Liabilities	908.02	749.34
Tax effect of items constituting Deferred Tax Assets		
Provision for Employee Benefits	104.13	88.57
Provision for Doubtful Debts	75.09	50.16
Disallowance under Section 35DDA of Income Tax Act, 1961	12.81	32.56
Others	13.96	1.36
Tax effect of items constituting Deferred Tax Assets	205.99	172.65
TOTAL	702.03	576.69
7 Other Long-Term Liabilities		
	As at 31 st March 2016	As at 31 st March 2015
Other Long-Term Liabilities	122.85	-
TOTAL	122.85	-
8 Long-Term Provisions		
	As at 31 st March 2016	As at 31 st March 2015
Provision for Employee Benefits:		
Gratuity (net) (Refer Note 39)	11.12	-
Compensated Absences	226.72	175.30
Anniversary Awards	8.08	7.58
Premature Death Pension Scheme	6.25	5.10
Total Disability Pension Scheme	1.18	1.08
Other Long-Term Provision (Refer Note 44)	39.35	40.67
TOTAL	292.70	229.73
9 Short-Term Borrowings		
	As at 31 st March 2016	As at 31 st March 2015
Unsecured		
Short-Term Loan from Bank	176.66	171.16
Short-Term Loan from Financial Institutions	3.91	8.66
Loans repayable on demand from banks:		
Secured Working Capital Loan (Cash Credit / Overdraft Accounts)	313.04	57.80
Unsecured Working Capital Loan (Cash Credit / Overdraft Accounts)	255.63	341.55
TOTAL	749.24	579.17

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)

10 Trade Payables		
	As at 31 st March 2016	As at 31 st March 2015
Trade Payables		
Total outstanding dues of micro & small enterprises	94.03	143.86
Total outstanding dues to other than micro & small enterprises (Other than Acceptances)	3,697.54	3,175.19
TOTAL	3,791.57	3,319.05

11 Other Current Liabilities		
	As at 31 st March 2016	As at 31 st March 2015
Other Liabilities		
Current maturity of long term borrowings	5.01	-
Interest accrued but not due on borrowings	0.01	0.69
Unclaimed Dividend	16.88	7.49
Other Payables		
Statutory remittances	466.23	336.61
Payables on purchase of fixed assets	29.08	72.51
Employee related liabilities	226.92	289.22
Contractually reimbursible expenses	19.55	2.69
Trade/ Security Deposit received	752.73	709.97
Advance from customers	309.03	67.72
Accrued liabilities for expenses	2,683.22	2,126.57
TOTAL	4,508.66	3,613.47

12 Short-Term Provisions		
	As at 31 st March 2016	As at 31 st March 2015
Provision for Employee Benefits		
Gratuity (net) (Refer Note 39)	16.29	52.31
Compensated Absences	103.05	101.25
Anniversary Awards	1.26	0.98
Premature Death Pension Scheme	0.97	1.04
Total Disability Pension Scheme	0.19	0.16
Provision for Tax (Net of Advance Tax)	134.60	133.04
Provision for proposed final equity dividend	256.34	1,486.72
Provision for tax on proposed final equity dividend	52.18	302.66
TOTAL	564.88	2,078.16

PIDILITE INDUSTRIES LIMITED FIXED ASSET SCHEDULE AS AT 31-03-2016

(₹ in million)

PARTICULARS	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	As at 1.4.2015	Additions	Deductions/ Adjustments	Forex Gain/(Loss)	As at 31.03.2016	As at 1.4.2015	Provided during the year	Deductions/ Adjustments	Transition adjustment recorded against Surplus balance in Statement of Profit & Loss	Forex Gain/ (Loss)	As at 31.3.2016	As at 31.3.2016
13 Tangible Assets												
Freehold Land	531.46 (476.06)	102.68 (56.37)	-	(0.52) (0.97)	634.66 (531.46)	-	-	-	-	-	-	634.66 (531.46)
Leasehold Land	227.76 (214.43)	0.43 (13.33)	-	-	228.19 (227.76)	15.23 (13.12)	2.17 (2.11)	-	-	-	17.40 (15.23)	210.79 (212.53)
Buildings	2,421.11 (1,871.91)	359.47 (539.24)	0.14 (0.05)	(24.92) (10.01)	2,805.36 (2,421.11)	612.53 (541.69)	90.67 (64.61)	0.01 (11.74)	-	(1.98) (5.89)	705.17 (612.53)	2,100.19 (1,808.58)
Plant & Machinery	8,068.61 (7,300.41)	1,569.88 (887.02)	11.47 (64.81)	(9.95) (54.01)	9,636.97 (8,068.61)	4,896.86 (4,158.59)	637.69 (671.76)	64.94 (266.43)	-	(3.35) (38.26)	5,472.96 (4,896.86)	4,164.01 (3,171.75)
Vehicles	212.37 (205.80)	32.79 (24.27)	14.12 (18.15)	(0.58) (0.45)	231.62 (212.37)	128.06 (120.03)	18.84 (21.26)	13.02 (13.26)	-	(0.43) (0.34)	134.31 (128.06)	97.31 (84.31)
Furniture	610.55 (562.18)	118.72 (51.89)	8.20 (1.19)	1.24 (2.33)	719.83 (610.55)	346.02 (274.33)	62.64 (61.57)	5.44 (24.32)	-	1.07 (1.55)	402.15 (346.02)	317.68 (264.53)
Office Equipments	887.92 (802.13)	104.91 (85.54)	32.04 (1.30)	(4.68) (1.55)	965.47 (887.92)	538.34 (418.51)	125.36 (97.26)	(29.13) (43.92)	-	(3.91) (22.59)	696.74 (538.34)	268.73 (349.58)
TOTAL	12,959.78 (11,432.92)	2,288.88 (1,657.66)	65.97 (85.50)	(39.41) (45.30)	15,222.10 (12,959.78)	6,537.04 (5,526.27)	937.37 (918.57)	54.28 (333.15)	- (203.10)	(8.60) (37.85)	7,428.73 (6,537.04)	7,793.37 (6,422.74)
14 Intangible Assets												
Goodwill	1,493.78 (765.26)	69.20 (888.57)	-	17.33 (160.05)	1,545.65 (1,493.78)	465.11 (540.38)	96.08 (49.39)	-	-	16.43 (124.66)	544.76 (465.11)	1,000.89 (1,028.67)
Trademarks	2,390.59 (1,037.52)	269.40 (1,342.51)	-	(14.27) (10.56)	2,674.26 (2,390.59)	757.98 (643.68)	197.43 (114.30)	-	-	-	955.41 (757.98)	1,718.85 (1,632.61)
Computer Software	408.86 (390.20)	24.18 (21.09)	0.90 (0.15)	0.43 (2.28)	431.71 (408.86)	244.09 (197.88)	45.76 (48.11)	0.91 (0.15)	-	0.28 (1.75)	288.66 (244.09)	143.05 (164.77)
Copyrights	327.04 (298.61)	158.65 (28.43)	0.32 (0.15)	-	485.37 (327.04)	147.79 (123.89)	27.56 (19.50)	-	-	(7.16) (4.40)	182.51 (147.79)	302.86 (179.26)
Technical Knowhow Fees	230.51 (230.51)	-	-	-	230.51 (230.51)	123.73 (105.00)	18.45 (18.73)	-	-	-	142.18 (123.73)	88.33 (106.78)
Non Compete Fees	56.85 (56.85)	-	-	-	56.85 (56.85)	22.24 (13.27)	8.62 (8.97)	-	-	-	30.86 (22.24)	25.99 (34.61)
TOTAL	4,907.63 (2,778.95)	521.43 (2,280.60)	1.22 (0.15)	3.49 (151.77)	5,424.35 (4,907.63)	1,760.94 (1,624.10)	393.90 (259.00)	0.91 (0.15)	- (203.10)	9.55 (122.01)	2,144.38 (1,760.94)	3,279.97 (3,146.69)
GRAND TOTAL	17,867.41 (14,211.87)	2,810.31 (3,938.26)	67.19 (85.65)	(35.92) (197.07)	20,646.45 (17,867.41)	8,297.98 (7,150.37)	1,331.27 (1,177.57)	55.19 (333.00)	- (203.10)	0.95 (159.86)	9,573.11 (8,297.98)	11,073.34 (9,569.43)

Note:

a Assets given under Operating Lease and Finance Lease included in Note 13 above are as under:

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION						NET BLOCK	
	As at 01.04.2015	Additions	Deductions/ Adjustments	Forex Gain/ (Loss)	As at 31.03.2016	As at 01.04.2015	Provided during the year	Deductions/ Adjustments	Transition adjustment	Forex Gain/(Loss)	As at 31.03.2016	
Freehold Land												
- Given under Operating lease (Previous Year)	137.89 (16.33)	- (121.56)	- -	- -	137.89 (137.89)	- -	- -	- -	- -	- -	- -	137.89 (137.89)
Leasehold Land												
- Given under Operating lease	40.70 (21.17)	- (19.31)	- ((0.22))	- -	40.70 (40.70)	1.84 (1.34)	0.39 (0.49)	- ((0.01))	- -	- -	2.23 (1.84)	38.47 (38.86)
Buildings												
- Given under Operating lease (Previous Year)	142.95 (112.08)	178.28 (30.87)	- -	- -	321.23 (142.95)	40.56 (33.72)	9.53 (6.84)	- -	- -	- -	50.09 (40.56)	271.14 (102.39)
Vehicles												
- Taken under Finance lease	2.79 (2.79)	- -	- -	- -	2.79 (2.79)	2.79 (2.29)	- (0.50)	- -	- -	- -	2.79 (2.79)	- -
Office Equipments												
- Taken under Finance lease (Previous Year)	0.23 (0.23)	- -	0.23 -	- -	- (0.23)	0.21 (0.16)	- (0.05)	0.21 -	- -	- -	- (0.21)	- (0.02)

b Figures in bracket indicate previous year's figures.

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

(₹ in million)

15	Non-Current Investments		
		As at 31 st March 2016	As at 31 st March 2015
	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 ₹ 373.69 million (₹ 487.70 million)]		
	Add: Share in accumulated Profits / Reserves	151.38	139.35
	Carrying amount of Investment	163.17	151.14
B]	Other Investments:		
	(a) 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	0.03	0.03
	Total (a)	1.24	1.24
	(b) In Deposits (unquoted)		
	IL & FS Financials Services Limited	17.50	-
	Infrastructure Leasing & Financials Services Limited	97.50	-
	Total (b)	115.00	-
	(c) Investments in Promissory Notes		
	1 (1) Convertible Promissory Note of Optmed Inc	49.74	46.95
	Total (c)	49.74	46.95
	(d) Investments in Mutual Funds		
	Nil (10,922,740) Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Growth Option	-	109.23
	10,000,000 (10,000,000) Units of HDFC-FMP 370D Feb 2014 (1) Series 29-Growth	100.00	100.00
	Nil (10,000,000) Units of DSP- Black Rock FMP- S146-12M-reg	-	100.00
	10,000,000 (10,000,000) Units of HDFC-FMP 369D Feb 2014 (2) Series 29-Growth	100.00	100.00
	Nil (10,000,000) Units of ICICI Prudential FMP Series 73 366 days Plan A-Regular-Growth	-	100.00
	10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 366 days Plan A-Cumulative	100.00	-
	Nil (10,000,000) Units of ICICI Prudential FMP Series 73 368 days Plan D-Regular-Growth	-	100.00
	10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 368 days Plan D-Cumulative	100.00	-
	Nil (10,000,000) Units of Birla Sun life Fixed Term Plan series KN (1099 days) GR Regular	-	100.00
	10,000,000 (Nil) Units of HDFC-FMP 370D April 2014(2)Series 31-Regular-Growth	100.00	-
	10,000,000 (Nil) Units of ICICI Prudential FMP Series 73 369 days Plan S-Cumulative	100.00	-
	10,000,000 (Nil) Units of Reliance Fixed Horizon Fund XXV-Series 28-Growth Plan	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-Reg-Growth	100.00	-
	Total (d)	850.00	709.23
	Total (B) (a+b+c+d)	1,015.98	757.42
	TOTAL [A+B]	1,179.15	908.56
	Less: Provision for Diminution in value of Investments	1.21	1.21
	TOTAL	1,177.94	907.35
	Aggregate amount of quoted investments	163.17	151.14
	Aggregate amount of unquoted investments	909.98	757.42
	Aggregate market value of quoted investments	373.69	487.70

(₹ in million)

16 Deferred Tax Assets (net)		
	As at 31 st March 2016	As at 31 st March 2015
Tax effect of items constituting Deferred Tax Liabilities		
On difference between book and tax depreciation	37.46	30.09
Tax effect of items constituting Deferred Tax Liabilities	37.46	30.09
Tax effect of items constituting Deferred Tax Assets		
On difference between book and tax depreciation	-	1.19
Provision for Employee Benefits	58.25	4.59
Others	11.44	34.75
Tax effect of items constituting Deferred Tax Assets	69.69	40.53
TOTAL	32.23	10.44
17 Long -Term Loans and Advances		
	As at 31 st March 2016	As at 31 st March 2015
Unsecured, considered good		
Capital Advances	58.90	269.09
Security Deposit	192.46	121.89
Prepaid Expenses	9.29	2.93
Loans and Advances to Employees & Others	70.90	75.90
Advance Payment of Taxes (Net of Provisions)	407.86	367.90
Balance with Government Authorities	238.83	224.53
TOTAL	978.24	1,062.24
18 Other Non-Current Assets		
	As at 31 st March 2016	As at 31 st March 2015
Other Receivables		
Unsecured, Considered good	74.77	17.75
Considered doubtful	17.44	-
	92.21	17.75
Less: provision for doubtful deposits	17.44	-
	74.77	17.75
Fixed Deposits*	14.20	0.89
Export Benefits Receivable	-	49.47
Interest Accrued on Others		
- Bank Deposits	0.51	-
- Investments	7.55	-
TOTAL	97.03	68.11

* Of the above, Fixed Deposit amounting to ₹ 0.62 million (₹ 0.79 million) is under lien.

(₹ in million)

19 Current Investments	As at 31 st March 2016	As at 31 st March 2015
A] Current Portion of Long Term Investments (at cost)		
a) Investments in Mutual Funds		
• Nil (10,000,000) Units of HDFC FMP 370D April 2014 (2) Series 31-Regular-Growth	-	100.00
• 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
• Nil (10,000,000) Units of Reliance Fixed Horizon Fund XXV-Series 28-Growth Plan	-	100.00
• Nil (10,000,000) Units of ICICI Prudential FMP Series 73 369 days Plan A-Regular-Growth	-	100.00
• 10,000,000 (Nil) Units of DSP- Black Rock FMP- S146-12M-reg	100.00	-
• 10,000,000 (Nil) Units of Birla Sun life Fixed Term Plan series KN (1099 days) GR Regular	100.00	-
• 10,922,740 (Nil) Units of ICICI Prudential FMP Series 68-368 Days-Plan-G-Cumulative	109.23	-
b) Investments in Deposits with		
• IL & FS Financial Services Limited	109.00	100.00
Total A	418.23	550.00
B] Other Current Investments (at lower of cost or fair value)		
Investments in Mutual Funds		
• Nil (7,885,875) Units of DWS-Guilt Fund-Regular-Growth	-	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
• 3,742,948 (4,422,923) Units of Birla Sunlife Saving Fund Inst.Growth	1,027.95	1,169.91
• 6,096,371 (6,096,371) Units of ICICI Prudential Short Term Fund-Growth Option	150.00	150.00
• 9,103,616 (9,103,616) Units of IDFC Banking Debt Fund-Regular Growth Fund	100.00	100.00
• Nil (28,902,735) Units of ICICI Prudential Ultra Short Term-Regular-Growth (LP)	-	405.29
• 37,945,617 (Nil) Units of ICICI Prudential Ultra Short Term-Growth	545.33	-
• 5,981,314 (Nil) Units of Birla Dynamic Bond Fund-Retail-Growth-Reg plan	150.00	-
• 240,628 (Nil) Units of UTI Treasury Adv Fund-Institutional Plan-Growth	490.02	-
• 9,997,900 (Nil) Units of IDFC Corporate Bond Fund-Reg plan-Growth	100.00	-
• 140,673 (Nil) Units of SBI Premier Liquid Fund-Reg Plan-Growth	331.95	-
• 87,917 (Nil) Units of TATA Floater Fund-Regular Plan-Growth	200.00	-
• 95,040 (Nil) Units of Reliance Liquid Fund -Treasury Plan-Growth Plan Growth Option	343.55	-
• 97,537 (Nil) Units of HDFC-Liquid Fund-Growth	288.90	-
• 78,85,875 (Nil) Units of DHFL Pramerica Gilt Fund-Growth	100.00	-
• 24,015,831 (Nil) Units of HDFC Arbitrage Fund-Wholesale Plan-Non Div-Reg Gr	250.00	-
• 13,782,838 (Nil) Units of Birla SF Enhanced Arbitrage Fund-Dividend-Reg plan-Payout	149.31	-
• 15,000,000 (Nil) Units of HDFC FMP 92D March 2016-Regular Growth-Series 35	150.00	-
• 10,000,000 (Nil) Units of ICICI Prudential FMP Series 78 95 days Plan K-Cumulative	100.00	-
• 10,000,000 (Nil) Units of Reliance Fixed Horizon Fund XXX-Series 9-Growth Plan	100.00	-
Total B	4,893.46	2,241.65
TOTAL [A+B]	5,311.69	2,791.65
Aggregate amount of unquoted investments	5,311.69	2,791.65
Aggregate diminution in carrying amount of unquoted investments	0.69	-

(₹ in million)

20 Inventories (At lower of cost and net realizable value)		
	As at 31 st March 2016	As at 31 st March 2015
Raw Material and Packing Material [Including Goods in Transit: ₹ 69.11 million (₹ 73.10 million)]	2,120.38	2,106.55
Work-in-Progress [Including Goods in Transit: ₹ 15.63 million (₹ 17.88 million)]	555.55	530.46
Finished Goods [Including Goods in Transit: ₹ 265.86 million (₹ 407.49 million)]	2,771.65	2,885.39
Stock-in-Trade (acquired for trading) [Including Goods in Transit: ₹ 42.63 million (₹ 17.50 million)]	812.02	848.90
Stores and Spares	30.41	39.05
TOTAL	6,290.01	6,410.35
21 Trade Receivables		
	As at 31 st March 2016	As at 31 st March 2015
Outstanding for period exceeding six months from the date they were due for payment		
• Secured, considered good	13.50	16.96
• Unsecured, considered good	388.20	150.65
• Considered doubtful	221.57	213.21
	623.27	380.82
Less: Provision for doubtful receivables	221.57	213.21
TOTAL (A)	401.70	167.61
Other Trade Receivables - considered good		
• Secured - Considered good	550.47	480.66
• Unsecured - Considered good	6,341.82	5,212.85
• Considered doubtful	34.55	-
	6,926.84	5,693.51
Less: Provision for doubtful receivables	34.55	-
TOTAL (B)	6,892.29	5,693.51
TOTAL [A+B]	7,293.99	5,861.12

(₹ in million)

22 Cash and Cash Equivalents	As at 31 st March 2016	As at 31 st March 2015
Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)		
Cash on Hand	17.39	2.99
Cheques on Hand	190.44	197.94
Balance with Banks		
In Current Account (Refer Note a and b)	472.39	356.67
In EEFC Account	225.25	91.67
In Fixed Deposit Accounts with original maturity of less than 3 months (Refer Note c)	327.41	51.20
Total Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)	1,232.88	700.47
Other Bank Balances		
• In Fixed Deposit Accounts with original maturity of more than 12 months (Refer Note c)	17.82	4.15
• In Fixed Deposit Accounts with original maturity for more than 3 months but less than 12 months (Refer Note c)	47.30	43.40
Earmarked Account		
• Dividend Payment Bank Account	21.32	12.02
Total Other Bank Balances	86.44	59.57
TOTAL	1,319.32	760.04

- a. Balance with banks in Current Account includes debit balance of Cash Credit Accounts amounting to ₹ 38.86 million (₹ 34.63 million)
- b. Balance with banks in Current Account includes the balances having restriction on repatriation amounting to ₹ 5.02 million (₹ 6.06 million)
- c. Of the above, Fixed Deposit amounting to ₹ 25.64 million (₹ 22.28 million) is under lien.

23 Short-Term Loans and Advances	As at 31 st March 2016	As at 31 st March 2015
Unsecured, considered good		
Security deposit	28.15	30.42
Advances to vendors	183.30	204.17
Other loans & advances		
Prepaid Expenses	97.92	92.82
Balances with Government Authorities:	321.23	302.87
Loans and Advances to Employees & Others	143.36	192.85
Loan given to Joint Venture	24.67	-
TOTAL	798.63	823.13

(₹ in million)

24 Other Current Assets			
		As at 31 st March 2016	As at 31 st March 2015
Export Benefits receivable			
Unsecured, Considered good		122.01	34.25
Considered doubtful		2.50	-
		124.51	34.25
Less: provision for doubtful deposits		2.50	-
		122.01	34.25
Unsecured, considered good			
Other Receivables		44.18	13.02
Uncertified Revenue from Works Contract		164.44	-
Retention Monies Receivable		124.31	-
Interest Accrued			
- Bank Deposits		2.36	1.50
- Investments		7.51	8.92
Deferred Premium on Forward Contract		3.92	2.86
TOTAL		468.73	60.55
25 Revenue From Operations			
		For the year ended 31 st March 2016	For the year ended 31 st March 2015
Revenue from Operations (gross)			
Sale of Products			
Finished Goods		49,209.57	47,889.49
Traded Goods		5,949.14	3,023.05
		55,158.71	50,912.54
Sale of Services		1,659.37	179.42
TOTAL (A)		56,818.08	51,091.96
Other Operating Revenue			
Scrap Sales		116.31	132.55
Cash Discount Received		29.38	31.02
Export Incentives		135.01	73.09
TOTAL (B)		280.70	236.66
Revenue from operations (gross) (A+B)		57,098.78	51,328.62
Less: Excise Duty		3,404.31	2,887.58
TOTAL		53,694.47	48,441.04

(₹ in million)

26 Other Income		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Interest on:		
Bank Deposit	8.14	90.59
Overdue Trade Receivables	19.41	18.01
Others	23.17	4.72
Dividend on:		
Current Investments - Others	15.25	0.03
Net Gain on sale of:		
Current Investments	212.54	94.01
Long-Term Investments	-	54.64
Other Non-Operating Income:		
Windmill Income	44.18	27.42
Insurance claim received	0.70	8.28
Liabilities / provisions no longer required written back	15.89	31.14
Rental income from operating leases	26.18	10.74
Profit on sale of Fixed Assets	18.09	-
Miscellaneous Income	126.34	115.28
TOTAL	509.89	454.86
27 Cost of Materials Consumed		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Inventory at the beginning of the year	2,106.55	1,829.51
Add: Purchases	23,000.04	24,886.54
	25,106.59	26,716.05
Less: Inventory at the end of the year	2,120.38	2,106.55
TOTAL	22,986.21	24,609.50
28 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Inventories at the end of the year		
Stock-in-Trade	812.02	848.90
Work-in-Progress	555.55	530.46
Finished Goods	2,771.65	2,885.39
TOTAL (A)	4,139.22	4,264.75
Inventories at the beginning 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 (B)	4,264.75	4,137.79
TOTAL (B)-(A)	125.53	(126.96)
Increase of Excise Duty on inventory of Finished Goods	91.36	4.59
TOTAL	216.89	(122.37)
29 Employee Benefits Expense		
	For the year ended 31 st March 2016	For the year ended 31 st March 2015
Salaries and Wages	5,289.28	4,596.42
Contribution to Provident and Other Funds	256.44	251.01
Expense on Employee Stock Option (ESOS) Scheme	38.23	4.02
Staff Welfare Expenses	159.46	121.06
TOTAL	5,743.41	4,972.51

(₹ in million)

30	Finance Cost		
		For the year ended 31 st March 2016	For the year ended 31 st March 2015
	Interest expense on:		
	Borrowings	75.27	103.72
	Dealer Deposits & others	57.43	52.71
	TOTAL	132.70	156.43
31	Depreciation and Amortisation Expense		
		For the year ended 31 st March 2016	For the year ended 31 st March 2015
	Depreciation on Tangible Assets (Refer Note 13)	937.37	918.57
	Amortisation of Intangible Assets (Refer Note 14)	393.90	259.00
	TOTAL	1,331.27	1,177.57
32	Other Expenses		
		For the year ended 31 st March 2016	For the year ended 31 st March 2015
	Consumption of Stores and Spares	166.58	150.26
	Clearing, Forwarding and Octroi Duty	2,395.01	2,263.27
	Power and Fuel	465.93	519.86
	Water Charges	23.75	23.90
	Rent	393.61	327.87
	Rates and Taxes	26.03	18.59
	Insurance	52.45	44.68
	License Fees	16.92	9.46
	Repairs:		
	Buildings	50.38	39.33
	Machinery	113.75	113.61
	Others	61.64	43.04
		225.77	195.98
	Directors' Fees	3.14	3.06
	Advertisement and Publicity	1,932.05	1,915.01
	Legal, Professional and Consultancy Fees	478.36	342.60
	Communication Expenses	174.36	141.93
	Printing and Stationery	87.53	75.61
	Travelling and Conveyance Expenses	886.36	844.14
	Bad Debts	1.11	23.51
	Provision for Doubtful Debts, Advances and Other Receivables	86.45	14.89
	Processing and Packing Charges	670.60	618.50
	Sales Commission	151.84	156.97
	Payment to Auditors (Refer Note 41)	16.23	16.09
	Donations	4.05	3.23
	Corporate Social Responsibility Expenses (Refer Note 49)	130.48	114.39
	Adjustment to the carrying amount of Investment (Other than Subsidiaries)-Current Investments	0.69	-
	Loss on Fixed Assets Sold / Discarded (net)	-	4.18
	Net loss on foreign currency transactions and translation	48.10	58.28
	Miscellaneous Expenses	1,911.73	1,189.15
	TOTAL	10,349.13	9,075.41

(₹ in million)

33 Exceptional Items (net)		For the year ended 31 st March 2016	For the year ended 31 st March 2015
	Voluntary Retirement Scheme	-	49.05
	TOTAL	-	49.05

(₹ in million)

34 Contingent Liabilities and Commitments		As at 31 st March 2016	As at 31 st March 2015
A) Contingent liabilities not provided for:			
1	Claims against the Company not acknowledged as debts comprises 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	200.41	139.95
b)	Excise Duty claims disputed by the Company relating to issues of classifications	106.51	51.12
c)	Sales Tax claims disputed by the Company relating to issues of declaration forms and classifications	1,455.46	687.74
d)	Federal Taxes (PIS, COFINS and other taxes) claims disputed by the Company related to denial of input credit	7.28	38.30
e)	Other Matters (relating to disputed electricity duty, Gram Panchayat Tax, open access charges, etc.)	39.80	31.58
2	a) Guarantees given by Banks in favour of Government and others	683.46	207.27
B) Commitments:			
a)	Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	191.91	460.95
b)	Other Commitments - Non Cancellable Operating Leases (Refer Note 43a)		

35 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 consist of VAM manufacturing unit of Vinyl Chemicals (India) Ltd demerged into the Group wef 1st April 2007. 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	45,250.70 (40,230.75)	8,720.96 (8,692.07)	404.47 (451.43)	54,376.13 (49,374.25)
Less: Inter Segment Revenue (at cost plus fixed margin)	32.94 (51.13)	928.82 (1,118.74)	0.60 -	962.36 (1,169.87)
Net Revenue	45,217.76 (40,179.62)	7,792.14 (7,573.33)	403.87 (451.43)	53,413.77 (48,204.38)
Segment Result	11,701.22 (7,672.55)	1,535.91 (966.65)	(48.06) ((107.18))	13,189.07 (8,532.02)
Unallocable Expenses				2,825.97 (2,147.68)
Unallocable Income				488.50 (438.07)
Operating Income				10,851.60 (6,822.41)
Interest Expenses				132.70 (156.43)
Interest / Dividend Income				65.97 (113.35)
Profit before Tax				10,784.87 (6,779.33)
Tax Expense				3,221.06 (1,694.08)
Profit after tax before share of profit of Associate and Minority Interest				7,563.81 (5,085.25)
Segment Assets	21,556.42 (18,088.25)	3,886.05 (3,888.77)	387.09 (453.87)	25,829.56 (22,430.89)
Unallocable Assets				13,252.32 (10,727.20)
Total Assets				39,081.88 (33,158.09)
Segment Liabilities	8,589.22 (6,086.53)	1,512.09 (1,415.23)	47.77 (60.33)	10,149.08 (7,562.09)
Unallocable Liabilities				1,103.75 (2,890.22)
Total Liabilities				11,252.83 (10,452.31)
Other Information				
Capital Employed				27,829.05 (22,705.78)
Capital Expenditure (including Capital Work-in-Progress) (allocable)	1,619.61 (3,431.50)	223.88 (242.81)	23.81 (47.06)	1,867.30 (3,721.37)
Capital Expenditure (unallocable)				326.29 (254.61)
Depreciation and Amortisation (allocable)	878.93 (711.27)	129.32 (136.62)	18.25 (19.69)	1,026.50 (867.58)
Depreciation and Amortisation (unallocable)				304.77 (309.99)

Information About Geographical Segments

(₹ in million)

Geographical Segments	India	Other Countries	Total
Revenue for the year	43,911.56 (39,373.83)	9,502.21 (8,830.55)	53,413.77 (48,204.38)
Segment Assets	19,386.87 (17,320.47)	6,442.69 (5,110.42)	25,829.56 (22,430.89)
Capital expenditure incurred during the year	1,805.88 (3,759.83)	387.71 (216.15)	2,193.59 (3,975.98)

36 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 2016	As at 31 st March 2015
Basic:		
Total Operations for the year		
Profit for the year	7,555.50	5,125.69
Weighted average number of equity shares in calculating basic EPS	512,667,202	512,650,979
Par value per share (₹)	1.00	1.00
Earning per share (Basic) (₹)	14.74	10.00
Diluted:		
Total Operations for the year		
Profit for the year	7,555.50	5,125.69
Weighted average number of equity shares in calculating basic EPS	512,667,202	512,650,979
Add: Effect of ESOP	233,800	279,500
Weighted average number of equity shares in calculating diluted EPS	512,901,002	512,930,479
Par value per share (₹)	1.00	1.00
Earning per share (Diluted) (₹)	14.73	9.99

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

	Foreign Currency		(₹ in million)	
	31 st March 2016	31 st March 2015	31 st March 2016	31 st March 2015
(a) Forward Contract outstanding				
USD - Buy	6,900,000.00	4,149,388.75	457.47	259.79
EUR - Sale	79,848.60	-	5.99	-
(b) No. of Contracts outstanding	4	12		
(c) The purpose of taking the forward cover is to hedge the risk arising due to foreign currency exposure.				

(d) Foreign currency exposures as on 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 2016	31 st March 2015	31 st March 2016	31 st March 2015
Amounts recoverable / (advance) in foreign currency on account of the following:				
EUR	1,357,171.39	944,516.49	101.81	63.89
GBP	-	(6,785.00)	-	(0.63)
USD	7,947,316.65	9,653,352.82	526.92	604.38
ZAR	(59,733.18)	41,593.82	(0.27)	0.21
Amounts (payable) / advance in foreign currency on account of the following:				
AED	83,979.25	55,759.96	1.52	0.96
AUD	(57,123.00)	48,095.00	(2.90)	2.29
BDT	1,694,341.40	2,707,360.66	1.44	2.18
CHF	1,639.35	37,185.15	0.11	2.40
EGP	950.00	(3,857.00)	0.01	(0.04)
EUR	(421,236.94)	708,378.17	(31.66)	47.91
GBP	44,300.00	(30,313.64)	4.21	(2.80)
GHC	-	(34,153.21)	-	(0.56)
JPY	(1,605,000.00)	558,000.00	(0.95)	0.29
SGD	(2,450.00)	(2,450.00)	(0.12)	(0.11)
USD	(7,794,233.61)	(13,840,071.39)	(516.83)	(866.46)
ZAR	17,584.51	1,466.51	0.08	0.01

38 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. Plus Call Technical Services L.L.C	Substantial Interest in Voting Power (Joint Venture)
(ii) Key Management Personnel:	
a. Shri M B Parekh*	Executive Chairman
b. Shri Bharat Puri (wef 10 th April, 2015) *	Managing Director
c. Shri A B Parekh	Whole Time Director
d. Shri A N Parekh	Whole Time Director
e. Shri J L Shah (upto 19 th May, 2015)	Whole Time Director
f. Shri Sabyaschi Patnaik (wef 19 th May, 2015)	Whole Time Director
g. Shri N K Parekh (Joint Managing Director upto 31 st March, 2015)	Non-Executive Vice Chairman
* Wef 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.	
(iii) Relatives of Key Management Personnel:	
a. Smt. Mala M Parekh	Wife of Executive Chairman

(₹ in million)

(iv) Transactions with Related Parties for the year ended 31st March, 2016 are as follows:							
	Nature of Transaction	Remuneration to Directors	Parekh Marketing Ltd	Vinyl Chemicals (India) Ltd	Plus Call Technical Services L.L.C	Mala M Parekh	Total
a.	Sales and Related Income		837.47	NIL	NIL	NIL	837.47
			(710.66)	(NIL)	(NIL)	(NIL)	(710.66)
b.	Purchases and Other Related Services		NIL	2,866.88	NIL	NIL	2,866.88
			(NIL)	(3,605.96)	(NIL)	(NIL)	(3,605.96)
c.	Remuneration to Key Management Personnel:						
	- Shri M B Parekh	35.39					35.39
		(150.37)					(150.37)
	- Shri N K Parekh	12.67					12.67
		(29.31)					(29.31)
	- Shri Bharat Puri	118.93					118.93
		(NIL)					(NIL)
	- Shri A B Parekh	49.71					49.71
		(40.17)					(40.17)
	- Shri A N Parekh	43.54					43.54
		(32.91)					(32.91)
	- Shri J L Shah	0.97					0.97
		(3.04)					(3.04)
	- Shri S Patnaik	17.89					17.89
		(NIL)					(NIL)
	- Shri R Sreeram	(NIL)					(NIL)
		(12.74)					(12.74)
d	Advance paid		0.30	NIL	NIL	NIL	0.30
			(NIL)	(NIL)	(NIL)	(NIL)	(NIL)
e	Rent Paid / (Received)		NIL	NIL	NIL	6.16	6.16
			(NIL)	(NIL)	(NIL)	(5.68)	(5.68)
f	Reimbursement of expenses made		0.26	NIL	NIL	NIL	0.26
			(0.45)	(NIL)	(NIL)	(NIL)	(0.45)
g	Outstanding Balances:						
	- Debtors		144.58	NIL	NIL	NIL	144.58
			(122.88)	(NIL)	(NIL)	(NIL)	(122.88)
	- Creditors		0.02	145.83	NIL	NIL	145.85
			(NIL)	(253.23)	(NIL)	(NIL)	(253.23)
	- Net Outstanding Receivable/(Payable)		144.56	(145.83)	NIL	NIL	(1.27)
			(122.88)	((253.23))	(NIL)	(NIL)	((130.35))

39 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 2016	For the year ended 31 st March 2015
(i) Contribution to Provident Fund	128.99	117.86
(ii) Contribution to Employees' Superannuation Fund	6.74	6.14
(iii) Contribution to Employees' State Insurance Scheme	3.65	2.77
(iv) Contribution to Employees' Pension Scheme 1995	59.75	46.31
(v) Contribution to National Pension Scheme	4.44	4.64
TOTAL	203.57	177.72

(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%	7.75% to 12.4%
(ii) Rate of increase in Compensation levels (per annum)	6.50% to 7.00%	6.5% to 7.00%
(iii) Expected Rate of Return on Assets	8.45%	9.00%
(iv) Attrition Rate	upto 5 yrs - 19%, 5 - 10 yrs - 9%, Above 10 yrs - 8%	upto 5 yrs - 19%, 5 - 10 yrs - 9%, Above 10 yrs - 8%
(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 2016		31 st March 2015		
	Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded	
(i) Changes in Present value of Obligation					
(a) Opening Present value of Obligation	461.59	4.18	386.99	2.96	
(b) Obligation under business transfer agreement	-	11.07	-	-	
(c) Interest Cost	34.00	1.34	33.41	0.44	
(d) Current Service Cost	38.64	1.70	30.70	0.41	
(e) Benefits Paid	(45.85)	(1.11)	(31.60)	-	
(f) Actuarial (Gains)/Loss	4.03	1.52	42.09	0.37	
(g) Amalgamation/Scheme	-	1.46	-	-	
(h) Closing Present value of Obligation	492.41	20.16	461.59	4.18	
(ii) Changes in Fair value of Plan Assets					
(a) Opening Present value of Plan Assets	428.41	-	350.56	-	
(b) Expected Return on Plan Assets	39.58	-	33.57	-	
(c) Actuarial Gain/(Loss)	(3.00)	-	(0.62)	-	
(d) Employer's Contributions	68.70	-	76.50	-	
(e) Benefits Paid	(45.85)	-	(31.60)	-	
(f) Closing Fair value of Assets	487.84	-	428.41	-	
(iii) Actual Return on Plan Assets					
(a) Expected Return on Plan Assets	39.58	-	33.57	-	
(b) Actuarial Gain/(Loss) on Plan Assets	(3.00)	-	(0.62)	-	
(c) Actual Return on Plan Assets	36.58	-	32.95	-	
(iv) Percentage of each category of Plan Assets to total closing fair value					
(a) Administered by Life Insurance Corporation of India	487.84	-	428.41	-	
(v) Reconciliation of the Present Value of Defined Present Obligations and Fair Value of Assets					
(a) Closing Present value of Funded Obligation	492.41	20.16	461.59	4.18	
(b) Closing Fair value of plan Assets	487.84	-	428.41	-	
(c) Funded (Asset) / Liability recognised in the Balance Sheet	4.57	20.16	33.18	4.18	
(vi) Amounts recognised in the Balance Sheet					
(a) Closing Present value of Obligation	492.41	20.16	461.59	4.18	
(b) Closing Fair value of Plan Assets	487.84	-	428.41	-	
(c) (Asset) / Liability recognized in the Balance Sheet	4.57	20.16	33.18	4.18	
(vii) Expenses recognised in the Statement of Profit and Loss					
(a) Current Service Cost	38.64	1.70	30.70	0.41	
(b) Interest Cost	34.00	1.34	33.41	0.44	
(c) Expected Return on Plan Assets	(39.58)	-	(33.57)	-	
(d) Net Actuarial (Gain) / Loss	7.03	1.52	42.71	0.37	
(e) Total Expenses recognized in the Statement of Profit and Loss	40.09	4.56	73.25	1.22	
(viii) Experience adjustments					
	As at 31 st March 2016	As at 31 st March 2015	As at 31 st March 2014	As at 31 st March 2013	As at 31 st March 2012
Fair value of Plan Assets, End of Period	487.84	428.41	350.56	315.59	278.46
Projected Benefit Obligation, End of Period	512.57	463.96	389.95	350.91	305.63
(Surplus)/Deficit in the Plan	24.73	35.55	39.39	35.32	27.17
Experience Adjustments on Plan Assets	(3.00)	(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	4.03	8.04	26.84	12.54	2.11
Total (Gain)/Loss	4.03	42.09	13.71	15.42	13.38
(ix) Expected Group contribution for the next year	105.71	108.51			

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 some of its foreign subsidiaries. However, these companies are not material in relation to the Group.

(₹ in million)

40 Research & Development Expenditure			
		For the year ended 31 st March 2016	For the year ended 31 st March 2015
Capital expenditure included in fixed assets		31.05	10.97
Revenue expenditure charged to Statement of Profit and Loss		302.03	282.81
TOTAL		333.08	293.78

41 Details of Payments to Auditor (Net of Service Tax)			
		For the year ended 31 st March 2016	For the year ended 31 st March 2015
Audit fees		11.65	11.08
Other Services:			
•	Limited Review	1.95	1.50
•	Certification Fees	1.84	3.30
•	Reimbursement of expenses	0.41	0.21
•	Others*	0.38	-
TOTAL		16.23	16.09

* Fees paid to network firm.

42 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). 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. Out of the 49000 options granted earlier, 20,500 options were exercised in the year 2014-15 and 12,500 options were exercised in the year 2015-16. During the year, 2,33,800 options were granted to the eligible employees of the Company. The exercise price of each option shall be ₹ 1/- per equity share. The options vest in the manner as specified in ESOS 2012. 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.

ESOP- 2016 covering grant of 45,00,000 options (includes 250,000 Options to be granted to Employees / Directors of the subsidiary Companies) was approved by the shareholders through Postal Ballot. Result of the Postal Ballot was declared on 2nd April, 2016. The exercise price shall be ₹ 1/- per option or such other higher price as may be fixed by the Board or Committee. Options to be granted under the Plan shall vest not earlier than One year but not later than a maximum of Six years from the date of grant of such Options. In the case of Eligible Employee who has not completed 3 years of employment as on date of the grant of Options then the Options which are due for Vesting before completion of 3 years as above, shall vest as on the completion of 3 years of employment in the Company by the Employee concerned or as may be approved by the Nomination and Remuneration Committee. Vested Options will have to be exercised within 3 years from the date of respective 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 on the balance sheet date are as follows:

	During the year ended 31 st March 2016		During the year ended 31 st March 2015	
	Options (Nos)	Weighted average exercise price per option (₹)	Options (Nos)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year: - ESOS 2012	14,500	₹ 1	49,000	₹ 1
Granted during the year:	233,800	₹ 1	Nil	₹ 1
Vested during the year:	12,500	₹ 1	20,500	₹ 1
Exercised during the year:	12,500	₹ 1	20,500	₹ 1
Lapsed during the year:	2,000	₹ 1	14,000	₹ 1
Options outstanding at the end of the year:	233,800	₹ 1	14,500	₹ 1
Options available for grant:	33,200	₹ 1	265,000	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year		₹ 569.00		₹ 413.53
Range of exercise price for options outstanding at the end of the year		₹ 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 2016	For the year ended 31 st March 2015
Profit (as reported)	7,555.50	5,125.69
Add: stock based employee compensation (intrinsic value)	38.23	4.02
Less: stock based compensation expenses determined under fair value method for the grants issued (See note (d) below)	36.64	3.80
Net Profit / (Loss) (proforma)	7,557.09	5,125.91
Basic earnings per share (as reported)	14.74	10.00
Basic earnings per share (proforma)	14.74	10.00
Diluted earnings per share (as reported)	14.73	9.99
Diluted earnings per share (proforma)	14.73	9.99

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:

Options granted on 29.10.2013		
Assumptions	As at 31 st March 2016	As at 31 st March 2015
Risk Free Interest Rate	8.76%	8.76%
Expected Life	4.5 yrs	3.5 yrs
Expected Annual Volatility of Shares	26.15%	26.15%
Expected Dividend Yield	1.16%	1.14%

(₹ in million)

Options granted on 27.07.2015		
Assumptions	As at 31st March 2016	As at 31st March 2015
Risk Free Interest Rate	8.07%	-
Expected Life	3.5 yrs	-
Expected Annual Volatility of Shares	52.17%	-
Expected Dividend Yield	0.91%	-

Options granted on 29.01.2016		
Assumptions	As at 31st March 2016	As at 31st March 2015
Risk Free Interest Rate	7.80%	-
Expected Life	3.5 yrs	-
Expected Annual Volatility of Shares	54.46%	-
Expected Dividend Yield	0.93%	-

43 Disclosures as per AS-19 “Leases” are given below:

43a Operating Lease

- a) Operating lease payment recognised in Statement of Profit and Loss amounting to ₹ **393.61** million (₹ 327.87 million)
- 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 3 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 31st March 2016	For the year ended 31st March 2015
not later than one year	74.87	80.02
later than one year and not later than five years	60.65	83.31
later than five years	-	-

43b 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 31st March 2016	As at 31st March 2015
not later than one year	0.43	0.40
later than one year and not later than five years	-	0.40
later than five years	-	-

44 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:

(₹ in million)

Particulars	As at 1 st April 2015	Additions	Utilisation	Reversal (withdrawn as no longer required)	Foreign Currency translation	As at 31 st March 2016
Provision for Employee related claims	32.05 (73.22)	-	12.69 (25.19)	-	1.23 (15.98)	18.13 (32.05)
Provision for other contingencies (regulatory tax related claims)	8.62 (39.06)	13.36	- (23.71)	-	0.76 (6.73)	21.22 (8.62)
TOTAL	40.67 (112.28)	13.36	12.69 (48.90)	-	1.99 (22.71)	39.35 (40.67)

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

	As at 31 st March 2016	As at 31 st March 2015
Provision for Employee related claims	2.03	12.17

45 During the year, Plus Call Technical Services L.L.C was incorporated in Dubai as a 40% joint venture of Pidilite Middle East Ltd (a wholly owned subsidiary) with a local operating partner. The Joint venture company Plus Call Technical Services L.L.C is engaged in the business of Insulation Contracting, Painting Contracting, Floor and Wall Tiling Works, Carpentry & Flooring Contracting, Concrete Works, Concrete Restoration.

The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the period from 1st December, 2015 to 31st March, 2016 as per their unaudited financial statement are given below:

Balance Sheet as at 31st March, 2016

(₹ in million)

Particulars	As at 31 st March 2016
EQUITY AND LIABILITIES	
Shareholders' Funds	
Share Capital	2.17
Reserves and Surplus	(0.93)
	1.24
Non-Current liabilities	
Long- Term Borrowings	38.28
Other Long Term Liabilities	71.64
	109.92
Current liabilities	
Short-Term Borrowings	9.39
Trade Payables	59.88
Other Current Liabilities	66.89
	136.16
TOTAL	247.32
ASSETS	
Non-Current Assets	
Fixed Assets	
Tangible Assets	11.52
Intangible Assets	22.22
	33.74
Long-Term Loans and Advances	25.74
Current Assets	
Inventories	15.79
Trade Receivables	159.50
Short-Term Loans and Advances	10.75
Other Current Assets	1.80
	187.84
TOTAL	247.32

Statement of Profit and Loss for the period from 1st December, 2015 to 31st March, 2016

Particulars	As at 31 st March 2016
INCOME	
Revenue from Operations	48.11
EXPENSES	
Cost of Materials Consumed	16.21
Employee Benefits Expense	17.34
Depreciation and Amortisation Expense	1.75
Other Expenses	13.27
Total Expenses	48.57
Loss before Tax	(0.46)
Tax Expense	-
Loss for the year	(0.46)

46 During the previous year, as per the requirement of the provisions of Schedule II of the Companies Act, 2013 (the “Act”), the Management had 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 were 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 to the Companies Act, 2013, the Company had 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 had 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.

47 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.

48 During the year,

- a) Pidilite International Pte Ltd and Pidilite Middle East Ltd, Wholly Owned Subsidiaries of the Company have set up a Joint Venture Company namely “Pidilite Lanka (Private) Limited” along with the Joint venture Partner, Macbertan Holdings (Private) Limited in Sri Lanka to carry on the business as manufacturers and sellers of manufactured products and trade and market all kinds of products and services including but not limited to adhesives, binders, sealants, synthetic and natural resins and products thereof.
- b) Pidilite Middle East Ltd, Wholly Owned Subsidiary of the Company, has set up a subsidiary named “Building System Solution Trading Limited Liability Company” in Qatar to carry out trading of building materials.
- c) The Company along with its wholly owned subsidiary Fevicol Company Ltd incorporated Wood Coat Pvt Ltd to be engaged in all types of coatings for wood including wood stains, fillers, primers, wood finish etc.

49 In respect of Corporate Social Responsibility activities, gross amount required to be spent by the Company during the year was ₹ 127.94 million (₹ 113.25 million) and the Company has paid/spent ₹ 130.48 million (₹ 114.39 million).

50 Figures in brackets indicate previous year’s figures.

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

(₹ in million)

Name of the entity	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	79.41	22,100.15	97.22	7,345.20
Subsidiaries				
Indian				
Bhimad Commercial Company Pvt Ltd	0.17	48.12	0.20	15.01
Building Envelope Systems India Ltd	0.36	100.78	0.11	8.21
Fevicol Company Ltd	-	0.34	-	-
Hybrid Coatings	0.18	50.75	-	-
Madhumala Traders Pvt Ltd	0.17	48.09	0.20	15.01
Nitin Enterprises	0.30	83.01	-	-
Pagel Concrete Technologies Pvt Ltd	-	0.01	-	(0.01)
Percept Waterproofing Services Ltd	0.49	137.30	0.09	6.57
Nina Waterproofing Systems Pvt Ltd	2.74	761.59	1.19	89.71
Wood Coat Pvt Ltd	-	0.07	-	(0.03)
Foreign				
Pidilite Bamco Ltd	0.57	158.03	0.65	49.37
Bamco Supply and Services Ltd	0.08	21.82	0.17	12.76
Building Systems Solution Trading Limited Liability Company	0.02	4.65	(0.06)	(4.43)
Pidilite MEA Chemicals LLC (Formerly known as Jupiter Chemicals LLC)	2.21	616.18	(1.98)	(149.70)
Pidilite Industries Egypt SAE	0.76	212.66	(0.10)	(7.58)
Pidilite Industries Trading (Shanghai) Co Ltd	0.03	9.20	(0.14)	(10.55)
Pidilite Innovation Centre Pte Ltd	0.24	67.71	(0.66)	(50.15)
Pidilite International Pte Ltd	5.10	1,418.36	0.45	33.87
Pidilite Lanka (Private) Limited	0.48	134.41	(0.01)	(0.52)
Pidilite Middle East Ltd	0.31	86.34	(0.03)	(2.14)
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	1.65	459.51	1.38	104.53
Pidilite USA Inc	3.41	950.18	2.71	205.04
PIL Trading (Egypt) Company	0.13	36.07	(0.07)	(5.13)
Plus Call Technical Services L.L.C	0.06	17.65	(0.01)	(0.46)
PT Pidilite Indonesia	0.06	16.39	(0.07)	(5.43)
Pidilite Chemicals PLC	0.04	12.34	-	-
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	1.00	277.26	(1.13)	(85.34)
Minority Interests in all subsidiaries	(1.54)	(427.29)	(0.50)	(37.59)
Associates (Investment as per the equity method)				
Indian				
Vinyl Chemicals (India) Ltd	-	-	0.39	29.28

Consolidated Cash Flow Statement

For The Year Ended 31st March, 2016

(₹ in million)

	For the year ended 31 st March 2016	For the year ended 31 st March 2015
A		
Cash Flows From Operating Activities		
Profit before tax	10,784.87	6,779.33
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and Amortisation Expense	1,331.27	1,177.57
Provision for Diminution in value of investment	0.69	-
Finance Costs	132.70	156.43
Dividend income	(15.25)	(0.03)
Dividend from Associate	11.18	7.45
Interest income	(50.72)	(113.32)
Gain on Sale of Investment	(212.54)	(148.65)
(Profit) / Loss on Sale of Assets (Net)	(18.09)	4.18
Unrealized Foreign exchange loss (Including Foreign Currency Translation Reserve)	41.70	27.03
Provision for Employee Benefits	30.31	3.38
Provision for other Long Term Provision	(1.33)	(71.61)
Deferred Employee compensation expense	38.23	4.02
Provision for doubtful debts	86.45	36.19
	1,374.60	1,082.64
Operating Profit before Working Capital changes	12,159.47	7,861.97
Movements in working capital:		
Increase/ (decrease) in Trade payables	452.86	(134.74)
Increase in Long term liabilities	122.85	-
Increase in other current liabilities	924.91	525.55
Decrease/ (increase) in inventories	120.34	(413.54)
Increase in trade receivables	(1,484.31)	(680.89)
Increase in long-term loans and advances	(86.23)	(62.12)
Decrease in short-term loans and advances	24.50	114.05
(Increase)/ decrease in other current assets	(411.23)	67.19
Increase in other non-current assets	(38.30)	(8.82)
	(374.61)	(593.32)
Cash generated from/ (used in) operations	11,784.86	7,268.65
Direct taxes paid (net of refunds)	(3,139.79)	(1,748.61)
Net Cash flows from/ (used in) Operating Activities (A)	8,645.07	5,520.04
B		
Cash Flows From Investing Activities		
Purchase of Fixed Assets including intangible assets, CWIP	(2,042.58)	(4,099.06)
Proceeds from sale of Fixed Assets	45.84	8.27
Purchase of investments (current & long term)	(23,075.72)	(15,126.20)
Proceeds from sale/ maturity of current Investments	20,510.50	14,218.84
(Increase)/decrease in bank deposits (having maturity of more than three months)	(26.87)	528.60
Interest received	43.21	110.55
Dividend received	15.25	0.03
Net Cash flows from/(used in) Investing Activities (B)	(4,530.37)	(4,358.97)

Consolidated Cash Flow Statement

For The Year Ended 31st March, 2016

(₹ in million)

	For the year ended 31 st March 2016	For the year ended 31 st March 2015
C Cash Flows From Financing Activities		
Increase of long term borrowings	88.61	5.00
Increase in Current Maturity of Long Term Borrowings	5.01	-
Increase in Short term Borrowings	170.07	119.83
Proceeds from the share capital issued to minority	338.66	-
Issue of share capital	0.02	0.02
Interest Paid	(133.39)	(156.99)
Dividend paid (Including Dividend Tax, where applicable)	(4,032.20)	(1,619.14)
Net Cash Flows used in Financing Activities (C)	(3,563.22)	(1,651.28)
Net Increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	551.48	(490.21)
Cash and Cash Equivalents at the beginning of the year	691.88	1,182.09
Cash and Cash Equivalents at the end of the year	1,243.36	691.88
	551.48	(490.21)
Reconciliation of cash and cash equivalents with the Balance Sheet		
Cash and Bank Balance as per Balance Sheet (Refer Note 22)	1,232.88	700.47
Unrealised gain on foreign currency cash and cash equivalents	10.48	(8.59)
Cash and Cash Equivalents as related as at the end of the year	1,243.36	691.88

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 comprises 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 ₹ 5.02 million (₹ 6.06 million).
- In respect of Corporate Social Responsibility activities, the Company has paid / spent ₹ 130.48 million (₹ 114.39 million) during the year.
- 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, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI

Managing Director

PRADEEP JAIN
Chief Financial Officer

M B PAREKH

Executive Chairman

SAVITHRI PAREKH
Company Secretary

Place: Mumbai

Date: 19th May, 2016

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*	Pidilite MEA Chemicals LLC (Formerly known as 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*	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda*	
		1	2	3	4	5	6	7	8	9	10	
1	Reporting Currency	US Dollars	AED	AED	Taka	Baht	IDR	US Dollars	Singapore Dollars	EGP	Brazilian Reais	
2	Exchange Rate as on 31 st March, 2016	66.32	18.06	18.06	0.85	1.88	0.0050	66.32	49.08	7.47	18.44	
3	Share Capital	Foreign Currency	21,641,444	74,601,692	300,000	352,694,637	35,000,000	10,862,486,200	14,780,000	995,155	41,987,931	69,460,777
	(includes Share application Money)	Indian ₹ in million	1,435.15	1,346.99	5.42	298.49	65.90	54.19	980.14	48.84	313.83	1,280.70
4	Reserves & Surplus	Foreign Currency	(144,723)	(22,566,283)	(41,937,205)	165,748,215	52,862,351	(7,524,853,771)	(422,624)	350,711	(18,159,140)	(55,027,055)
		Indian ₹ in million	(9.60)	(407.45)	(757.21)	140.27	99.53	(37.54)	(28.03)	17.21	(135.73)	(1,014.57)
5	Total Assets	Foreign Currency	21,516,855	52,076,609	50,655,040	683,683,245	116,038,771	3,399,467,919	22,654,980	1,809,448	33,418,096	32,778,681
		Indian ₹ in million	1,426.89	940.28	914.61	578.60	218.48	16.96	1,502.36	88.80	249.77	604.36
6	Total Liabilities	Foreign Currency	20,134	41,200	92,292,245	165,240,393	28,176,420	61,835,490	8,297,604	463,582	9,589,306	18,344,958
		Indian ₹ in million	1.34	0.74	1,666.40	139.84	53.05	0.31	550.26	22.75	71.67	338.24
7	Investments	Foreign Currency	-	-	-	-	-	-	750,000.00	-	-	-
	(except in case of subsidiaries)	Indian ₹ in million	-	-	-	-	-	-	49.74	-	-	-
8	Turnover & other income	Foreign Currency	1,039,977	-	40,187,399	863,490,674	220,028,808	1,433,751,697	37,881,779	2,540,055	29,564,268	53,066,358
		Indian ₹ in million	68.97	-	725.61	730.77	414.27	7.15	2,512.13	124.66	220.97	978.42
9	Profit / (Loss) Before Taxation	Foreign Currency	904,618	(122,159)	(9,213,490)	157,887,926	30,704,244	87,667,016	2,655,496	235,803	(1,564,283)	(1,811,609)
		Indian ₹ in million	59.99	(2.21)	(166.36)	133.62	57.81	0.44	176.10	11.57	(11.69)	(33.40)
10	Provision For Tax	Foreign Currency	8,002	-	-	54,636,251	6,063,055	62,910,515	178,511	50,928	(140,490)	-
	(including Deferred Tax)	Indian ₹ in million	0.53	-	-	46.24	11.42	0.31	11.84	2.50	(1.05)	-
11	Profit / (Loss) After Taxation	Foreign Currency	896,616	(122,159)	(9,213,490)	103,251,675	24,641,189	24,756,501	2,476,985	184,875	(1,423,793)	(1,811,609)
		Indian ₹ in million	59.46	(2.21)	(166.36)	87.38	46.39	0.12	164.26	9.07	(10.64)	(33.40)
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%	100.00%

* % of holding and voting power either directly or indirectly through subsidiary as at 31.03.2016

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														
		Bamco Supply and Services Ltd*	PIL Trading (Egypt) Company*	Pidilite Industries Trading (Shanghai) Co Ltd*	Pidilite Chemical PLC*	Building System Solution Trading Limited Liability Company*	Pidilite Lanka (Private) Limited*	Fevicol Company Ltd	Madhumala Traders Pvt Ltd	Bhimad Commercial Company Pvt Ltd	Pagel Concrete Technologies Pvt Ltd	Building Envelope Systems India Ltd	Percept Waterproofing Services Ltd	Nina Waterproofing Systems Pvt Ltd	Wood Coat Pvt Ltd*	
		11	12	13	14	15	16	17	18	19	20	21	22	23	24	
1	Reporting Currency	Baht	EGP	RMB	Birr	Qatari Rial	LKR	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	Indian ₹	
2	Exchange Rate as on 31 st March, 2016	1.88	7.47	10.26	3.05	18.15	0.46									
3	Share Capital	Foreign Currency	1,000,000	5,440,000	958,005	3,989,600	200,000	303,022,000								
	(includes Share application Money)	Indian ₹ in million	1.88	40.66	9.83	12.17	3.63	137.88	0.50	0.10	0.10	1.00	83.50	60.00	10.00	0.10
4	Reserves & Surplus	Foreign Currency	22,867,647	(5,318,978)	357,943	51,583	(243,763)	(814,649)								
		Indian ₹ in million	43.06	(39.76)	3.67	0.16	(4.42)	(0.37)	(0.16)	47.99	48.02	(4.24)	80.52	14.24	956.05	(0.03)
5	Total Assets	Foreign Currency	26,413,301	6,026,276	1,579,319	17,222,469	318,010	628,155,575								
		Indian ₹ in million	49.73	45.04	16.20	52.55	5.77	285.81	0.34	48.10	48.13	0.04	174.15	237.89	1,562.09	0.10
6	Total Liabilities	Foreign Currency	2,545,654	5,905,253	263,372	13,181,286	361,773	325,948,224								
		Indian ₹ in million	4.79	44.14	2.70	40.22	6.57	148.31	NIL	0.01	0.01	3.29	10.13	163.65	596.04	0.03
7	Investments	Foreign Currency	-	-	-	-	-	-								
	(except in case of subsidiaries)	Indian ₹ in million	-	-	-	-	-	-	-	48.08	48.10	0.03	52.34	-	115.00	-
8	Turnover	Foreign Currency	52,362,264	8,174,322	2,185,724	193,370	-	244,781,826								
		Indian ₹ in million	98.59	61.10	22.42	0.59	-	111.38	0.02	17.25	17.25	NIL	53.53	291.66	1,446.14	-
9	Profit / (Loss) Before Taxation	Foreign Currency	8,165,216	(407,893)	98,161	(1,155)	(243,763)	(1,306,771)								
		Indian ₹ in million	15.37	(3.05)	1.01	(NIL)	(4.42)	(0.59)	NIL	17.22	17.22	(0.01)	8.13	8.01	129.12	(0.03)
10	Provision For Tax	Foreign Currency	1,637,914	(1,432)	13,982	-	-	(492,122)								
	(including Deferred Tax)	Indian ₹ in million	3.08	(0.01)	0.14	-	-	(0.22)	NIL	-	-	-	0.47	1.56	39.41	-
11	Profit / (Loss) After Taxation	Foreign Currency	6,527,302	(406,461)	84,179	(1,155)	(243,763)	(814,649)								
		Indian ₹ in million	12.29	(3.04)	0.86	(NIL)	(4.42)	(0.37)	NIL	17.22	17.22	(0.01)	7.66	6.45	89.71	(0.03)
12	Proposed Dividend	Foreign Currency	-	-	-	-	-	-								
		Indian ₹ in million	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding*		49.00%	100.00%	100.00%	100.00%	100.00%	76.00%	100.00%	100.00%	100.00%	80.00%	60.00%	80.00%	70.00%	100.00%

* % of holding and voting power either directly or indirectly through subsidiary as at 31.03.2016

Information on Associates

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

(₹ in million)

Name of Associate		Vinyl Chemicals (India) Ltd
1	Latest audited Balance Sheet Date	31st March, 2016
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 %	40.64%
3	Description of how there is significant influence	
4	Reason why Associate is not consolidated	
5	Networth attributable to Shareholding as per latest audited Balance Sheet	170.05
6	Profit/Loss for the year	
	(i) Considered in Consolidation	29.27
	(ii) Not Considered in Consolidation	42.80

Information on Joint Venture

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

(₹ in million)

Name of Joint Venture		Plus Call Technical Services L.L.C
1	Latest unaudited Balance Sheet Date	31st March, 2016
2	Share of Joint venture held by the Company at the year end	
	• Number	120
	• Amount of Investment in Joint venture	2.17
	• Extent of Holding %	40.00%
3	Description of how there is significant influence	
4	Reason why Joint venture is not consolidated	
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet	1.24
6	Profit/Loss for the year	
	(i) Considered in Consolidation	(0.46)
	(ii) Not Considered in Consolidation	(0.69)





Pidilite Industries Limited

Registered Office
Regent Chambers, 7th Floor
Jamnalal Bajaj Marg,
208 Nariman Point
Mumbai 400 021
www.pidilite.com

Design
Pidilite Design Studio
Print
Parksons Graphics



Notice

NOTICE is hereby given that the FORTY SEVENTH ANNUAL GENERAL MEETING of the Members of the Company will be held on Friday, the 2nd September, 2016 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, 2016 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, 2016.
2. To confirm the payment of interim dividend paid during the year and declare final dividend on equity shares.
3. To appoint a Director in place of Shri A B Parekh (DIN: 00035317), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Sabyaschi Patnaik (DIN: 07183784), 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 Sections 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 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 the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s), or re-enactment thereof for the time being in force), Regulations 17 and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Vinod Kumar Dasari (DIN 00345657), 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 1st September, 2015 and who 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, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years from the date of this AGM upto the conclusion of the 52nd AGM of the Company to be held in respect of Financial Year ending 31st March, 2021.”
7. To consider and, if thought fit, to pass 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, 2017, 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.”

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 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), consent of the Company be and is hereby accorded for the continuation of the appointment of Shri M B Parekh (DIN :00180955) as a Whole-time Director designated as Executive Chairman of the Company on attaining the age of 70 years on 26th August, 2016 for the remaining period of his term of 5 years i.e. until 31st July, 2018 on the same terms of appointment and remuneration as approved by the shareholders at the 44th Annual General Meeting of the Company held on 23rd July, 2013.”

“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.”

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai
Date: 19th May, 2016

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 Wednesday, the 31st August, 2016.

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 authorized 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, proxies and authorised representatives are requested to bring the Attendance slips, duly filled and signed, which is enclosed herewith and are requested to 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. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2015-16 will also be available on the Company's website viz www.pidilite.com
12. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) a brief profile of Shri A B Parekh, Shri Sabyaschi Patnaik, Shri Vinod Kumar Dasari and Shri M B Parekh, 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 and the same forms part of this Notice.
13. The Register of Members and Share Transfer Books of the Company will be closed from Friday, 26th August, 2016 to Friday, 2nd September, 2016 (both days inclusive).
14. 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 2nd September, 2016. 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.

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. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or TSR Darashaw Ltd. for assistance in this regard.
17. The Members are requested to inform of any change in their addresses immediately to:
 - (i) Registrar and Share 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
18. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified.
19. The Members can avail nomination facility in terms of extant legal provisions in this regard. On request, the necessary Form SH-13 can be obtained from the R & T Agents.
20. 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.
21. 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.
22.
 - A. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed /unpaid dividend upto 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, 2008 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 1st September, 2015 (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, 2009 to 31st March, 2015 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.

23. 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 Ltd., 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400 011 for claiming redemption amount in respect of Preference Shares. The unclaimed dividend pertaining to the aforesaid Preference Shares has been transferred to the Fund and hence no claim shall lie in respect thereof against the Company.

24. 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.

25. Voting through electronic means/ ballot paper

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rules issued thereunder and Regulation 44 of Listing Regulations, 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. Resolutions passed by the Members through ballot papers 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, through ballot paper shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
- III. The members who have cast their vote by remote e-voting 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; "Pidilite Industries remote e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) 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 authorized signatory(ies) who are authorized 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) EVEN (Electronic Voting Event Number), user ID and initial password is provided in the enclosed Attendance Slip.
 - (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.nsdl.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. 26th August, 2016, 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.nsdl.com or contact NSDL at the toll free no.: 1800-222-990.
- VIII. The remote e-voting period commences from Tuesday, 30th August, 2016 at 9.00 a.m. and ends on Thursday, 1st September, 2016 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 26th August, 2016 (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 not be 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 26th August, 2016, 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 unblock the votes cast through remote e-voting in the presence of atleast two witnesses not in the employment of the Company and shall make not later than 48 hours 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. 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 48 hours of conclusion of the 47th 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

The Board of Directors of the Company 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 Vinod Kumar Dasari as an Additional Director of the Company with effect from 1st September, 2015.

In terms of the provisions of Section 161(1) of the Act, Shri Vinod Kumar Dasari would hold office upto the date of the ensuing Annual General Meeting (AGM).

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act, proposing the candidature of Shri Vinod Kumar Dasari for the office of Director of the Company.

Shri Vinod Kumar Dasari 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 Vinod Kumar Dasari as an Independent Director.

The Company has received a declaration from Shri Vinod Kumar Dasari stating that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). Shri Vinod Kumar Dasari possesses appropriate skills, experience and knowledge, inter alia, in manufacturing operations and business administration. Brief profile of Shri Vinod Kumar Dasari as stipulated under Listing Regulations is given as an Annexure to this Notice.

In the opinion of the Board, Shri Vinod Kumar Dasari fulfills the conditions for his appointment as an Independent Director as specified in the Act.

Keeping in view his expertise and vast knowledge, it will be in the interest of the Company that Shri Vinod Kumar Dasari is appointed as an Independent Director.

Copy of the draft letter for appointment of Shri Vinod Kumar Dasari as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company on all working days, during business hours except Saturday, upto the date of the AGM.

Except Shri Vinod Kumar Dasari, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in anyway, concerned or interested in this resolution.

The Board recommends this resolution for approval by the members.

Item No. 7

The Board of Directors, on the recommendation of Audit Committee has approved the appointment and remuneration of an amount not exceeding ₹ 1,65,000 (Rupees One Lakh Sixty Five Thousand only) for the financial year ending 31st March, 2017 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. 07 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March, 2017.

None of the Directors, Key Managerial Personnel and their relatives are, in anyway, concerned or interested in this resolution.

The Board recommends the resolution for approval by the members.

Item No. 8

Shri M B Parekh was appointed as Managing Director of the Company by the members at the 44th Annual General Meeting held on 23rd July, 2013 for a period of 5 years from 1st August, 2013 to 31st July, 2018. Subsequently, the Board varied his designation to Executive Chairman with effect from 10th April, 2015. He will attain the age of 70 years on 26th August, 2016. As a matter of abundant caution, it is proposed to obtain approval of the shareholders as per the provisions of Section 196(3) of Companies Act, 2013 for continuation of his employment as a Whole Time Director, on the same terms of appointment and remuneration as approved by members earlier in July 2013. Hence a Special Resolution is proposed at Item No. 8 of the Notice.

Shri M B Parekh is a Promoter Director of the Company and has been serving as a Director of the Company since 1972. He has been actively involved in the operations of the Company. He has rich and varied experience of over 45 years. It would be in the interest of the Company to continue the employment of Shri M B Parekh as Whole Time Director designated as Executive Chairman of the Company.

Shri M B Parekh is a qualified Chemical Engineer [B.Chem.Engg.(Bom), M.S.Chem.Engg. (USA)]. He has guided the Company through decades of diversification and growth. Brief profile of Shri M B Parekh as stipulated

under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as an Annexure to this Notice.

Shri M B Parekh and his relative Shri A B Parekh are interested in this resolution.

Save and except above, none of the other Directors, Key Managerial Personnel and their relatives are concerned or interested, in any way, in this resolution.

The Board recommends the Special Resolution for approval by the members.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai

Date: 19th May, 2016

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

SAVITHRI PAREKH

SECRETARY

ADDITIONAL INFORMATION ON DIRECTORS (INCLUDING WHOLE TIME DIRECTOR) SEEKING ELECTION AT THE ANNUAL GENERAL MEETING [under Regulation 36(3)] of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Shri A B Parekh is a Promoter Director of the Company and has been serving as a Director of the Company since 1985. He is a B.Chem (Engg.), M.B.A (USA) and has experience of over 34 years. He is a member of Stakeholders' Relationship Committee of the Company. He holds 4,89,98,844 Equity Shares in the Company as on 31st March, 2016. Shri A B Parekh is related to Shri M B Parekh, Executive 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 and General Management. He joined the Company in December 2014 as President - Manufacturing Operations and Supply Chain. He does not hold any Equity Share of the Company as on 31st March, 2016. He is not related to any Director or Key Managerial Personnel of the Company.

Shri Vinod Kumar Dasari is a Graduate Engineer from University of Louisville, USA and has acquired a Masters Degree in Business Administration from J.L. Kellogg

School of Management, USA and a Masters Degree in Engineering Management from McCormick School of Engineering, USA. He has to his credit more than 25 years of rich experience in different capacities in India and USA.

Shri Vinod Kumar Dasari is the Managing Director of Ashok Leyland Limited since April 2011. He has rich and varied experience in various fields. He does not hold any Equity Share of the Company as on 31st March, 2016. He is not related to any Director or Key Managerial Personnel of the Company.

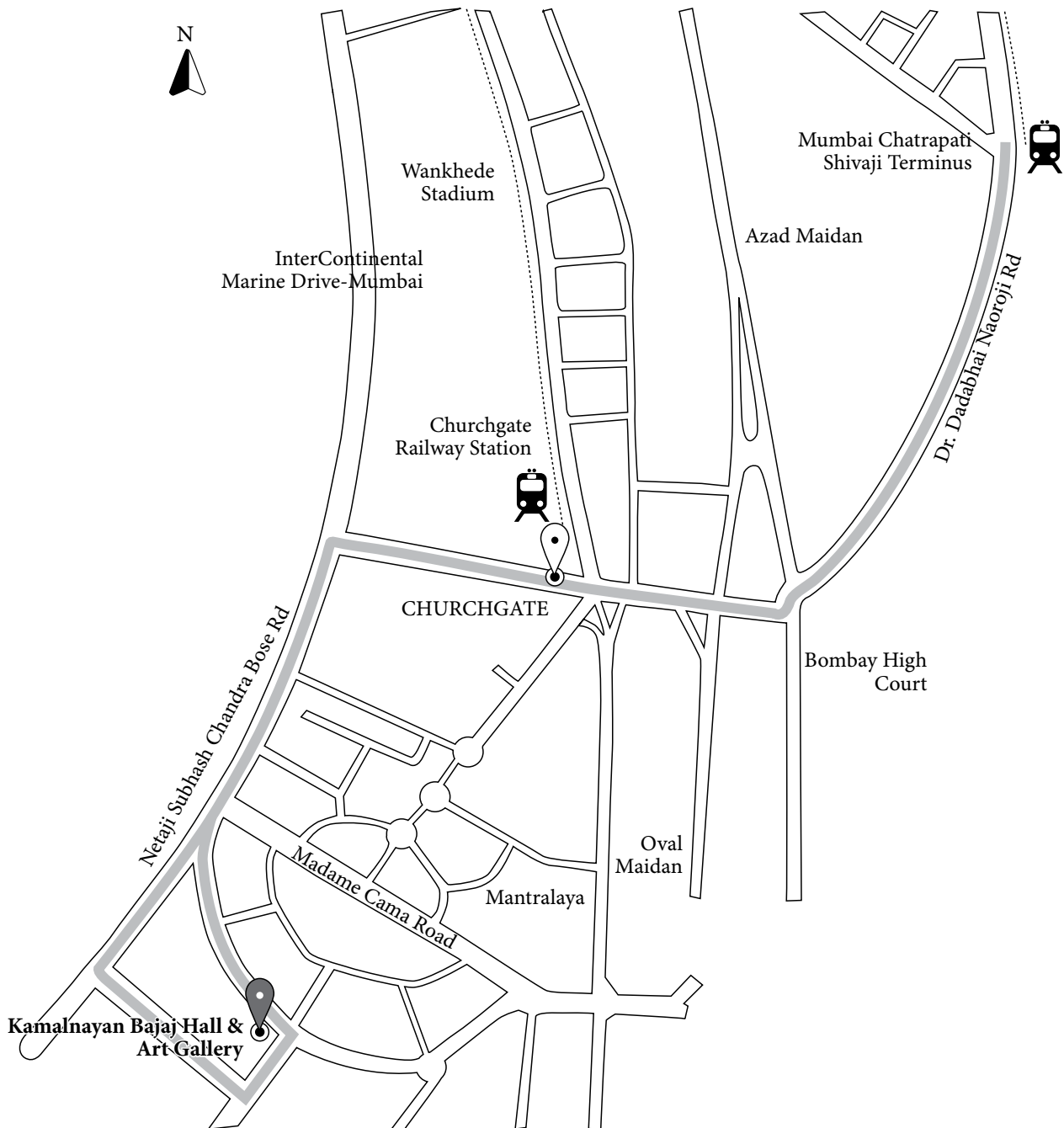
Shri M B Parekh is a Promoter Director of the Company and has been serving as a Director of the Company since 1972. He is a qualified Chemical Engineer [B.Chem.Engg. (Bom), M.S.Chem.Engg. (USA)] and has experience in the industry of over 45 years. He is a Chairman and Managing Director of Vinyl Chemicals (India) Limited (Vinyl) and is the Executive Chairman of the Company. He is a Director of Excel Industries Limited. He is a Member of Audit Committee of the Company as well as that of Vinyl. He attended all the Board meetings held during the year 2015-16. He holds 5,67,77,568 Equity Shares in the Company as on 31st March, 2016. Shri M B Parekh is related to Shri A B Parekh, Whole-Time Director of the Company.

Route map to the AGM Venue of:

Pidilite Industries Ltd.

47th Annual General Meeting

Friday, 2nd September, 2016 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, Jamnalal 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: _____

as my/our proxy to attend and vote for me/ us and on my/our behalf at the FORTY SEVENTH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 2nd September, 2016 at 11:00 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal 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, 2016.
2. Confirmation of payment of interim dividend and declaration of final dividend on Equity Shares.
3. Re-appointment of Shri A B Parekh as a Director.
4. Re-appointment of Shri Sabyaschi Patnaik as a Director.
5. Ratification of appointment of M/s. Deloitte Haskins & Sells as Statutory Auditors.
6. Appointment of Shri Vinod Kumar Dasari as an Independent Director for a period of 5 years.
7. Ratification of payment of remuneration to M/s. V J Talati & Co., Cost Auditors.
8. Approval for continuation of the appointment of Shri M B Parekh as Executive Chairman of the Company.

Signed this _____ day of _____ 2016.

Signature of the Shareholder _____



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.



Pidilite Industries Ltd

CIN: L24100MH1969PLC014336

Regd. Office: Regent Chambers, 7th Floor, Jarnalal 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

ATTENDANCE SLIP

Annual General Meeting on Friday, 2nd September, 2016 at 11.00 a.m.
at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jarnalal Bajaj Marg, Nariman Point, Mumbai 400 021

(To be presented at the entrance)

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I/We hereby record my/our presence at the 47th Annual General Meeting of the Company to be held on Friday, 2nd September, 2016 at 11.00 a.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jarnalal Bajaj Marg, Nariman Point, Mumbai 400 021.

D.P. Id*	
Client Id*	

Folio No.	
No. of Share/(s) held	

NAME OF THE MEMBER

NAME OF THE PROXY

SIGNATURE OF THE ATTENDING MEMBER/PROXY

E-VOTING PARTICULARS

ELECTRONIC VOTING EVENT NUMBER (EVEN)	USER ID	PASSWORD

NOTE : Please refer to the instructions printed under the Notes to the Notice of the 47th Annual General Meeting. The e-voting period commences on Tuesday, 30th August, 2016 at 9.00 a.m. IST and ends on Thursday, 1st September, 2016 at 5.00 p.m. IST. The e-voting module shall be disabled by NSDL for voting thereafter.

* Applicable for investors holding shares in electronic form.