



Pidilite Industries Limited

Investor Update

Quarter and Year ended March 2010

Coverage

- Financial Highlights
- Business segment wise & Overseas subsidiaries performance
- Financial Results

Investor Communication

This investor update covers the Company's performance for quarter and year ended 31st March 2010

Contact information

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Financial Highlights

Quarter ended 31st March 2010

- Net Sales at Rs.4468 mn grew by 17.4% over the same quarter last year. Excluding "Others", sales grew by 23% over last year.
- EBITDA (before foreign exchange difference) grew by 14% to Rs 717 mn.
- Material cost to Net Sales ratio dropped by 255 basis points in comparison to same period last year due to lower commodity prices and strengthening of the Rupee vs the US Dollar.
- Expenses, other than material costs, were higher than last year by Rs. 329mn mainly due to increase in manpower costs and higher advertising & sales promotion expenses.
- The foreign exchange loss for the quarter is Rs.1 mn as compared to a gain of Rs. 335 mn in the same quarter last year. (The gain in last year was on account of write back of Rs 400 M of "mark to market" losses on

foreign exchange loans, in line with accounting treatment permitted under AS 11). Due to this the current quarters results are not comparable with that of the same period last year.

- The combined impact of the above has resulted in Profit Before Tax of Rs.543 mn in the current quarter as compared to a Profit before Tax of Rs.743 mn in the same period last year. Profit Before Tax excluding foreign exchange difference increased by 33.5% over the same period last year.

Year ended 31st March 2010

- Net sales for the year at Rs.19297 mn registered a growth of 9.6%. Net Sales, excluding "Others", grew by 15.1% over last year.
- EBITDA (before foreign exchange difference), grew by 60% to Rs.4132 mn.
- Material cost to Net Sales ratio dropped by 630 basis points in comparison to same period last year. Expenses, other than material costs, were higher by 7.7% over last year.
- Profit before tax, prior to foreign exchange gain / (loss) increased by 88.6% to Rs.3382 mn.
- After considering the foreign exchange gain/loss the resultant Profit Before Tax and Profit After Tax for the period is Rs. 3289 and Rs.2891 mn respectively as compared to PBT of Rs. 1632mn and PAT of Rs.1464mn for last year.
- The foreign exchange loss for the period is Rs.93 mn as compared to a loss of Rs.161 mn last year. Out of the total unamortized foreign exchange losses of Rs.164 mn as on 31/03/09, an amount of Rs.145mn has been reversed during the year due to foreign exchange gains. Further an amount of Rs.10 mn has been amortized in the year. The balance unamortized foreign exchange losses as on 31/03/10 is Rs.9 mn.

Business segment wise & Overseas subsidiaries performance

For details on Business segment wise performance and overseas performance kindly refer to the investor presentation on our web-site.

<http://www.pidilite.com/investorcentre.aspx>

Financials

PIDILITE INDUSTRIES LIMITED

REGD. OFFICE : 7th Floor, Regent Chambers, Jammalal Bajaj Marg,
208, Nariman Point, Mumbai - 400 021.

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2010

(Rs. in lac)

Sr. No.	Particulars	Standalone				Consolidated	
		Unaudited		Audited		Audited	
		For the Quarter ended		For the Year ended		For the Year ended	
	31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009	
1	a) Net Sales/Income from Operations	44681	38047	192975	176112	219156	198632
	b) Other operating Income	561	691	2002	2243	2169	2538
	Total Income	45242	38738	194977	178355	221325	201170
2	Expenditure						
	a) (Increase) / Decrease in stock in trade and work in progress	(2986)	(774)	(3669)	928	(3041)	91
	b) Consumption of raw materials	17445	15313	89375	72614	76374	82413
	c) Purchase of traded goods	2340	1569	9977	8171	16476	12553
	d) Employees cost	5077	4316	19754	16305	25248	22047
	e) Depreciation	1153	1261	4639	4722	6655	5882
	f) Other expenditure						
	1) Packing material consumption	5941	4692	23900	21570	24098	21570
	2) Others	10359	7372	34771	32918	41309	38608
	g) Total	39349	33749	158747	157228	187119	183164
3	Profit from Operations before Other Income , Interest & Exceptional Items	5893	4989	36230	21127	34206	18006
4	Other Income	180	63	716	146	1193	334
5	Profit before Interest & Exceptional Items	6073	5052	36946	21273	35389	18340
6	Interest	582	962	2860	3178	3285	3609
7	Profit after Interest but before Exceptional Items	5491	4090	34086	18095	32104	14731
8	Exceptional Items						
	- Donations	55	20	267	168	267	168
9	Profit from Ordinary Activities before Foreign Exchange Difference Expenses / (Income)	5436	4070	33819	17927	31837	14663
10	Foreign Exchange Difference - Expense / (Income)	11	(3355)	931	1607	728	1812
11	Profit / (Loss) from Ordinary Activities before Tax	5425	7425	32888	16320	31109	12751
12	Tax expense						
	(Add) / Less: Provision for Current Taxation #	156	642	4230	1502	4247	1507
	(Add) / Less : Provision for Deferred Tax	(228)	26	(255)	180	(165)	180
13	Net Profit / (Loss) from Ordinary Activities after Tax	5497	6757	28913	14638	27027	11084
14	Extraordinary Item (net of tax expense Rs. Nil)						
	- Prior Years' Tax Provision written back	-	-	437	-	437	-
15	Minority Interest	-	-	-	-	(5)	69
16	Share of Profit / (Loss) in Associate Company	-	-	-	-	237	35
17	Net Profit / (Loss) for the period	5497	6757	29350	14638	27696	11188
18	Paid-up Equity Share Capital (Face Value of Share : Re.1)	5061	2531	5061	2531	5061	2531
19	Reserves excluding Revaluation Reserve			88797	70831	82133	66880
20	Earnings Per Share (EPS) in Rs.						
	a) Basic EPS before extraordinary item	@ 1.09	@ 1.34	5.71	2.89	5.39	2.21
	b) Diluted EPS before extraordinary item	@ 1.06	@ 1.30	5.56	2.81	5.24	2.15
	c) Basic EPS after extraordinary item	@ 1.09	@ 1.34	5.80	2.89	5.47	2.21
	d) Diluted EPS after extraordinary item	@ 1.06	@ 1.30	5.64	2.81	5.32	2.15
21	Public Shareholding						
	- Number of shares	148918298	73685549	148918298	73685549		
	- Percentage of shareholding	29.42	29.12	29.42	29.12		
22	Promoters and Promoter Group Shareholding as on 31st March, 2010						
	- Number of Shares			Nil		357216314	
	- Percentage of Shares			Nil		100%	
	(i) As a % of total shareholding of Promoters and Promoter Group			Nil		70.58	
	(ii) As a % of total share capital of the Company			Nil		70.58	

Provision for Current Taxation includes Wealth Tax.

@ For the period only and not annualised.

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in lac)

Sr. No.	Particulars	Standalone				Consolidated	
		Unaudited		Audited		Audited	
		For the Quarter ended		For the Year ended		For the Year ended	
		31.03.2010	31.03.2009	31.03.2010	31.03.2009	31.03.2010	31.03.2009
1	Segment Revenue						
	a) Consumer & Bazaar Products	32228	27621	148187	128944	174349	151464
	b) Industrial Products	12610	9372	46529	41081	46529	41081
	c) Others	313	2808	1763	14674	1763	14674
	Total	45151	39801	196459	184699	222641	207219
	Less : Inter Segment Revenue	470	1754	3484	8587	3484	8587
	Net Segment Revenue	44681	38047	192975	176112	219157	198632
2	Profit before Interest and Tax						
	a) Consumer & Bazaar Products	6245	5965	38489	25461	37123	23056
	b) Industrial Products	2467	1198	9146	5312	9146	5312
	c) Others	(274)	231	(1257)	928	(1257)	928
	Total	8438	7394	46378	31701	45012	29296
	Less : i) Interest	582	962	2860	3178	3285	3609
	ii) Other unallocable expenditure - net of unallocable income	2431	(993)	10630	12203	10619	12936
	Total Profit Before Tax	5425	7425	32888	16320	31108	12751
3	Capital Employed						
	a) Consumer & Bazaar Products	32759	39089	32759	39089	26095	34121
	b) Industrial Products	13170	14209	13170	14209	13170	14209
	c) Others	3806	3122	3806	3122	3806	3122
	d) Unallocated	44123	16942	44123	16942	44123	17959
	Total Capital Employed	93858	73362	93858	73362	87194	69411

Notes :

- The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meetings held on 19th May 2010.
- The Company has opted to publish standalone as well as Consolidated Financial Statements. The consolidated financial results prepared as per Accounting Standard (AS-21) comprise the results of Pidilite Industries Ltd. (Holding Company), 17 subsidiary companies and one associate Company.
- The Company had exercised in March 2009 the option permitted by the Central Government under Notification No G.S.R.225 (E) to treat foreign exchange difference relating to assets as adjustments in the carrying value of such depreciable assets and amortise other differences of a specified nature over the term of the relative item. Accordingly for the period ended 31st March 2009, the Company had debited the loss of Rs 235.29 million to the carrying cost of the depreciable assets and debited Rs. 164.81 million to Foreign Currency Monetary Item Translation Account. For the Year ended 31st March 2010, the Company has credited the gain of Rs 123.64 million to the carrying cost of the depreciable assets and credited Rs. 145.07 million to Foreign Currency Monetary Item Translation Account. Out of the said Foreign Currency Monetary Item Translation Account Rs. 10.20 million has been amortised in the current period ended 31st March, 2010 including reversal of Rs. 13.82 million for the quarter ended 31st March, 2010. Consequently the Profit from the Ordinary Activities before tax for the quarter ended 31.03.2010 is not comparable with the same period last year..
- Unallocated Capital Employed as at 31st March 2010 includes a) Capital Work in Progress of Rs. 2648.02 million (previous year Rs 2173.25 million) of Synthetic Elastomer Project presently under implementation b) Short term investments in units of mutual funds Rs 2630.67 million (previous year Rs 184.48 million)
- The Company raised US \$ 40 million from issue of zero coupon Foreign Currency Convertible Bonds (FCCB) in December 2007. After payment of US \$ 0.99 million for certain issue related expenses, the Company has utilised US \$ 21.94 million for investment in equity capital of its overseas subsidiaries, US \$ 13.32 million for capex, US \$ 0.75 million for buyback of FCCB and finance cost of US \$ 0.43 million. The balance amount is kept with banks.
- In February 2010, Chemson Asia Pte Ltd., merged with Pidilite Innovation Centre Pte Ltd., both wholly owned subsidiaries of Pidilite International Pte. Ltd. (which is a wholly owned subsidiary of the Company).
- As approved by the Shareholders at the Extraordinary General Meeting held on 04.03.2010, the Company issued and allotted 25,30,67,306 Bonus Equity Shares on 18.03.2010 in the ratio of 1:1 i.e. One fully paid Equity Share of Re. 1/- each for every one fully paid Equity Share of Re. 1/- each held in the Company as on 17.03.2010 (Record Date). After Issue of Bonus Equity Shares, Earnings Per Share has been adjusted for the corresponding period of the previous year.
- Subject to the approval of the Shareholders at the Annual General Meeting, the Board recommended payment of total Dividend of Rs. 1.50 per Equity Share of Re. 1/- each for the financial year 2009-10 which includes "Golden Jubilee Special Dividend" of Re. 0.50 per Equity Share.
- In terms of Clause 41 of the Listing Agreement, details of number of investor complaints for the quarter ended 31st March, 2010: beginning - nil, received - four, disposed of - four and pending - nil.
- Previous period's figures are regrouped wherever necessary.

Mumbai
Dated 19th May 2010

M. B. PAREKH
Managing Director