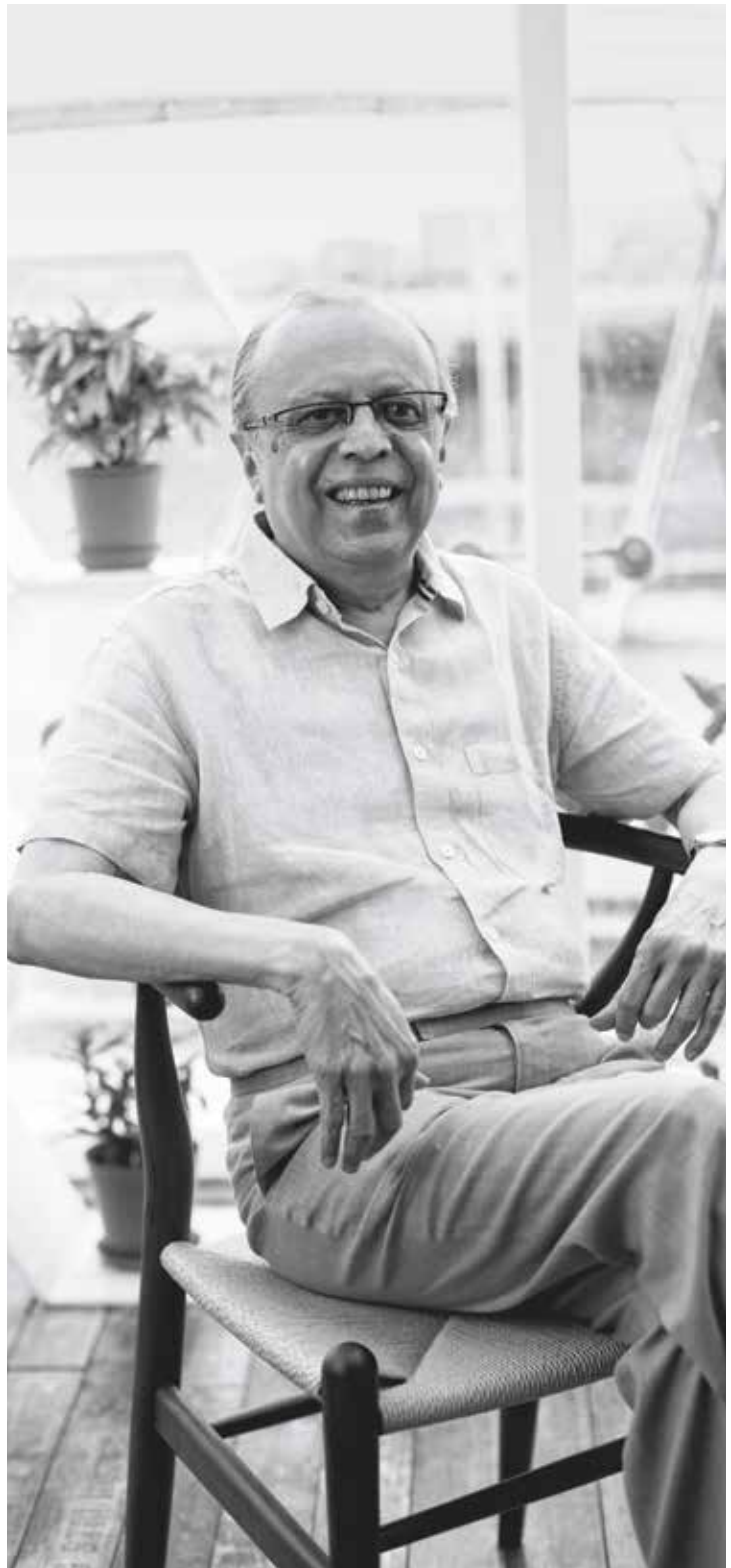


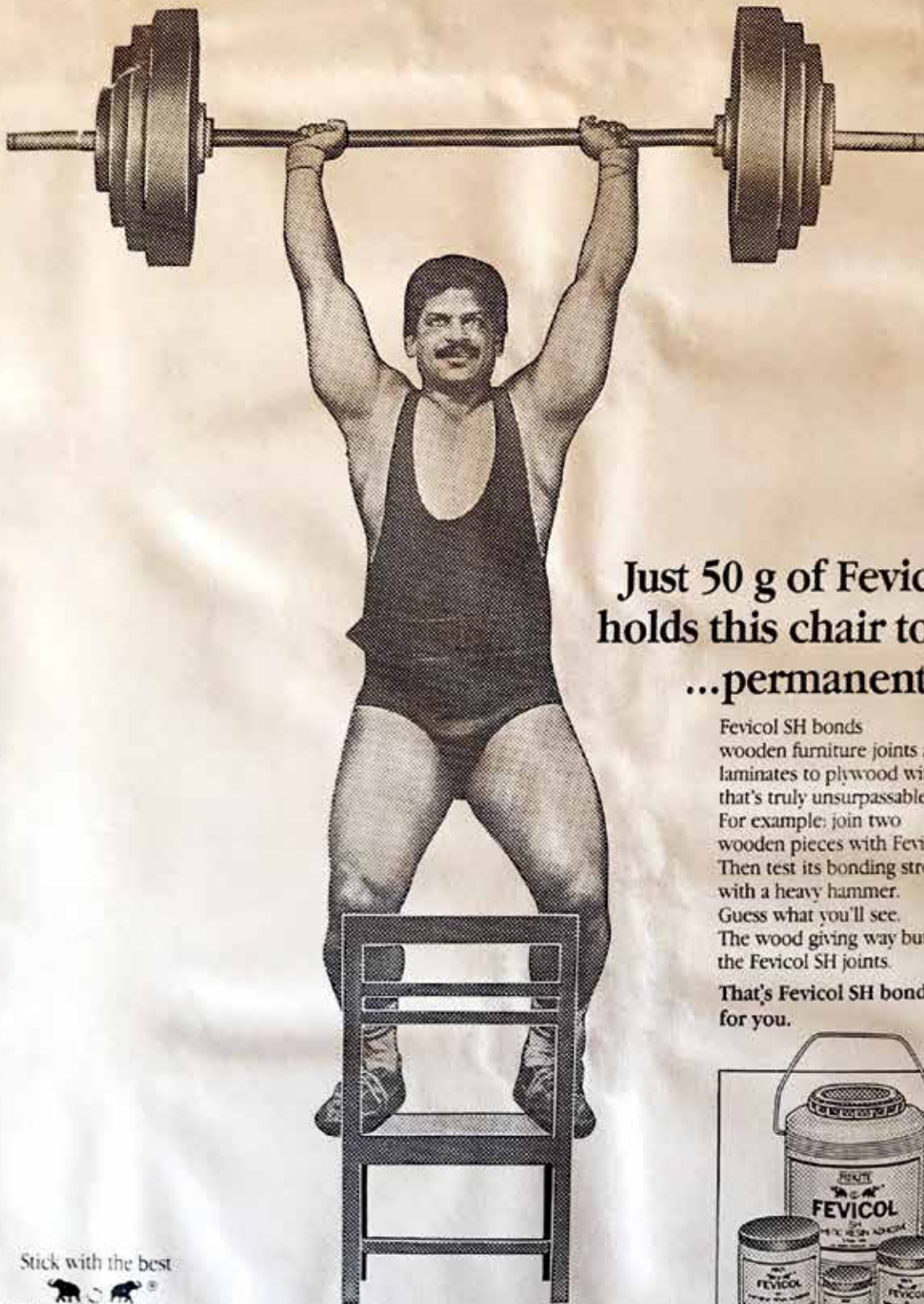


Sixty years is a good time to pause, look back and look ahead. In the last six decades, Fevicol has grown as a brand, touched lives in so many ways, and helped build bonds with our employees, dealers, distributors, carpenters, consumers and more.

Tracing the journey of Fevicol gives us invaluable insights into how it became one of the most trusted and loved brands in India. These insights will continue to guide us as we travel further on this journey.

M B Parekh
Chairman





**Just 50 g of Fevicol SH
holds this chair together
...permanently**

Fevicol SH bonds wooden furniture joints and laminates to plywood with strength that's truly unsurpassable. For example: join two wooden pieces with Fevicol SH. Then test its bonding strength with a heavy hammer. Guess what you'll see. The wood giving way but not the Fevicol SH joints.

That's Fevicol SH bonding power for you.



Stick with the best

FEVICOL
SH

The professional's adhesive

* Both  and FEVICOL brand are the Registered Trade Marks of PIDILITE INDUSTRIES PVT. LTD. Bombay 400 021.



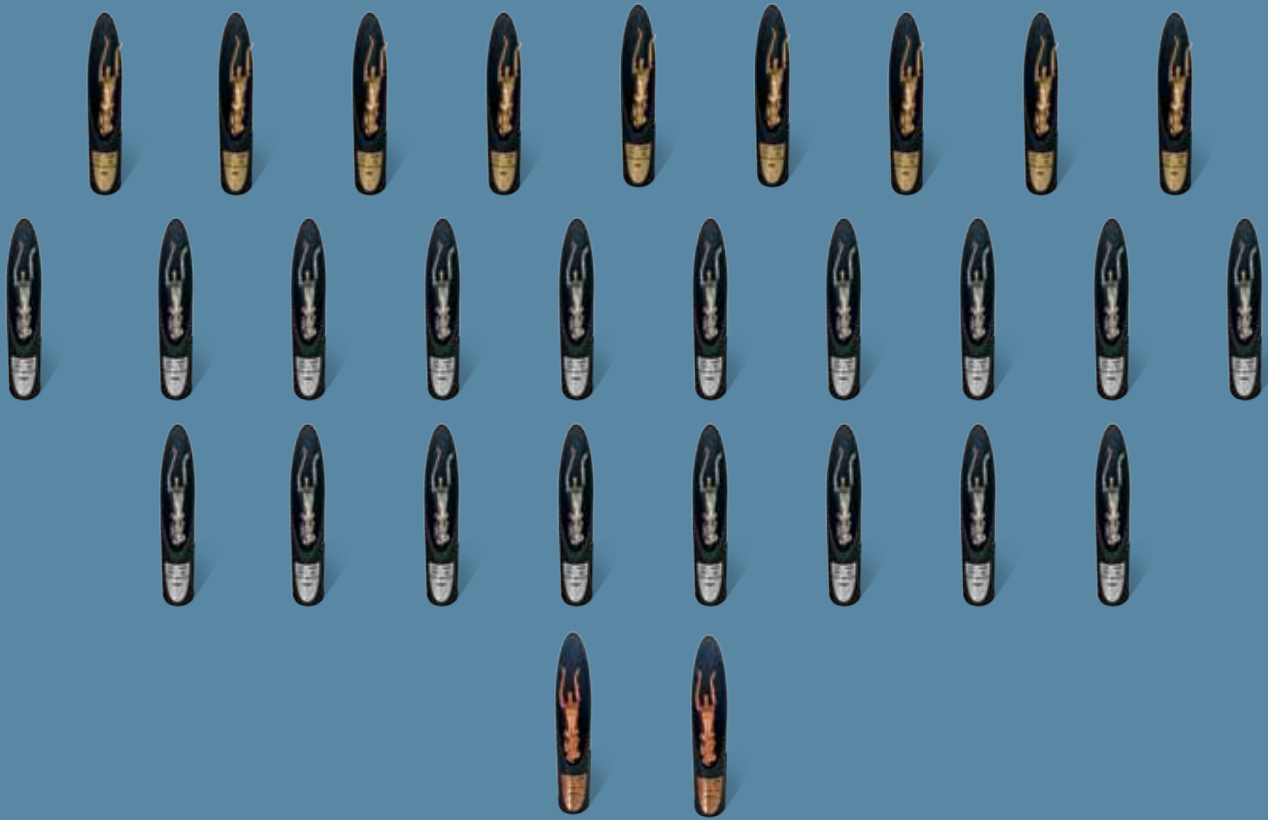
Well, the Bond
has lasted beyond
the chair and now
helps bond 1,60,000+
carpenters through the
Fevicol Champions' Club.



"Hayeeshhaa!"

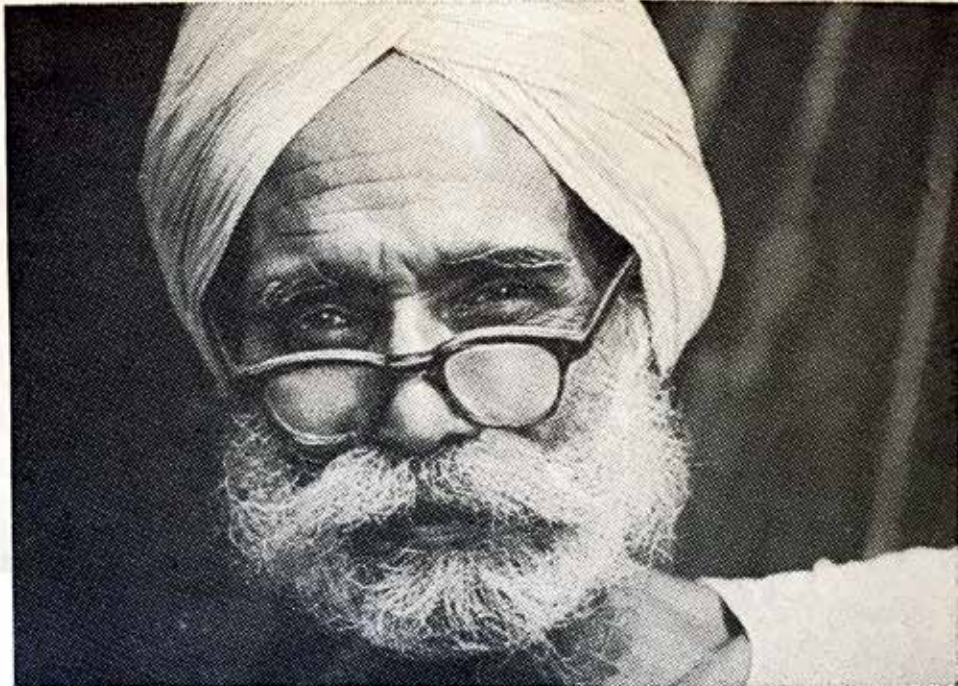
Pidilite is proud to receive the 'Campaign of the Century'- Silver Abby for Fevicol.



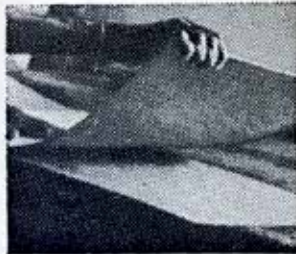
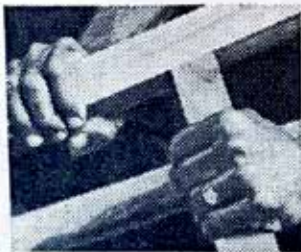


years hence and with
29 Abbys and more,
we are still counting.

‘Making beautiful furniture is not enough. It should also last long...’ Says Master Carpenter Vikram Singh



‘That’s why I prefer Fevicol.’



Bonds are stronger and neater with Fevicol, so furniture and laminates last longer and look better.

Fevicol, today’s most widely-used synthetic resin adhesive, is the carpenter’s first choice.

Furniture, laminates, wallpaper, tiles and 1001 other sticking jobs are done quicker and better with Fevicol.

Fevicol adhesives are available in different grades to suit specific needs.

PIDILITE

PIDILITE INDUSTRIES PVT. LTD.

Mafatlal House, P.B. No. 11084, Backbay Reclamation, Bombay 400 020



Stick with the best.
FEVICOL®
— the professional’s adhesive.

OBM/5591A



evicol still stands tall as
India's most trusted brand
in the adhesive category,
and touches over 50 lakh
households every year.


*Fevicol was ranked 38 in The Economic Times - Brand Equity's survey of the
100 most trusted brands for the year 2018 and was 1st in the adhesive category.*

The Champion Adhesive for 30 years



PIDILITE

FEVICOL
the professional's adhesive.

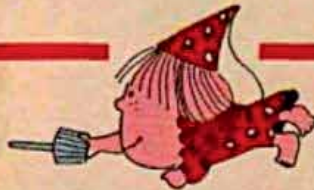
Both label designs of Fevicol packs are registered under the copyright © act.
© Both  and FEVICOL brand are the Registered Trade Marks of PIDILITE INDUSTRIES LTD, Bombay 400 021.



single product,
to now more than
10+ specific offerings,
brand Fevicol has
always been the
champion adhesive.



**"Jimbo the Jumbo is great fun to make
Bits 'n' pieces with Fevicol
That's all he takes" – Fevi Fairy**



It's a neat trick.
And it's quick.
All you do is think and stick.
Stick what?
Anything at all.
Just have a ball.
Make a pencil stand,
a basket
...even a doll.
It's not messy at all.
How can that be?
With Fevicol.

With Fevicol MR you
could go on and on...
and whatever you make,
will last and last.
Because Fevicol MR really
sticks to its job.

For FREE step-by-step instructions on
how to make Jimbo the Jumbo, post this
coupon or write to "Fevi Fairy",
Post Box 11084, Bombay 400 020.
Jimbo will keep your room clean by
storing all your waste paper!

For FREE step-by-step instructions on how
to make Jimbo the Jumbo, post this coupon
or write to "Fevi Fairy", Post Box 11084,
Bombay 400 020.



(Ch)

Name: _____

Age: _____

Address: _____

City: _____

State: _____ Pin: _____

Have you received our journal – Feviculture? Yes/No


FEVICOL^{MR}
Synthetic Adhesive



When you do your best, you stick with the best

OBM/6379

© 1988, Fevicol MR is the Registered Trade Mark of FEVITE INDUSTRIES PVT. LTD. Bombay-400 021



evicol is now a generic word for glue. The breakthrough came in '70s with the launch of a 30gm pack for students and professionals, thereby tapping a new user segment for the brand.



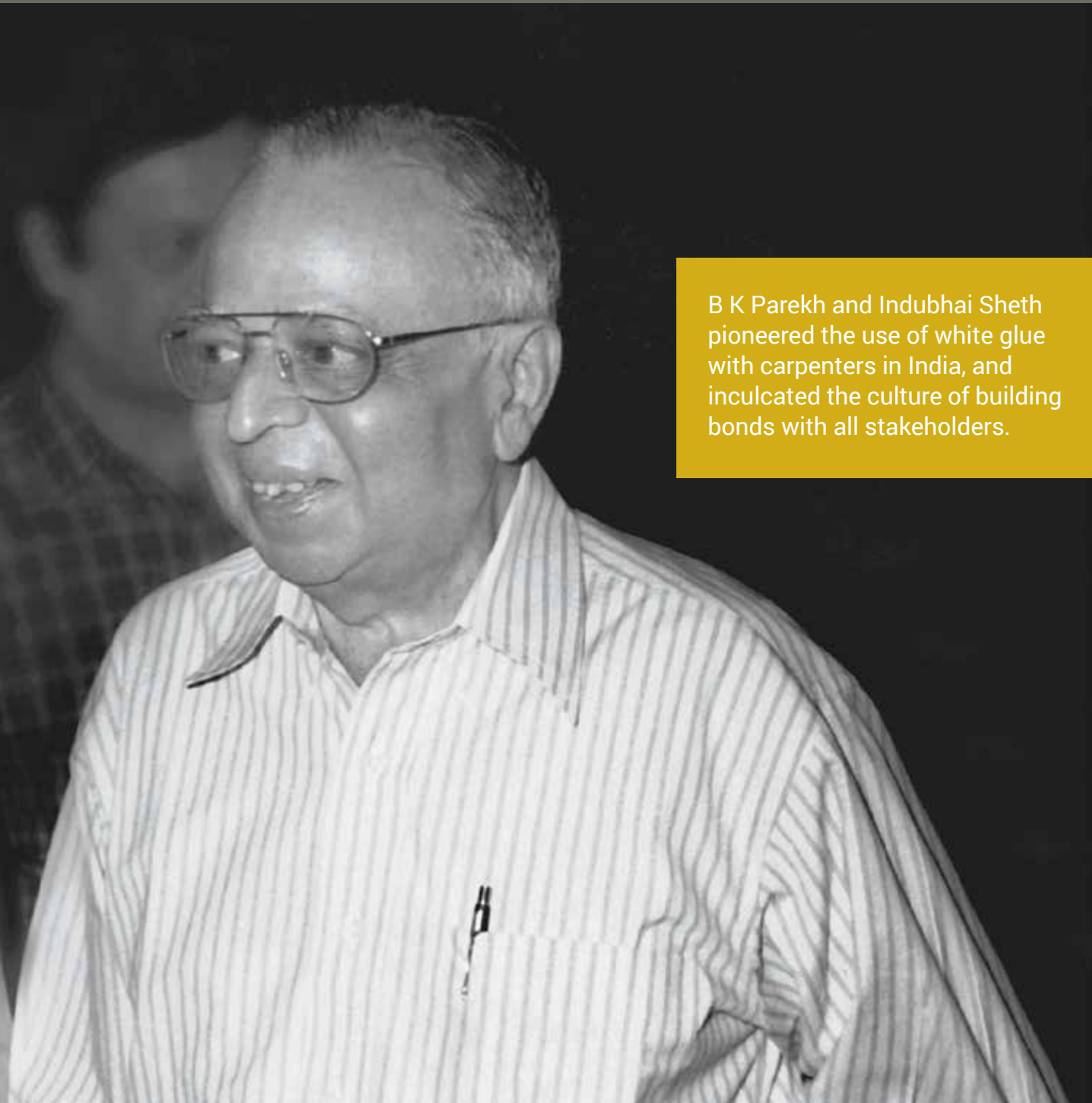
The concept of using elephants for the Fevicol logo was based on a need to have an easily recognisable symbol in the Indian context, and at the same time, establish the strength of the product.

Logo designed by
Datta Sawant, O&M



INDUBHAI SHETH
B K PAREKH

Our Founder



B K Parekh and Indubhai Sheth pioneered the use of white glue with carpenters in India, and inculcated the culture of building bonds with all stakeholders.



During the initial years post launching Fevicol, we faced several obstacles due to regulatory restrictions on import and manufacturing. However, we were able to maintain a smooth supply chain for Fevicol. There has never been a single day during last 60 years when the product was out of stock.

N K PAREKH
S K PAREKH



N K Parekh & S K Parekh partnered with B K Parekh in establishing and growing the Fevicol business during its early years.

COMPANY INFORMATION

BOARD OF DIRECTORS

M B Parekh
Executive Chairman

A N Parekh
Whole Time Director

Uday Khanna
Director

N K Parekh
Vice Chairman

Sabyaschi Patnaik
Whole Time Director

Meera Shankar
Director

Bharat Puri
Managing Director

B S Mehta
Director

Vinod Dasari
Director

A B Parekh
Whole Time Director

Sanjeev Aga
Director

Piyush Pandey
Director

CORPORATE OFFICE

Ramkrishna Mandir Road
Off Mathuradas VasANJI Road
Andheri (E), Mumbai 400 059

REGISTERED OFFICE

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

REGISTRAR & TRANSFER AGENT

TSR Darashaw Consultants
Private Limited (Formerly known
as TSR Darashaw Limited)
6-10, Haji Moosa Patrawala
Ind. Estate 20, Dr. E Moses Road
Mahalaxmi, Mumbai 400 011

COMPANY SECRETARY

Puneet Bansal
(w.e.f. 20-02-2019)

CHIEF FINANCIAL OFFICER

P Ganesh
(upto 24-05-2019)

INTERNAL AUDITORS

Mahajan & Aibara

AUDITORS

Deloitte Haskins & Sells LLP

SOLICITORS & ADVOCATES

Wadia Ghandy & Co

BANKERS

Indian Overseas Bank

Corporation Bank

ICICI Bank

HDFC Bank

Citibank N A

Standard Chartered Bank PLC.

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Consolidated
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Statements

CONSOLIDATED FINANCIALS

Consolidated Net Sales grew by

16.6%

On a comparable basis (after reflecting impact of GST from sale of base twelve months) consolidated Net Sales grew by

17.5%

(excluding sales of Cyclo division of Pidilite USA Inc., which was sold by Pidilite USA Inc. in June 2017).

“EBITDA” (Earnings before Interest, Taxes, Depreciation, Exceptional items and foreign exchange differences) before non-operating income, increased by

2.3%

given the input cost led contraction in gross margins by

3.1%

Profit Before Tax grew by

0.1%

Profit After Tax declined by

3.9%

Exceptional items represents provision for diminution/ impairment in value of investments made by subsidiaries amounting to ₹ 18.0 crores (mainly investments in IL&FS amounting to ₹ 10.6 crores entirely provided). Current tax includes ₹ 52.8 crores (previous year ₹ 46 crores) being excess provision of earlier years now written back.

On a constant currency basis, the overseas subsidiaries (excluding Cyclo division of Pidilite USA Inc.) reported sales growth of

4.7%

EBITDA declined by

54.6%

due to low sales growth and higher input costs.

Like for like sales growth (excluding impact of acquisitions), domestic sales grew by

25.8%

EBITDA growth was lower than sales growth due to higher input costs and foreign exchange losses.

STANDALONE FINANCIALS

Net Sales of the Company
grew by

13.9%

On a comparable basis (after
reflecting impact of GST from
sale of base twelve months)
Net Sales grew by

14.5%

with sales volume & mix growth of

10.4%

EBIDTA (excluding non-operating
income) improved marginally by

0.3%

given the input cost led contraction
in gross margins by

2.9%

Profit before exceptional item and
tax increased by

3.4%

Profit After Tax increased by

2.5%

Current tax includes ₹ 52.8 crores
(previous year ₹ 46 crores) being
excess provision of earlier years
now written back.

PERFORMANCE BY INDUSTRY SEGMENT (STANDALONE)

CONSUMER & BAZAAR PRODUCTS

Branded Consumer & Bazaar Products Segment contributed

84.4%

of the sales of the Company and grew by

15.6%

Adhesives & Sealants category which includes adhesives (including joinery business), sealants and tapes. This category contributed

56.4%

of the sales of the Company and grew by

17.3%

Construction (including project business) and Paint Chemicals contributed

19.6%

of the sales of the Company and grew by

15.7%

Art & Craft Materials etc. contributed

8.4%

of the sales of the Company and grew by

6.3%

INDUSTRIAL PRODUCTS

Industrial Products contributed

14.8%

of the sales of the Company and grew by

9.2%

Industrial Adhesives includes adhesives used in packaging, footwear, cigarette and automotive industry. This category contributed

4.3%

of the sales of the Company and grew by

12.1%

Industrial Resins etc. contributed

4.9%

of the sales of the Company and grew by

7.2%

Pigments and Preparations contributed

5.6%

of the sales of the Company and grew by

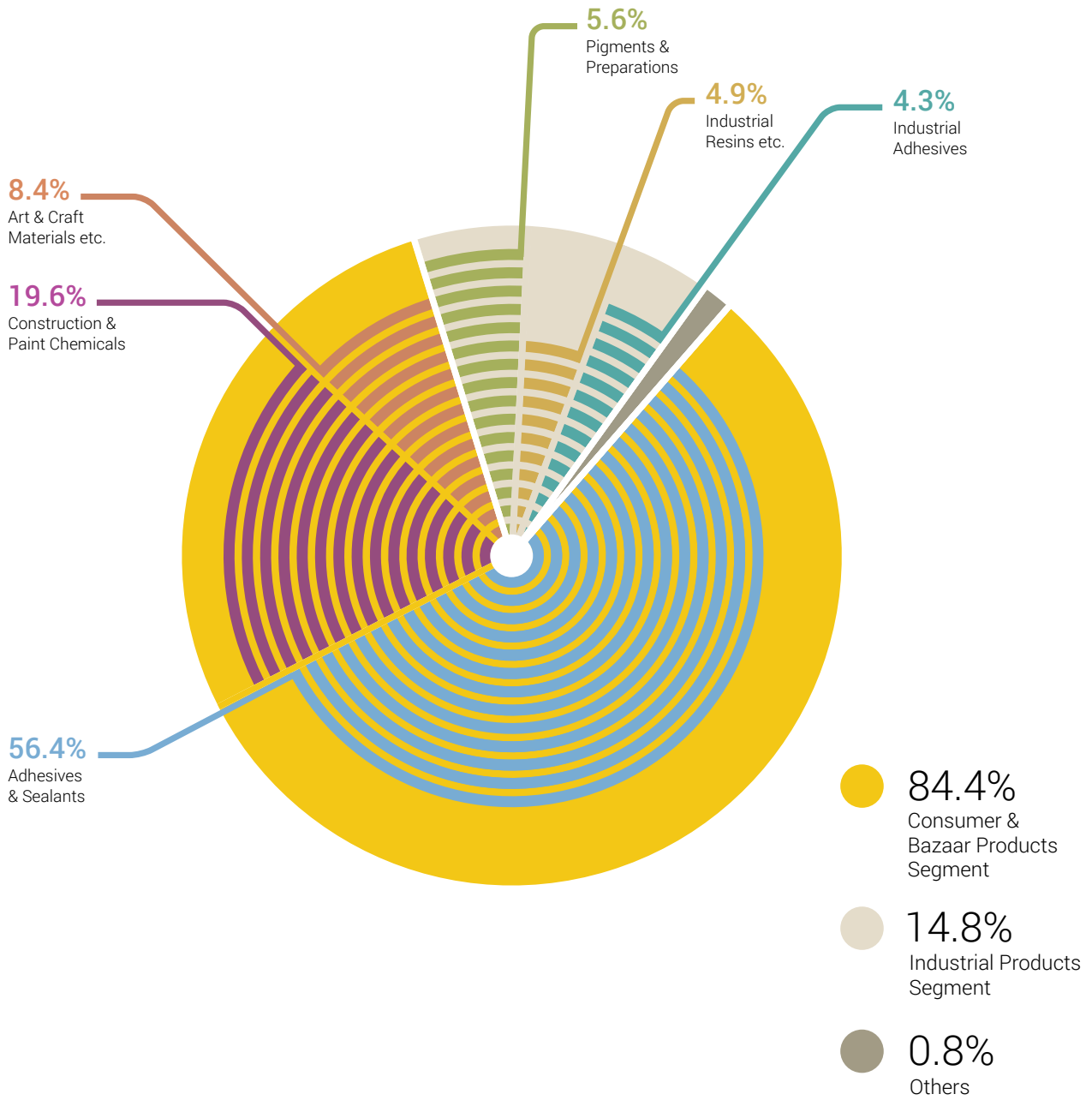
7.7%

OTHERS

The "Others" segment largely comprises manufacture and sale of Speciality Acetates.

The VAM plant has been modified to make a range of Speciality Acetates and Isopropyl Alcohol in the same plant. Import of VAM continues to remain more viable as opposed to in-house manufacture.

BUSINESS SEGMENT/PRODUCT CATEGORY %



MARKETING INITIATIVES

To increase the brand engagement with millennials for Fevicol and to generate incremental business for Dr. Fixit, we made our digital initiatives deeper in FY 2018-19 through social media and performance marketing campaigns. With the objective of educating consumers about the new usages of Fevikwik and Art & Craft products, we increased the use of digital videos, in the form of pre-roll YouTube ads.

The end user engagement programmes such as Fevicol Champions Club and Dr. Fixit 'Skilled Waterproofer', continued to reach a wider audience with increased penetration along with participation in key industry events. Our popular TV campaigns for Fevicol Marine, Fevicol Ezeespray, Fevikwik and Dr. Fixit continued in FY 2018-19 with effective repeat runs.

NEW PRODUCTS LAUNCH



Steelgrip+ is a self-adhesive PVC electrical insulation tape with bounce-back, better adhesion, stronger grip, ISI certified and fire retardant properties.



Fevicol Create Kits were launched to help foster creativity at home through crafting and bring to life wonderful concepts such as a dream-catcher, bird-house and fridge magnets, etc.



DR. FIXIT LW+

A new television commercial featuring Mr. Amitabh Bachchan was aired to communicate that every 1 litre Dr. Fixit LW+ needs to be mixed in every 5 bags of cement while constructing a new home.



UNEES BEES KA FARAK

Fevicol launched a regional multi media campaign "Unees Bees ka Farak" in the markets of Punjab, Chandigarh and Haryana. The campaign took a humorous angle on the adverse effect of taking a chance with ordinary adhesives for furniture making. The campaign was supported with on-site consumer activations.



Bluefix is an epoxy adhesive that provides adhesion to wide range of substrates. It is available in two variants - Bluefix Super Strong with a setting time of 4 hours and Bluefix Tez with a setting time of 5 minutes.

DIGITAL COMMUNICATION & INITIATIVES



To continue building Fevicol iconicity amongst millennials, **Fevicol used its quirky**

advertising to connect with youth on social media platforms. The topical and youthful creatives



were well received by the audience and also got appreciated on various advertising and marketing platforms.



Fevicol made innovative digital videos, making the usually routine banners appearing on **YouTube** into **interesting sticky banners.**



These videos were light hearted and quirky takes on the typical shampoo, formal clothing or cough syrup ads. The adhesive power

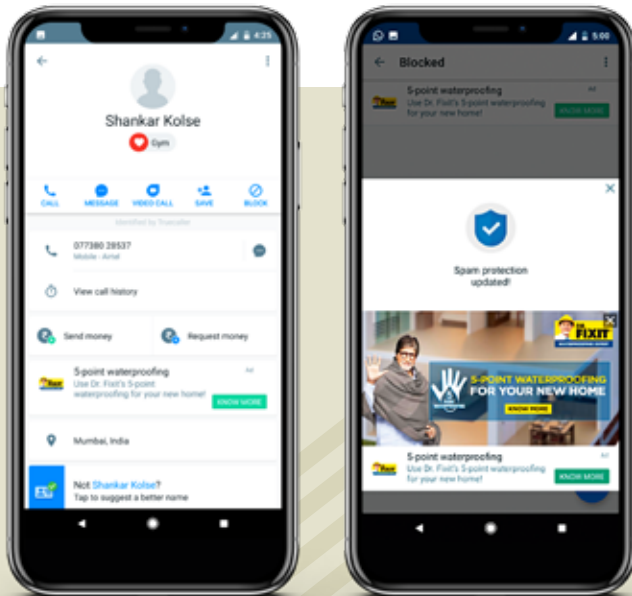
of the Fevicol banner appearing in these pre-rolls was so strong, that even the characters in the ads could not escape it.



Fevikwik created **digital videos** with the objective of keeping repair relevant amongst youth by showing them various articles that can be repaired instantly using Fevikwik.



Fevicol A+ created **pre-roll YouTube ads** of 6 most popular school craft projects. These pre-roll ads were sharply targeted at consumers looking for “How to do” craft videos on YouTube.



Dr. Fixit continues to leverage digital for educating home owners about the right waterproofing. Apart from regular avenues such as Search and Social Media, Dr. Fixit used innovative ways to reach out to sharply target people building their homes using **mobile platforms such as InMobi and Truecaller.**

Fevicreate.com was launched to become a one-stop resource for all mothers and teachers searching for craft projects.

The website includes projects across various academic subjects and is fully customisable by age of the child, level of difficulty and time at hand to complete the project.





Fevicryl Fabric Glue through its loyalty platform 'Humsafar' gave 15 zardozi unit owners an opportunity to work with established fashion designer Shaina NC. The garments co-created with the designer were worn by Bollywood celebrities at the "Fevicol Caring with Style" fashion show.



In a unique brand tie-up with Havells for its consumer promotion, a ₹ 5/- **Fevikwik** pack was given free with each promotional LED pack of Havells. This offer from Havells was promoted through an integrated TV commercial that also highlighted Fevikwik's benefit.



Fevicol partnered with MY FM radio station for their reality show "Paison ka Ped". The central theme of the activation was around contestants being stuck to a tree and performing tasks over a period of 75 hours. The activation was done in the towns of Indore, Nasik, Chandigarh, Nagpur, Jalandhar and Jaipur.



Dr. Fixit participated in key exhibitions across four focus markets in **South East Asia**, for strengthening engagement with the engineers and applicators - **Green Arch and Buildcon Expo Bangladesh, Construct 2018 in Sri Lanka, Myanbuild in Myanmar and Buildcon Expo in Nepal.**



Fevicol Champions Club (FCC) extended a helping hand in Kerala by doing 'Shramdaan' in Parvoor and Aluva districts of Kerala affected by floods. The FCC chapters from across India came together and donated money and clothes to those affected during Kerala floods.

Dr. Fixit launched **Skilled Waterproofer**, a uniquely designed program, for specialized set of skilled waterproofer. Selected based on their experience and workmanship, these waterproofer are provided with business training and tools which help them deliver a distinctive and professional waterproofing experience to consumers.



AWARDS

Awards are never the goal, but they serve a big role in reminding us that we are walking on the path of excellence.

Year-on-year, they encourage our teams and partners to do great work that creates impact.

AWARDS

Fevicol Marine campaign won the **Gold** at the **International Advertising Association 2018 Awards** in the "Home Care" category.

Fevicol was awarded the **"Evergreen Brand" Award** at the **Pitch (Magazine) Top 50 Brands Awards 2019**.

Dr. Fixit received a **Bronze** for **"Best use of Digital Radio"** for the Dr. Fixit – Radio Mixit activation at **Radio Connex 2018**.

The Fevicryl Colours bus shelter on World Colouring Book Day won a **Bronze** at the **Neon OOH 2019 outdoor advertising awards**.

Fevikwik – Khushiyon Ke Chand Pal TV Campaign won a **Grand EFFIE** and **2 Silver EFFIES** in "Small Town & Rural Marketing" and "Regional" Category at the Effie Awards India 2019.

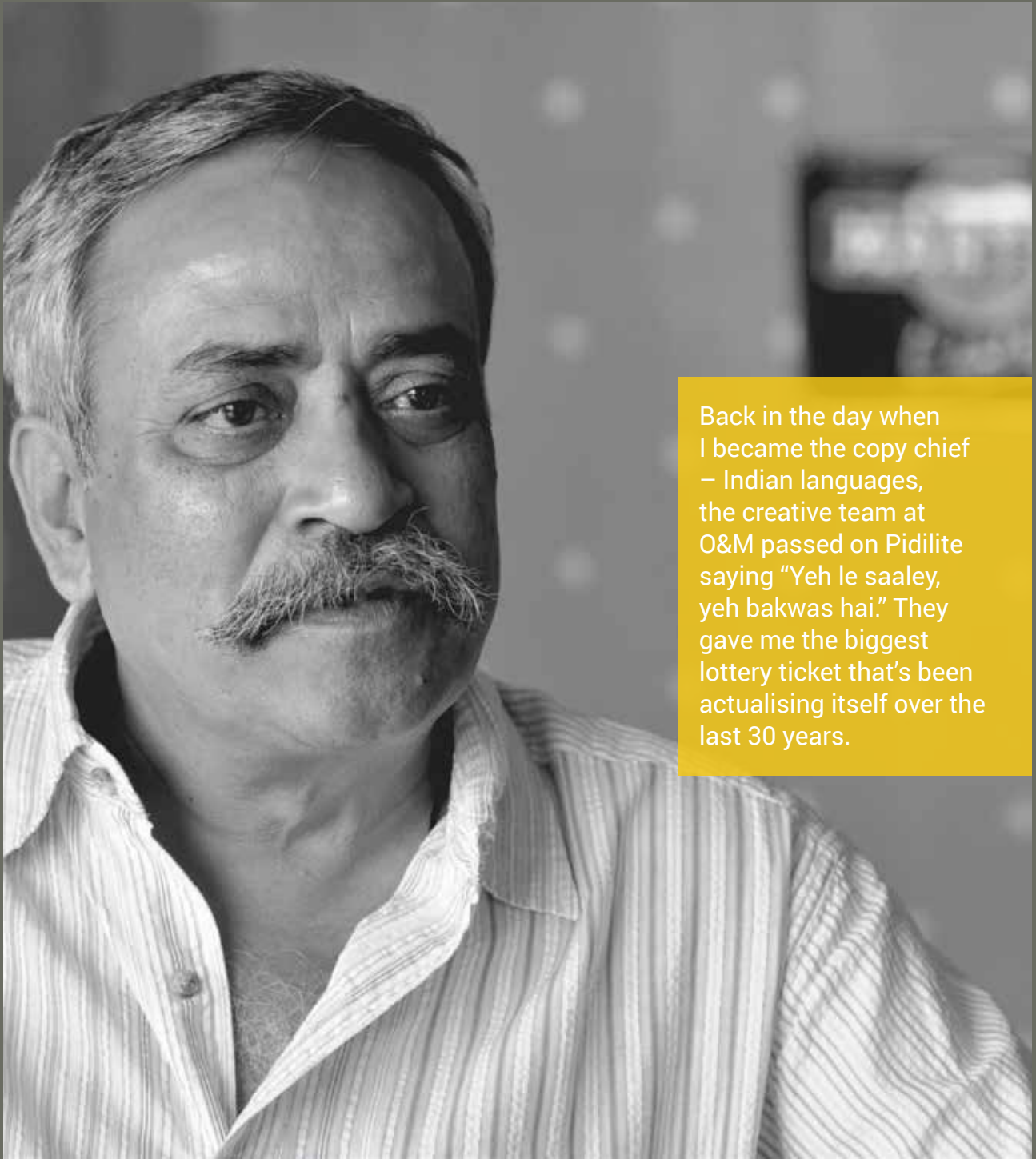
Fevikwik – Khushiyon Ke Chand Pal TV campaign won the **Best Creative Campaign** during the IPL 2018 at the **Star Re.Imagine Awards**.

Fevicol's innovative pre-roll videos on YouTube won the prestigious **Kyoorius Award for Best Use of Digital Platform**.

Fevicol won a **Bronze** at the **EFFIE** for its "Unees Bees ka Farak" TV campaign at the Effie Awards India 2019.

Fevicol was **ranked 38** in The Economic Times – Brand Equity's survey of the **100 most trusted brands** for the year 2018.





Back in the day when I became the copy chief – Indian languages, the creative team at O&M passed on Pidilite saying “Yeh le saaley, yeh bakwas hai.” They gave me the biggest lottery ticket that’s been actualising itself over the last 30 years.

PIYUSH
PANDHEY

Chief Creative Officer, Worldwide
Executive Chairman, India
Ogilvy & Mather



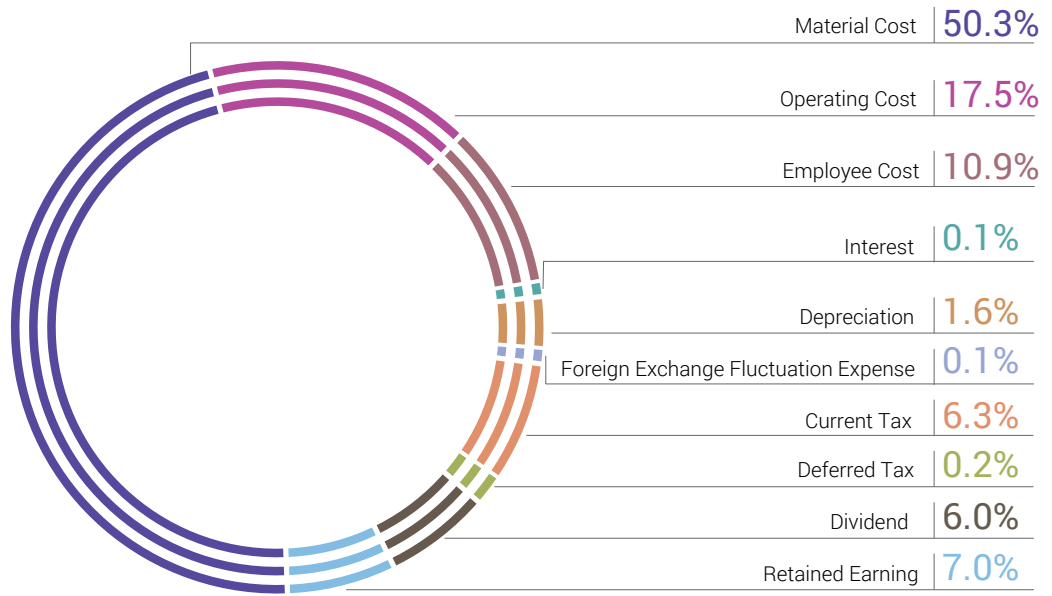
Fevicol Bus TVC, 2002

Taking cues from 'a slice of life', Fevicol has endeared itself to its customers, creating bonds that are unbreakable. Fevicol Bus TVC was a winner at Cannes Award.

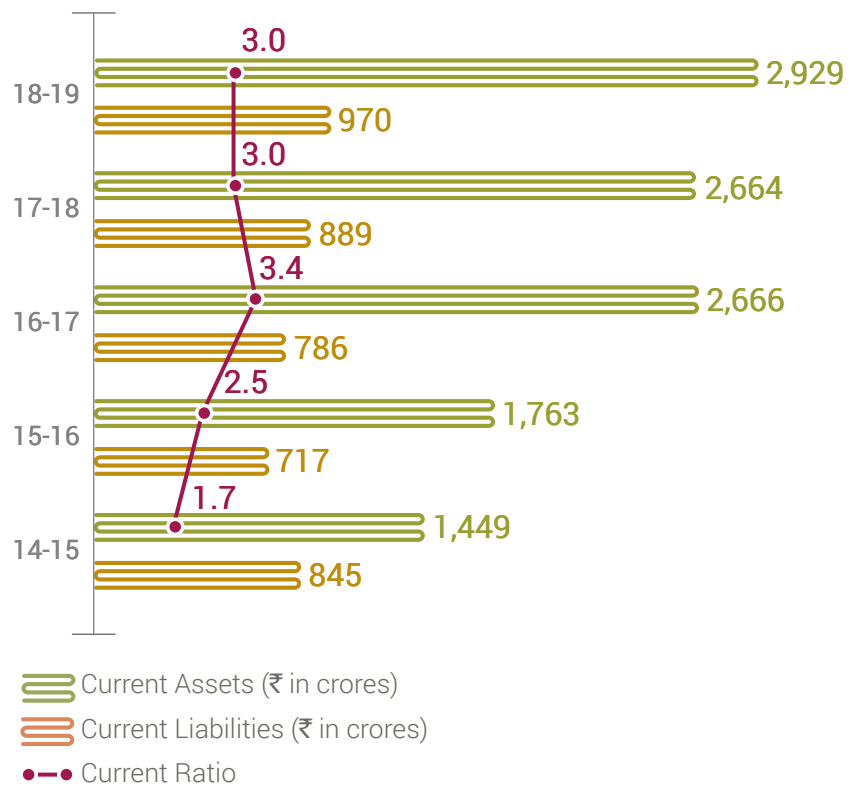


OUR PERFORMANCE

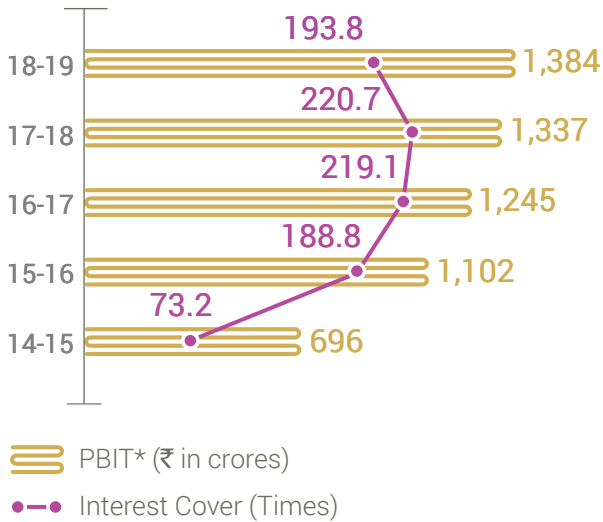
DISTRIBUTION OF REVENUE 2018-2019



CURRENT RATIO

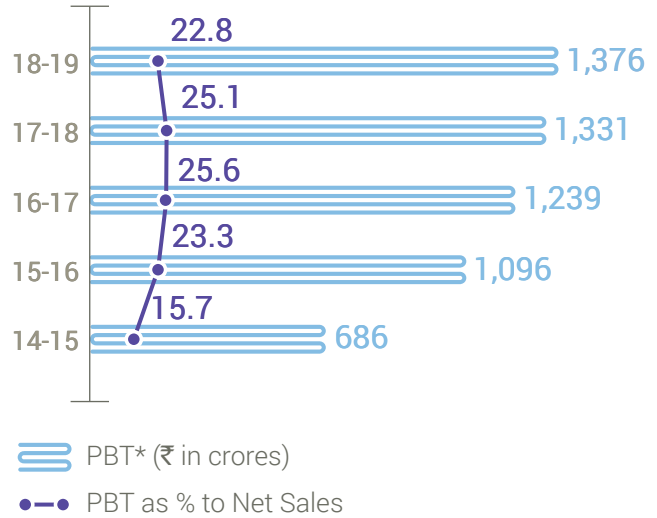


PBIT & INTEREST COVER



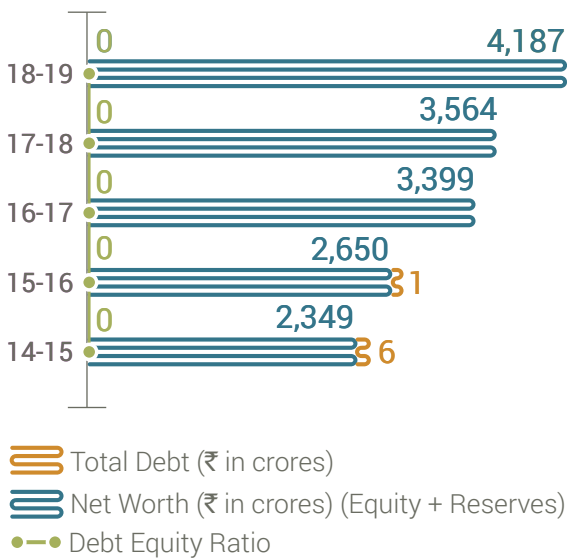
* PBIT excludes exceptional items.

PBT & PBT AS % TO NET SALES

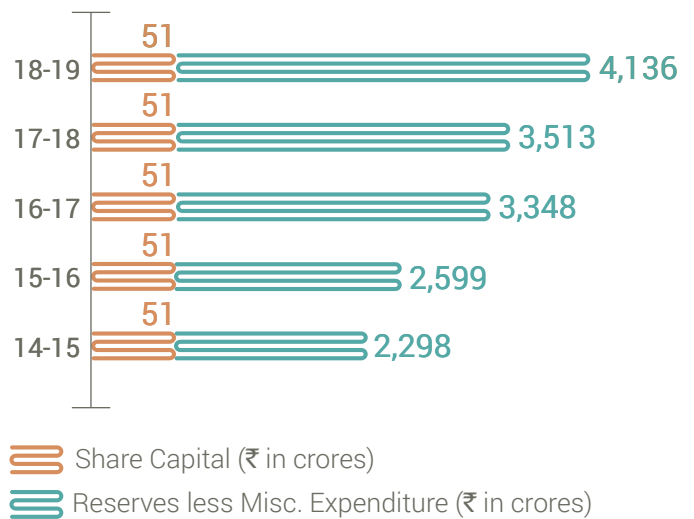


* PBT excludes exceptional items.

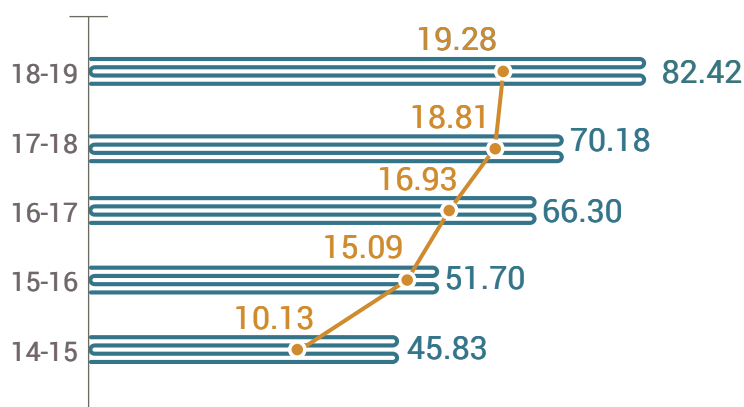
DEBT EQUITY RATIO



VALUE ADDITION TO BUSINESS THROUGH RESERVES



BOOK VALUE PER SHARE & EPS

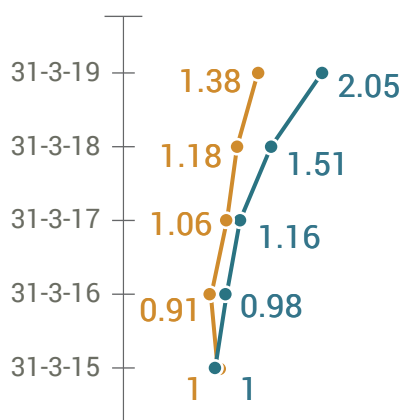


 Book Value per Share (₹)

 Earning per Share (₹)

EPS excludes exceptional items

Growth in Market Capitalisation of Company and BSE Sensex since 31st March 2015



Base Value : 31st March 2015=1

 Market Capitalisation (Times)

 BSE Sensex (Times)

MISCELLANEOUS

The Company's Net Worth (Equity capital + Reserves) has grown from ₹ 2,349 crores as on 31st March 2015 to ₹ 4,187 crores as on 31st March 2019, giving a Compounded Annual Growth Rate (CAGR) of 15.54%.

The market capitalization of the Company on 31st March 2019 was ₹ 63,108 crores and has grown at a CAGR of 31.29 % 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 @ 7.25%) + market risk premium (assumed @ 6.75%) x beta variant for the Company (taken at 0.87), 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	2014-15	2015-16	2016-17	2017-18	2018-19
1. Risk Free Return on Long Term GOI Securities	7.8%	7.5%	6.5%	7.2%	7.3%
2. Cost of Equity	12.2%	12.9%	9.2%	11.4%	13.1%
3. Cost of Debt (Post Tax)	0.0%	0.0%	0.0%	0.0%	0.0%
4. Effective Weighted Average Cost of Capital	12.2%	12.8%	9.2%	11.4%	13.1%
Economic Value Added (₹ in crores)					
5. Average Debt	7	3	1	0	0
6. Average Equity (Shareholder Funds)	2194	2500	3025	3482	3875
7. Average Capital Employed (Debt + Equity)	2201	2503	3026	3482	3875
8. Profit After Tax (as per P&L account)	519 #	774 #	868 #	955 #	979 #
9. Interest (as per P&L account, net of Income Tax)	6	4	4	4	5
10. Net Operating Profit After Tax (NOPAT)	525	778	872	959	984
11. Weighted Average Cost of Capital (4x7)	267	322	278	397	509
12. Economic Value Added (10-11)	258	456	594	563	475
13. EVA as a % of Average Capital Employed (12 ÷ 7)	11.7%	18.2%	19.6%	16.2%	12.3%

Profit after tax excludes exceptional items.

\$ Profit is after tax but before Other Comprehensive Income.

Notes:

- Profit After Tax includes Prior Years' Tax Provision written back.
- 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.
- The Company transitioned into Ind As from 1st April 2015.

10 YEARS' FINANCIAL PERFORMANCE

(₹ in crores)

	I GAAP						IND AS				
Highlights	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	CAGR %
Operating Results											
Sales and Other Income	2051	2530	3017	3615	4169	4724	5134	5409	5627	6,286	13.3%
Manufacturing & Other Expenses	1638	2036	2483	2939	3448	3918	3942	4070	4197	4,796	12.7%
Operating Profit	413	494	534	676	721	806	1192	1339	1430	1,490	15.3%
Interest (Net)	29	27	21	8	10	10	6	6	6	7	(14.3%)
Depreciation	46	44	48	53	69	108	88	90	91	100	8.9%
Profit from Ordinary Activities	338	423	465	615	642	688	1098	1243	1333	1,383	16.9%
Exceptional Item	-	25	13	(6)	6	18	27	94	-	-	-
Foreign Exchange Difference - Expense/(Income)	9	1	8	1	5	2	1	4	2	6	(4.2%)
Profit before Tax	329	397	444	620	631	668	1070	1145	1331	1,376	17.2%
Current Tax	42	94	105	156	160	156	299	363	403	438	29.7%
Deferred Tax	(3)	(1)	4	3	2	11	24	8	19	11	-
Profit after Tax for the year	290	304	335	461	469	501	747	774	909	927	13.8%
Add: Prior Year's Tax Provision written back	4	-	-	-	-	-	-	-	46	53	31.8%
Profit after Tax	294	304	335	461	469	501	747 \$	774 \$	955\$	979\$	14.3%
Dividend on Equity Shares	89 *	103 *	112 *	156 *	162 *	179 *	404 ****	31 ****	293****	364****	17.0%
Dividend on Preference Shares	-	-	-	-	-	-	-	-	-	-	-
Retained Earning	205	201	223	305	307	322	343	743	662	615	13.0%
Financial Position											
Capital-Equity	51	51	51	51	51	51	51	51	51	51	0.0%
Reserve (Less Revaluation Reserve & Misc. Expenditure)	888	1088	1327	1682	1988	2298	2599	3348	3513	4136	18.6%
Net Worth	939	1139	1378	1733	2039	2349	2650	3399	3564	4187	18.1%
Borrowings	421	287	264	60	8	6	1	-	-	-	-
Deferred Tax Liability (Net)	42	41	45	48	51	55	75	84	103	113	11.8%
Funds Employed	1402	1467	1687	1841	2098	2410	2726	3483	3667	4300	13.3%
Fixed Assets **											
Gross Block	1084	1205	1343	1469	1637	2005	1775	1856	1975	2110	7.7%
Depreciation	389	431	476	527	594	716	707	790	871	930	10.2%
Net Block	695	774	867	942	1043	1288	1068	1066	1104	1180	6.1%
Investments in - Overseas Subsidiaries	245 #	233 #	239 #	260 #	315 #	341 #	355 #	270 #	303#	330#	3.4%
- Others	266	167	94	287	259	360 ***	748	1523	1483	1860	24.1%
Net Current Assets	196	293	487	352	481	421 ***	555	624	777	930	18.9%
Total Assets	1402	1467 #	1687	1841	2098	2410	2726	3483	3667	4300	13.3%

The Company transitioned into Ind As from 1st April 2015

* Includes Tax on Dividend

After deducting provision for diminution

**** Paid dividend (including tax) as per IND AS

** Excluding Revalued Assets and Depreciation thereon

*** Previous years' figures regrouped

\$ Profit is after tax but before Other Comprehensive Income

(₹ in crores)

Highlights	I GAAP						IND AS			
	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Funds Flow										
Sources										
Internal Generation	337	373	400 <	511 <	546	638	886	967	1066	1091
Increase in Capital & Reserve on conversion of FCCB	-	-	15	50	-	-	-	-	-	-
Increase in Equity Share Capital	-	-	-	-	-	-	~	~	~	~
Increase in Loans	-	-	-	-	8	-	-	-	-	-
Decrease in Investment-Others	-	99	73	-	35	-	-	-	283	-
Decrease in Working Capital	226	-	-	141	-	23 ***	329	-	-	-
Total	563	472	488	702	589	661 ***	1215	967	1349	1091
Applications										
Repayment of Loans	136	135	23	204	60	2	5	1	-	-
Capital Expenditure (Net) >	68	124	141	128	169	353	134	88	125	159
Investments in										
- Overseas Subsidiaries	25	13	19	26	55	26	14	10	34	26
- Domestic Subsidiaries	-	-	-	-	7	~	68	80	117	35
- Others	245	-	-	188	-	101 ***	590	695	-	255
Buy - back of Equity Shares	-	-	-	-	-	-	-	-	500	-
Dividend	89 *	103 *	112 *	156 *	162 *	179 *	404 ****	31 ****	293 ****	364 ****
Increase in Working Capital	-	97	193	-	136	-	-	62	280	252
Total	563	472	488	702	589	661 ***	1215	967	1349	1091
Ratios										
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth) ##	34.6	31.7	27.6	29.3	25.2	23.7	31.0	28.7	27.4	25.3 @
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed**)##	27.0	32.3	31.2	36.2	33.7	31.6	44.0	41.1	37.4	34.7
Long Term Debt/Cash Flow	1.0	0.8	0.6	0.1	-	-	-	-	-	-
Gross Gearing % (Debt as a percentage of Debt plus Equity)	31.0	20.1	16.1	3.4	0.4	0.2	-	-	-	-
Current Ratio	1.5	1.6	1.8	1.6	1.8	1.7	2.5	3.4	3.0	3.0
Assets Turnover (times) (Gross Sales divided by Total Assets)	1.4	1.7	1.8	1.9	2.0	1.9	1.8	1.5	1.5	1.4
Debtors Turnover (Gross Sales divided by Debtors)	8.4	9.5	9.7	10.2	10.0	9.6	9.5	9.1	8.4	8.3
Inventory Turnover (Cost of Goods Sold divided by Inventories)	4.2	4.1	4.2	4.3	4.5	4.7	4.4	4.3	4.3	4.5
Operating Profit Margin (%) ##	21.4	19.9	19.2	20.5	18.7	18.4	25.3	27.7	26.9	24.6
Net Profit Margin (%) ##	17.0	16.9	16.3	18.5	16.5	15.7	23.3	25.6	25.1	22.8

The Company transitioned into Ind As from 1st April 2015

> Includes Cost of Brands, Patents, Trademarks and Businesses Acquired

* Includes Tax on Dividend

** Excluding Deferred Tax Liability (net)

< Includes security premium received on FCCB conversion

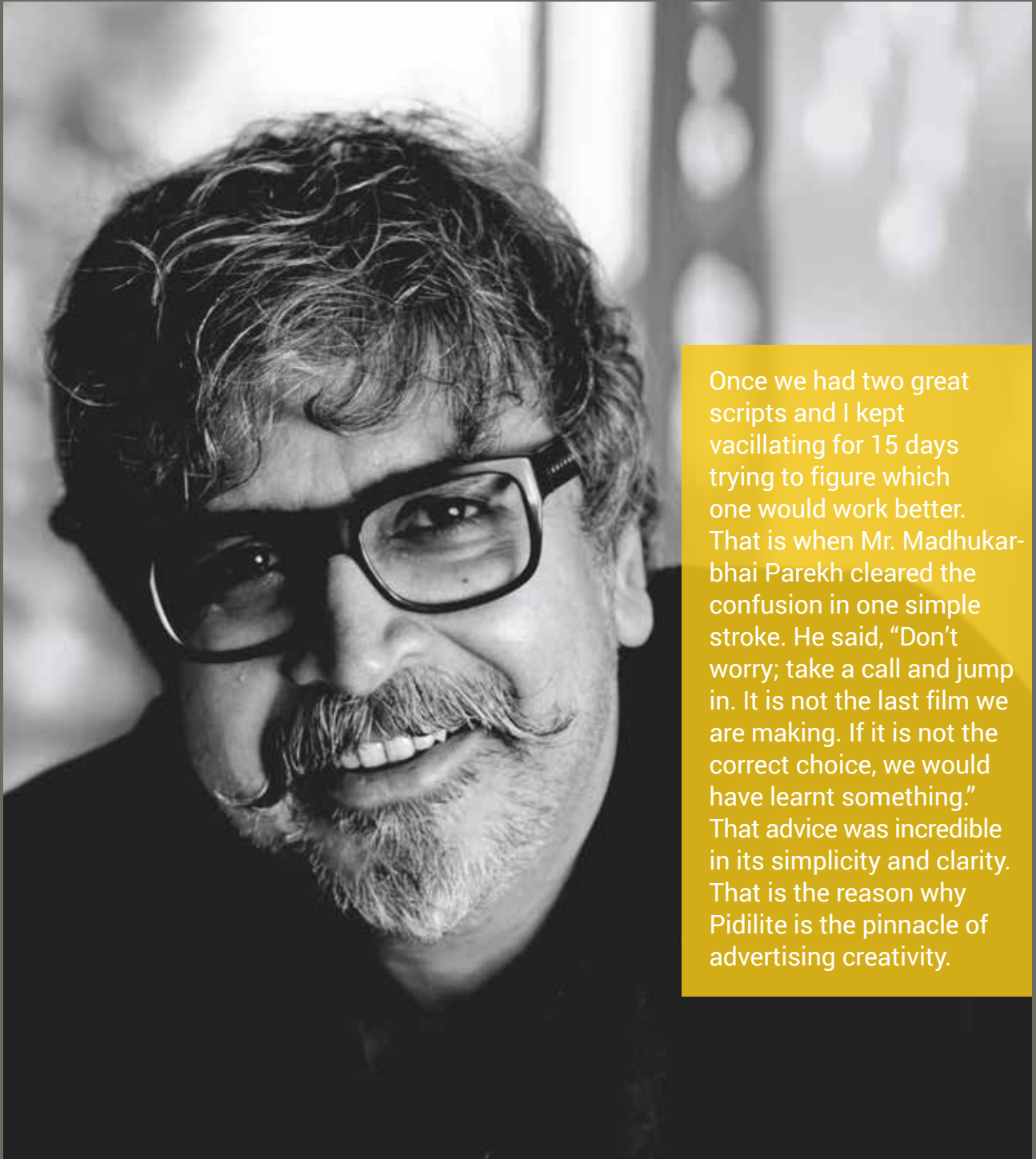
Operating Profit, PBT, PBIT & PAT are excluding exceptional items

~ Less than ₹ 1 crore

*** Previous years' figures regrouped

**** Paid dividend (including tax) as per IND AS

@ As compared to FY 2017-18, FY 2018-19 RONW is lower by 7.9%, mainly due to 11.3% growth in average net worth against 2.5% growth in PAT.



Once we had two great scripts and I kept vacillating for 15 days trying to figure which one would work better. That is when Mr. Madhukar-bhai Parekh cleared the confusion in one simple stroke. He said, "Don't worry; take a call and jump in. It is not the last film we are making. If it is not the correct choice, we would have learnt something." That advice was incredible in its simplicity and clarity. That is the reason why Pidilite is the pinnacle of advertising creativity.

PRASOON
PANDEY

Director
Corcoise Films



Fevicol Egg TVC, 1998

A commercial that dared to sell a furniture-related product without showing a single piece of furniture.



To

The Members

Your Directors take pleasure in presenting the Fiftieth Annual Report together with Audited Financial Statements for the year ended 31st March 2019.

Financial Results (Standalone)

	₹ in crores)	
	2018-19	2017-18
Gross Turnover	6,048.18	5,445.67
Turnover, Net of Excise	6,048.18	5,309.11
Operating profit	1,489.74	1,430.30
Finance Costs	(7.14)	(6.06)
Depreciation, Amortisation and Impairment Expense	(99.83)	(91.48)
Net Foreign Exchange Loss	(6.32)	(1.48)
Profit Before Tax	1,376.45	1,331.28
Current Year's Tax	(385.56)	(356.89)
Profit After Current Year's Tax	990.89	974.39
Deferred Tax	(11.45)	(19.20)
Profit After Tax	979.44	955.19
Profit Brought Forward	2,166.95	1,504.72
Other Comprehensive Income included in retained earnings (net of tax)	(2.98)	0.13
Profit available for appropriation	3,143.41	2,460.04
Appropriations		
Dividend paid	(304.69) *	(243.52) #
Tax on Dividend	(59.63) *	(49.57) #
Total	(364.32) *	(293.09) #
Closing balance of Retained Earnings	2,779.09	2,166.95

* Pertaining to dividend for FY 2017-18

Pertaining to dividend for FY 2016-17

Financial Performance

On a comparable basis, after reflecting accounting impact of GST, the Net Sales grew by 14.5% with sales volume and mix growth of 10.4%. The volume growth in Consumer and Bazaar products segment was 12.2% (previous year 12.1%). However, due to competitive pressure and market conditions, the Industrial Products segment volume grew only by 1.9%, as compared to 7.6% growth in the previous year.

Operating Profit for the year at ₹ 1,489.74 crores increased by 4.2% . Further, Net Profit at ₹ 979.44 crores increased by 2.5%. The slight decline in profit margin is due to higher input cost.

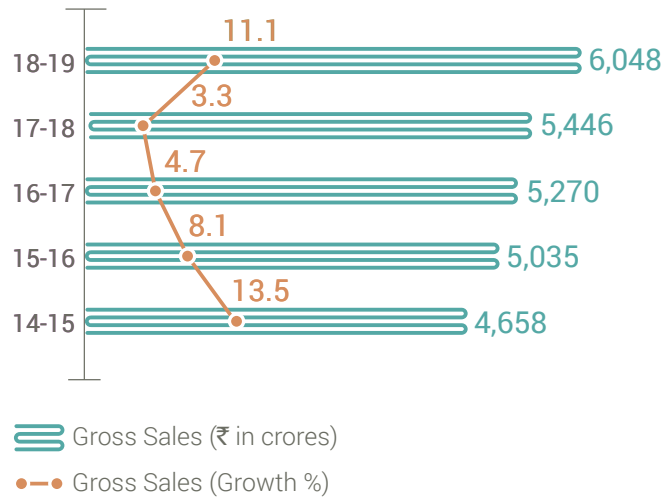
The Indian Rupee was at ₹ 69.17 to a US\$ as on 31st March 2019 as compared to ₹ 65.17 to a US\$ as on 31st March 2018.

Dividend

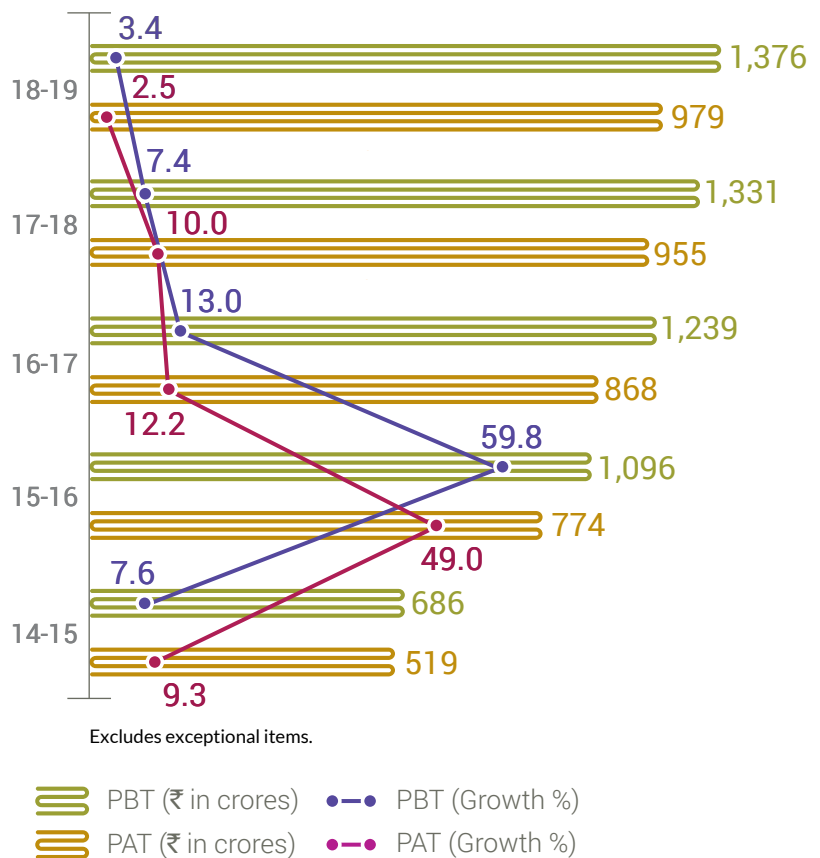
Your Directors recommend a dividend of ₹ 6.50 per equity share of ₹ 1/- each (previous year a dividend of ₹ 6.00 per equity share of ₹ 1/- each), out of the current year's profit, on ₹ 50.80 crores equity capital amounting to ₹ 330.19 crores (previous year ₹ 304.69 crores on equity capital of ₹ 50.78 crores). The dividend payout amount has grown at a CAGR of 22.1% during the last 5 years.

The dividend payout is in accordance with the Dividend Distribution Policy which is given as an annexure and the same is also available on the website of the Company.

GROSS SALES & GROWTH %



PBT, PAT & GROWTH (YOY)



Transfer to Reserves

The Company does not propose to transfer amounts to the general reserve.

Term Finance

The Company has no outstanding term loans (previous year NIL).

Capital Expenditure

The total capital expenditure during the year was ₹ 186.23 crores, spent on fixed assets for various manufacturing units, offices, laboratories, warehouses and on information technology.

Fixed Deposits

The Company has not accepted any fixed deposits during the financial year 2018-19.

Subsidiaries

Investment in Subsidiaries

During the year, investment of ₹ 61.04 crores (previous year ₹ 151.19 crores) was made in the subsidiaries. Of this, ₹ 26.24 crores was invested in the overseas subsidiaries and ₹ 34.80 crores in the domestic subsidiaries.

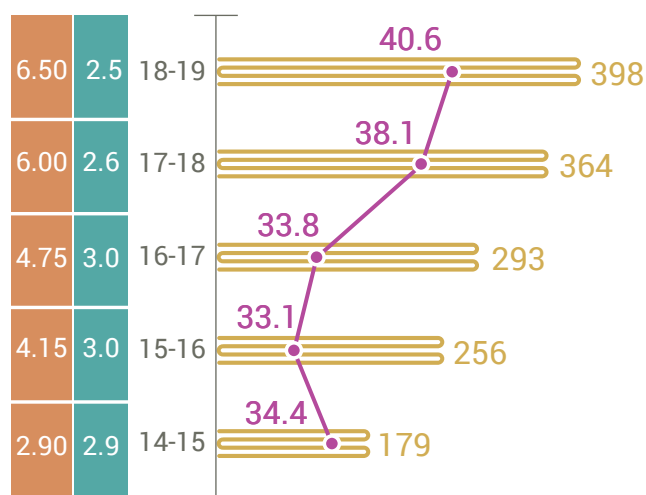
The investments in overseas subsidiaries were in Pidilite Middle East Ltd (₹ 5.31 crores) and Pidilite International Pte Ltd (₹ 4.17 crores) for onward investments in their step down subsidiaries and Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (₹ 9.35 crores) and in newly incorporated subsidiary Pidilite Ventures LLC (₹ 7.41 crores).

The investments in domestic subsidiaries were in ICA Pidilite Pvt. Ltd. (₹ 26.64 crores) and Cipy Polyurethanes Pvt. Ltd. (₹ 8.16 crores).

During the year

- Percept Waterproofing Services Limited (Percept) (80% subsidiary of the Company) was merged with Nina Waterproofing Systems Private Limited (Nina) (70% subsidiary of the Company), pursuant to the Hon'ble National Company Law Tribunal, Mumbai Bench Order dated 11th January 2019 w.e.f. the appointed date i.e. 1st April 2017 and consequently, Percept stands dissolved without winding up. Further, post the said merger w.e.f. 27th March 2019, Nina's name was changed to AEKAM Construction Specialties Private Limited (AEKAM) and w.e.f. 15th April 2019, AEKAM is known as Nina Percept Private Limited. Accordingly, the Company's investment in Percept is merged with Nina Percept Private Limited and the Company now holds 71.53% stake in the merged entity.
- The Company incorporated a wholly owned subsidiary in USA, Pidilite Ventures LLC, which shall be engaging mainly in the investments in early stage operating companies in USA.
- Pidilite Lanka (Private) Limited (Pidilite Lanka) (a step down subsidiary of the Company in Sri Lanka) has entered into an agreement with Nina Waterproofing Systems Private Limited now known as Nina Percept Private Limited (Nina) and Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka) (a wholly owned subsidiary of Nina in Sri Lanka and also a step down subsidiary of the Company) to acquire up to 40% of the share capital in Nina Lanka. As on 31st March 2019, Pidilite Lanka has acquired 25.2% stake in Nina Lanka.
- Pidilite International Pte. Ltd., a wholly owned subsidiary of the Company in Singapore, alongwith Crown Classics Limited, a company in Kenya, has promoted a joint venture company in Kenya namely Pidilite East Africa Limited (PEAL) to carry on business of construction chemicals and waterproofing material. PEAL, by virtue of control, is a step-down subsidiary of the Company.

EQUITY DIVIDEND PAYOUT & % OF STANDALONE NET PROFIT (EXCLUDING EXCEPTIONAL ITEMS)



- Dividend Cover (Times)
- Dividend per Share (₹)
- ≡ Dividend Payout* including tax on dividend (net of foreign tax credit) (₹ in crores)
- Dividend Payout (%)

* Dividend proposed during the year

Performance of Major Domestic and Overseas Subsidiaries

(₹ in crores)

Name of Subsidiary	Sales 18-19	Sales 17-18	% Growth	EBITDA 18-19	EBITDA 17-18	% Growth
Nina Percept Pvt Ltd	305.04	239.18	27.5%	34.58	29.99	15.3%
ICA Pidilite Pvt Ltd	168.33	102.76	63.8%	1.69	1.43	18.0%
CIPY Poly Urethanes Pvt Ltd (Acquired on 8 th February 2018)	155.43	26.72*	NA	21.12	2.18*	NA
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	98.47	85.26	15.5%	17.02	15.84	7.4%
Pidilite USA Inc	103.55	113.71	(8.9%)	1.38	7.54	(81.6%)
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	86.77	85.67	1.3%	0.34	0.66	(47.8%)
Pidilite Industries Egypt SAE includes PIL Trading (Egypt) Company	29.44	28.13	4.7%	(1.74)	(1.52)	(14.4%)
Pidilite Bamco Ltd includes Bamco Supply and Services Ltd (Thailand)	60.08	55.79	7.7%	3.79	4.82	(21.3%)
Pidilite MEA Chemicals LLC (UAE)	99.40	89.63	10.9%	(7.45)	(10.00)	25.4%
Pidilite Lanka (Pvt) Ltd	36.83	31.28	17.7%	(0.63)	1.02	(162.0%)

Previous year figures, wherever applicable, are made comparable after reflecting impact of GST for the full year.

* For the period from 08.02.2018 to 31.03.2018

Overseas subsidiaries figures are at constant currency. Figures given above do not include Sales and EBITDA of Cyclo division of Pidilite USA Inc., which was sold by Pidilite USA Inc. in June 2017.

Nina Percept Pvt Ltd, engaged in waterproofing services, reported good sales and EBITDA growth in current year.

During the year, ICA Pidilite has acquired brands and technical knowhow of certain wood finish products from the Company. Like for like sales growth after excluding these products is 26% over the last year. EBITDA was impacted by higher input cost and foreign exchange losses. Going forward, local manufacturing is expected to scale up and this should result in improvement in margins.

CIPY was acquired in February 2018, hence its performance is not comparable with last year.

The subsidiary in Bangladesh reported good sales growth with healthy profitability, though the profit growth was impacted due to higher input cost.

Pidilite USA sales and EBITDA declined over previous financial year due to drop in sales of pencils and markers catering to adult colouring books mainly because of change in trend.

Pulvitec do Brasil reported marginal sales growth for current year. EBITDA declined due to competitive pressure in key products.

The subsidiaries in Egypt reported lower sales growth due to market conditions. The subsidiaries in Thailand reported modest sales growth. EBITDA in these subsidiaries declined due to lower sales growth and higher input costs.

The subsidiary in UAE reported reduction in EBITDA losses due to higher sales and control on expenses.

Pidilite Lanka continued to grow in current year, however EBITDA remains under pressure due to higher input cost and forex losses.

Consolidated Financial Statements

In accordance with the provisions of Companies Act, 2013 (hereinafter referred to as "the Act"), Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2018-19, together with the Auditors' Report, form part of this Annual Report. A statement containing the salient features of the Company's subsidiaries, associate and joint venture company in the prescribed Form AOC- 1, are set out in Note No. 59 to the Consolidated Financial Statements.

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 Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda. which has been approved by the local administrator and Plus Call Technical Services LLC, Dubai for which the financial statements have been approved by the management. There has been no transaction in Pidilite East Africa Ltd. from the date of formation till 31st March 2019.

The accounts of the subsidiaries are also uploaded on the website of the Company, www.pidilite.com.

Directors and Key Managerial Personnel

In terms of the Regulation 17(1A) of the Listing Regulations members have approved by passing Special Resolution by means of Postal Ballot the continuation of tenure of Directorship of Shri B S Mehta as Non-Executive Independent Director and Shri N K Parekh as Non-Executive Director upto the conclusion of ensuing 50th Annual General Meeting (AGM).

The Board of Directors, on the recommendation of Nomination & Remuneration Committee, has recommended to the members, for re-appointment of Shri Banshi Mehta, Shri Uday Khanna and Smt. Meera Shankar as Independent Directors of the Company for a second consecutive term commencing from the conclusion of 50th AGM.

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

Smt Savithri Parekh, resigned with effect from 10th October 2018, as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company. Shri P. Ganesh, Chief Financial Officer of the Company has resigned from the services of the Company effective 25th May 2019.

In terms of Section 203 of the Act and applicable provision of Listing Regulations, the Board of Directors has appointed Shri Puneet Bansal as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with effect from 20th February 2019.

Policy on Directors' remuneration

The Policy on Directors' remuneration is given as an annexure and is also available on the website of the Company, www.pidilite.com. The remuneration paid to the Directors is as per the terms laid out in the said policy.

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 2019 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;
- 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; and
- 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 has put in place a mechanism for evaluation of its own performance, its Committees and individual Directors. The evaluation of the Board, Committees, Directors and Chairman of the Board was conducted based on the evaluation parameters, such as Board composition and structure, effectiveness of the Board, participation at meetings, domain knowledge, awareness and observance of governance, etc. For further details, please refer to Corporate Governance section of this Annual Report.

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

Eight 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 Act and Regulation 16(1)(b) of Listing Regulations.

Corporate Governance

The Company is committed to good corporate governance practices. The Report on Corporate Governance, as stipulated under Listing Regulations, forms an integral part of this Annual Report. The requisite certificate from M/s M. M. Sheth & Co., Practising Company Secretaries, is attached to the Report on Corporate Governance.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Listing Regulations, is presented in a section forming part of this Annual Report. For sake of brevity the items covered in Board's Report are not repeated in the Management Discussion and Analysis Report.

Committees of the Board

The following statutory Committees constituted by the Board function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective Committees are given in the Report on Corporate Governance, which forms a part of this Annual Report. Further, during the year under review, all recommendations made by the Audit Committee have been accepted by the Board.

Corporate Social Responsibility Committee

The report as per Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure 1**. The details of CSR Initiatives forms part of Social & Community Service Initiatives.

Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism and Whistle Blower Policy for its Directors and employees. The said Policy has been communicated to the Directors and employees of the Company and also posted on the website of the Company. For further details, please refer to the Corporate Governance section of this Annual Report.

Policy relating to Prevention of Sexual Harassment

The Company has formulated a Prevention of Sexual Harassment Policy and has formed an Internal Complaints Committee. For further details, please refer to the Corporate Governance section of this Annual Report.

Statutory Auditors

In accordance with the provisions of Act, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No 117366W/W-100018) have been appointed as the Statutory Auditors of the Company, for a period of 5 years i.e. upto the conclusion of 54th AGM to be held for the adoption of accounts for the year ending 31st March 2023.

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 Act.

Cost Auditor and Cost Audit Report

M/s. V J Talati & Co., Cost Accountants, were appointed as the Cost Auditor for the financial year 2018-19 to conduct the audit of the cost records of the Company. M/s V J Talati & Co., Cost Accountants, have been reappointed as the Cost Auditor for the financial year 2019-20. In terms of the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, at the ensuing AGM the Board seeks ratification of the remuneration payable to the Cost Auditors for the financial year 2019-20.

Secretarial Auditor and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act 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 Act, 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. The Risk Management Committee, also known as Risk Management Oversight Committee, is entrusted with roles and powers which includes (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 also constituted a Management Risk Committee which

is chaired by an Executive Director and has various Functional Heads of the Company as members of the Committee. The other Business/Function heads are invited as and when required. The Management Risk Committee identifies the key risks for the Company, develop and implement the risk mitigation plan, reviews and monitors the risks and corresponding mitigation plans on a regular basis and prioritize the risks, if required depending upon the effect on the business/reputation.

The other details are provided in the Corporate Governance Report section of this Annual Report.

Contracts and Arrangements with Related Parties

All contracts/arrangements entered by the Company during the financial year with related parties (as defined in the Act and Listing Regulations) 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 as material.

The Policy on materiality of related party transactions and dealing with related party transactions, as approved by the Board, is available on the website: www.pidilite.com.

Disclosure of related party transactions with the promoter(s)/promoter(s) group which individually hold 10% or more shareholding of the Company, as per Indian Accounting Standards, are set out in Note No. 43 of the Standalone Financial Statements of the Company.

Particulars of Loans, Guarantees or Investments

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

Employees Stock Option Scheme

The Employees Stock Option Scheme (Scheme) is in line with SEBI (Share Based Employee Benefits) Regulations, 2014 (SBEB Regulations). The certificate of Auditors regarding implementation of the Scheme would be placed at the ensuing AGM for inspection by Members.

The applicable disclosure, as stipulated under the SBEB Regulations, as on 31st March 2019 with regard to Scheme is provided in **Annexure 4** to this Report.

Extract of Annual Return

Extract of Annual Return of the Company is attached as **Annexure 5** to this Report. It is also available on the website: www.pidilite.com.

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 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 Materials 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. Sale of these products to joineries and projects are also covered under this segment.

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. Multinational companies are also present in many of the product categories in which the Company operates.

Current Year Outlook

The prices of key raw materials which had increased significantly during the first half of the year under review started declining in the later part of the fiscal. Barring unforeseen circumstances this trend is likely to continue during the initial months of the current year.

Continued slow down in construction industry and slow down in economic growth in recent months can impact sales growth for current year.

Major subsidiaries in India are taking initiatives to improve margins and achieve consistent sales growth in their respective businesses.

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

The Company is in the process of commissioning a second plant in Bangladesh during the year 2019. The US subsidiary plans to increase its focus on retail and e-commerce. Various initiatives are being taken to improve sales and margin in Brazil. The business environment in some of these countries remain subdued.

Outlook on Opportunities, Threats, Risks and Concerns

The Indian economy provides a large opportunity to the Company to market its differentiated products.

Slower growth of the Indian economy and stress in sectors such as construction 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 Financial 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 approves the annual internal audit plan and periodically reviews the progress of audits as per approved audit plans along with critical internal audit findings presented by internal auditors, status of implementation of audit recommendations, if any, 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.

Particulars of Employees and related disclosures

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

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

Human Resources

The year under review saw substantial progress in people practices, as the Company continued on its journey of excellence in people management policies and processes.

The Company's 'Happy and Healthy' (HAH) movement saw great participation with almost 50% of the employees engaging in various activities.

The Company enhanced the people processes like Career Navigator, Individual Development Plans and Career

Paths. Signature capability-building programs like Ignite (for Marketing Managers), Ascent (for Sales Managers), Capstone (for Middle Managers) and Edge (for Young Managers) strengthened the Learning & Development initiative and were well-received by participants and leaders.

Progressive HR policies such as work from home, paternity leave, Saturdays offs, etc. were introduced as part of the journey to become a great place to work. Many existing employee benefit policies were revised to make them best in class.

The Company is committed to building a "listening organization" through multiple platforms. Workplace, our in-house social network platform, has played a key role in promoting two-way communication with employees.

The new Human Resource Management System Workline introduced during the year has strengthened the online HR systems and provided employees with a better user experience.

The total number of employees as on 31st March 2019 was 5,742.

General

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

There have been no material changes and commitments affecting the financial position of the Company between the end of financial year and the date of this Report.

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

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 : 14th May 2019

M B Parekh
Executive Chairman



I could narrate several success stories about Fevicol over the years. One that stands out however, is about establishing Fevicol in Bangladesh. Everyone worked with full conviction to take it from a practically non-existent brand to being an undisputed leader.

MANAB GHOSH
BO MEHTA



Brand Fevicol has always thrived on the motto of 'constant improvement'. Whether it is about products or relationships with our several stakeholders, we have strived to build strong bonds.

Both Manab Ghosh and B O Mehta go a long way back with brand Fevicol. Their hard work and passion has been one of the key contributors to where Fevicol has reached today.



SOCIAL & COMMUNITY SERVICE INITIATIVES

Through continuous efforts over the last 15 years, the Company has been supporting and engaging in various social and community service initiatives.

Such initiatives are undertaken directly by the Company and through various organizations such as Trivenikalyan Foundation (TKF), Gram Nirman Samaj (GNS), Gram Daxina Murti-Manar, Hanumant Hospital (managed by Shree Hanumant Seva Medicare Trust), Shree Mahuva Education Trust, The Balvant Parekh Centre for General Semantics and other Human Sciences, Shri N N Mehta Memorial Education Trust, Lokbharti Gram Vidyapeeth Trust, Shri Balvant Parekh Science City (Science City) and Gram Seva Kendra Khadasli. As of now, most of these initiatives are centered in the villages of Gujarat, India.

AGRICULTURE & HORTICULTURE



Field Training provided to farmers through ATMA, State Department of Agriculture.

The Company has been supporting the partner organizations for agriculture activities and horticulture crops through collaboration with experts and institutions. During the year, the Company has assisted in the formation of 140 new Farmer Clubs (covering additional 4,500 farmers) in Bhavnagar and Amreli District (for Cotton, Groundnut, Onion and other relevant crops). With these additions, now there are over 340 Farmer Clubs, covering over 11,500 farmers.

Data of these 11,500 farmers have been geotagged with area mapping on a digital portal which helps in enhanced analysis for adoption of best practices such as soil management, intercropping, drip irrigation, etc. The geotagging

has facilitated provision of specific recommendations to the farmers with regard to increasing the yield and reduction in the cost of cultivation. About 65% farmers actively used these recommendations which resulted in 15% decrease in cost of cultivation for cotton and groundnut crops.

With setting up of two new centres in Khadasli (Amreli District) and Motakhutavda village (Bhavnagar District), Gujarat, the total number of centres supporting the farmers has increased to 8.

The Company has been creating booklets, capturing best practices and farmers' perspective, experience and learnings relevant for farmers' geography.

Field Training was provided to more than 4,500 farmers through Agricultural Technology and Management Agency (ATMA), State Department of Agriculture, who visited the Centre for Agriculture-Horticulture Development to learn various cropping techniques and alternatives.

CENTRE FOR AGRICULTURE HORTICULTURE DEVELOPMENT AT GRAM DAXINA MURTI, MANAR

The Company has collaborated with Agriculture, Farmers Welfare & Co-operation Department, Government of Gujarat, with the objective of providing farmers the latest recommended cultivation practices (which is already available with universities, Government, etc.) to boost

sustainable agriculture horticulture growth. Demonstrations on various aromatic, medicinal and ayurvedic crops viz. lemon grass, palmarosa, shankpushpi, aloe vera and others have been performed which helped the farmers to practically learn how to grow them and earn more income. Innovative techniques such as yellow trap, fruit fly trap and light trap are also demonstrated to the farmers for effective Intercropping Pest Management.

The Company has collaborated with the Institute of Chemical Technology (ICT) for initiating seaweed unit for its value-added products. The collaboration would be beneficial to women and

farmers as it is used to develop organic growth hormone for plants and other applications.

An in-house training centre for farmers is being supported, which will help in transfer of knowledge from experts, scientists and universities to farmers.

FARMERS SERVICE CENTRE AND SOIL TESTING LAB

The Company continued its support to Farmers Service Centre at Mahuva and Soil Testing Lab at Agricultural Produce Market Committee with the Government of Gujarat. The Company has also started revamping four soil testing labs (viz. in Botad, Amreli, Una and

Kodinaar) and completed the testing of more than 20,000 soil samples and providing technical inputs and prescription to farmers to improve soil health.

The Company partnered with the Government of Gujarat in revamping the I-Khedut portal for effective delivery of various schemes to farmers. The cycle time from making an application to availing the scheme was considerably reduced.



Treatment of cattle during medical camps.

MILK & ANIMAL HEALTH

The Company has supported the Milk and Animal Health Initiative in Mahuva Taluka. A baseline survey was conducted with 400 farmers of 25 villages of Mahuva Taluka, Gujarat with an aim to understand farmers' already practicing animal

husbandry, prevalent practices adopted by the farmers and the need for intervention. On the basis of the survey, the best practices adopted by the farmers and their villages were identified based on the productivity of the cattle.

Checkups of cattle by veterinarian doctors from 3 centres are being conducted through medical and infertility camps. The veterinarian doctors recommend the treatment to the farmers on case to case basis as per their diagnosis.



Women from the Self Help Group in Mahuva being trained.

The Company helped in forming, nurturing and developing 70 new Self Help Groups (SHGs) - Mahila Mandals in Bhavnagar and Amreli district, Gujarat. More than 900 additional mahilas were added as members. With this, the total number of SHGs stand at 250 with 2,700 mahila members. These SHGs give women of the village a platform for sharing knowledge, encouraging savings and primarily getting initiated into a mini-income generating activity of their own.

Taking a step further for development of social institutions, registration of three federations has been supported. A supportive ecosystem is created for the members of these federations by helping them in case of family emergency, natural calamity, provision of loan for initiating an

income generation activity and others.

The SHG women continued to be encouraged to take on entrepreneurial roles. In 2018-19, they were provided different types of training. They began Khakhra production, introduced different flavours of masala, seaweed value-added products, bakery, neem ark extraction unit, as well as introduced innovative cotton picking bags for reducing drudgery of cotton pickers.

In addition, they also continue to work with processing of aloe vera for making value-added products and different food items. Other SHG projects include making of sanitary napkins, Channapatnam wooden toys, bio phenyl, jute and cloth bags, plant nursery, etc.

INITIATIVES FOR WOMEN



WATER RESOURCES MANAGEMENT

The Company has continued its support for water management activities (check dams, farm ponds, etc.) with the Department of Narmada, Water Resources, Water Supply and Kalpsar Department of Government of Gujarat, in the PPP mode. In 2018-19, 31 check dams and 40 ponds deepening were completed. Cumulatively, 69 check dams and 248 farm ponds have been completed till date with the assistance of the Company.

The Company has also initiated development of 38 water structures (23 check dams and 15 ponds) and completion is expected by August 2019.

The Company has continued its support for five watershed centres

in Bhavnagar and Amreli district to accomplish the task of creation of watershed structures. The five operational centres are (a) Otha (b) Mahuva (c) Manar (d) Sanosara and (e) Khadasli. The centres are equipped with all the required machineries and work is done under supervision of experienced civil engineers.

During the year, 300 hectares of additional farmland was converted into drip irrigation and more than 124 additional wells spanning over 20 villages were recharged, for improving the quality of ground water. Cumulatively, it translated into 1500 hectares of farmland, 724 wells and 100 villages.

The water structures developed during the year serve as a source of drinking water for cattle from adjoining villages.

Under the Company's unique initiative "Model Village: Kushal Gram" at Kalsar, Gujarat, 3,000 additional villagers were skilled in various areas, taking the total tally to over 8,500 villagers.

As a part of the cleanliness drive, more than 1,800 households were helped to create sanitation facilities within their dwelling units. The villagers have been trained to paint their houses (Project Rangeen Kalsar) and during the year, an additional 300 of such houses were painted in the same colour taking the cumulative number to 1,400 houses.

Project Rangeen Kalsar, Gujarat.

MODEL VILLAGE DEVELOPMENT



SANITATION



The Company supported in building 3,200 new toilets (taking total to over 11,000 till date) in Mahuva Taluka. It has continued to work closely with the Government and provides support to the households to achieve the vision of open defecation-free status for the villages of Mahuva Taluka, Gujarat.

With the relentless efforts of the Company, a total of 14 villages in Gujarat have been declared Open Defecation-Free.

Toilet constructed by villagers through support of Triveni Kalyan Foundation/Gram Nirman Samaj



Self-learning model developed by interactive WAGALE model

EDUCATION

The Company continues to improve the basic learning abilities of children in rural areas. Taking forward the concept of 'WAGALE' (Wanchan-Ganan-Lekhan), this year it was successfully launched in additional 34 schools. It is now operational in 152 schools. WAGALE helps students with lesser learning abilities by providing them with training sessions through practical methods, visual representations, and interactions with the academically better students.

More than 6,000 children are enrolled under WAGALE initiative. During the year, a baseline assessment for Gujarati and

Mathematics subject was conducted. The baseline results indicated that 60% of total students were in the low scoring category (who have obtained 0-10 marks out of 40). After the endline assessment, only 16% students fell in low scoring category.

To improve the level of education, the Company supported the installation of 50 new learning software for primary education, taking the tally to over 300.

A modern science museum is being developed in Bhavnagar Science City to ensure development of analytical learning. Preparation of the students for various scholarship programs and

national Olympiad competitions has also been undertaken.

Shri N N Mehta Memorial Education Trust provided scholarship amounting to ₹ 36 lakh to 227 deserving students for higher education. Prizes amounting to ₹ 1,84,000 were given to 126 students for sports and cultural activities. The increase in number of students getting scholarship/prizes is an indication of increase in the standard of education in the area.

HEALTHCARE

B K PAREKH PARKINSON'S DISEASE & MOVEMENT DISORDER SOCIETY (BKPPDMDS)

The Company continues to support the rehabilitation of people with Parkinson's disease and their caregivers with the aim of improving the quality of life of such persons.

BKPPDMDS is functioning in 9 centres across the state of Gujarat and one centre in Pune. Various activities such as Parkinson's information, physiotherapy and others are organized with the help of neurologists and other experts.

During the year, Hanumant Hospital in Mahuva, Gujarat, treated over 52,207 outpatients, performed over 2,149 surgeries and handled 4,058 cases of emergency.



Primary and Community Health Centres.

55 speciality medical camps were conducted in-house and in the surrounding areas under the Doctor Connect Program.

In collaboration with the Government Health Department, paediatricians from Hanumant Hospital conducted OPDs two days a week at various Primary Health Centres (PHCs) and Community Health Centres (CHCs) ensuring that the best health care reaches the

most remote locations of Mahuva, Gujarat.

The hospital has been enrolled for Ayushman Bharat and Bal Sakha Yojana with Government of Gujarat.

Free eye check-up camps were conducted in 48 villages of Mahuva and the surrounding areas. Total 3,850 patients were screened and advised as per diagnosis. 225 free cataract surgeries were conducted.

GENERAL SEMANTICS

Under the Balvant Parekh Distinguished Lecture Series, Professor Rajeswari Sunder Rajan, Global Distinguished Professor, New York University, spoke on "A Woman's Worth," in July 2018 in Vadodara. The lecture comprised of a nuanced analysis of numerous court verdicts that aspired to 'determine' the worth of women on the basis of domestic labour and their right to inheritance.

Balvant Parekh Centre for General Semantics and Other Human Sciences organized a national symposium on "General Semantics in India: Possibilities and Prospects" to mark the 10th anniversary of the organization in March 2019.



National Workshop on "Pedagogy of General Semantics as a Mode of Communication".

The National Workshop on "Pedagogy of General Semantics as a Mode of Communication" was conducted in March 2019 in collaboration with Vikram Deb Autonomous College, in Jeypore, Odisha, by Mr. Sura P. Rath from University of North Texas, Dallas. In 2018-19, the Balvant Parekh Centre for General Semantics & Other Human Sciences has

expanded its activities into the area of Art Education and a series of collaborative and participative programs with children and art educators has been initiated. An art workshop is organised every fortnight titled "Rang Rang Vadaliala" for children with learning disabilities at Spandan-A School for the Intellectually Challenged.

SKILL DEVELOPMENT

The Company continued its association with the Department of Employment and Training (Government of Gujarat) as its knowledge partner.

Skill development in areas such as bedside assistant, dialysis assistant, basic of anatomy and physiology, nursing aid etc. as well as videography, photography, accounting software, video editing, hardware and networking etc. were provided.

During the year, more than 7,000 students from 155 ITIs benefitted from Carpentry, Plumbing, Electrician and Construction Technician courses. The Company has been an industry partner in 4 ITIs of Gujarat (Bhavnagar Mahila, Sachin, Gota/Ranip Ahmedabad



Trainings conducted by experts for capacity building and all-round development of students.

and Jafrabad) and promotes overall development.

The Company provided its support as an industry partner in Gujarat for World Skill Competition, 2019 by mobilising carpenters (ITI students and FCC wards), screening of candidates and facilitating assessment at zonal and state levels. One of the ex-students of carpentry won

second prize at the national level competition. He along with the Company was felicitated by the Hon'ble Chief Minister of Gujarat.

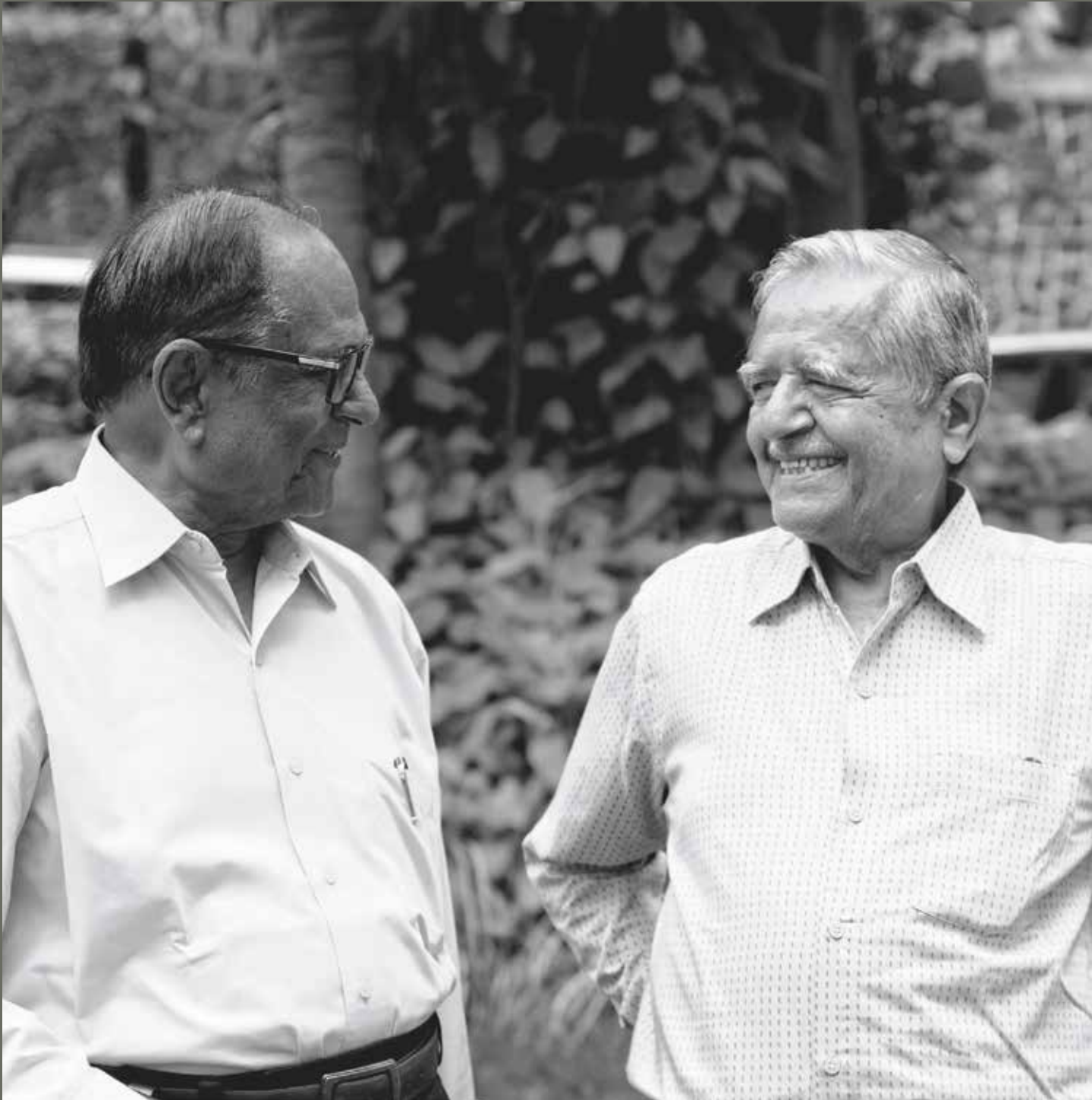
As a part of the skill development initiative in Rajasthan, plumbing trade has been started in ITI-Kapasan and ITI-Jodhpur and carpentry trade has been started in ITI-Jaipur.

CANCER PATIENTS AID ASSOCIATION (CPAA)

The Company continued its association with CPAA and presented the 14th edition of Fevicol 'Caring with Style' a show for a cause which is helping over 100 children suffering from Leukemia. This year the event was graced by a host of Bollywood celebrities including Sonam Kapoor Ahuja, Karan Johar, Shweta Bachchan Nanda who dazzled the ramp for celebrity duo-designer Abu Jani and Sandeep Khosla while Farhan Akhtar, Preity Zinta, Amrita Rao were the showstoppers for queen of drapes, fashion designer and politician, Shaina NC.



14th edition of Fevicol 'Caring with Style'.



MANMOHAN DOSHI

PRATAP MEHTA

JAYANT DESAI

Pioneer Employees
Pidilite Industries



We joined Pidilite in 1960, just when Fevicol was born.

During that era, not many people knew the use of glue in India. Shri BKP was solely responsible for taking the idea of glue to a mass scale. He said "do not dictate terms to the customer, but work towards fulfilling their needs." That's how Fevicol became what it is today.

Mr. Jayant Desai proudly retains his identity card from 1960. Such is the feeling of nostalgia of past days!



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 and integrated manner, the main objectives are:

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

In the financial year 2018-19, the Company has undertaken activities relating to Promoting Education, Healthcare, Rural development, Women Empowerment and Sanitation.

(c) Web-Link to the CSR Policy:

[http://www.pidilite.com/corporate-governance/\(under the head "Policies & Codes"\)](http://www.pidilite.com/corporate-governance/(under%20the%20head%20Policies%20&%20Codes))

2. The Composition of the CSR Committee as on 31st March 2019 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 (calculated as per Section 198 of the Companies Act, 2013) for last three financial years:

		(₹ in crores)
		Profit
1	2017-18	1,252.6
2	2016-17	1,176.4
3	2015-16	1,039.3
Average Net profit		1,156.1

4. Prescribed CSR Expenditure (2% of the amount as in item 3 above): ₹ 23.12 crores

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year - ₹ 23.12 crores

(b) Amount unspent, if any - Nil

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

(₹ in crores)

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 the reporting period	Amount spent: Direct or through implementing agencies*
1.	Access to higher education; programmes for high school and secondary school teacher; 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	6.23	6.23	6.23	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	7.25	7.25	7.25	Direct and through implementing agencies
3.	Water resource management; infrastructure development for agriculture; Gaushala; community science centre etc.	Rural development and women empowerment	Gujarat	9.30	9.30	9.30	Direct and through implementing agencies
4.	Miscellaneous Contribution towards construction of toilets and Swachh Bharat Abhiyan.	Promoting sanitation	Gujarat	0.71	0.71	0.71	Direct and through implementing agencies
Total expenditure towards CSR				23.49	23.49	23.49	

***Implementing agencies:** Shree Mahuva Education Trust; Balwant Parekh Centre for General Semantics and other Human Sciences; Triveni Kalyan Education Trust; Gram Nirman Samaj Gram Vikas Yojna; Hanumant Seva Medicare Trust; Lokbharti Gram Vidyapeeth Trust; Trivenikalyan Foundation; Lata Mangeshkar Medical Foundation; Rotary Charitable Trust, Vapi; Ravi Krupa Trust; B K Parekh Parkinson's Disease & Movement Disorder Society; Monghiben Balvihar Trust; Gram Daxina Murti; Association for Action on Health, Education & Environment; Indian Cancer Society; Jashwant Mehta Foundation Trust; Lions Club of Vapi Udyognagar; Shri Janseva Mandal, Vapi; and others.

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 Company's CSR Policy, is in compliance with CSR objectives and CSR Policy of the Company.

ANNEXURE 2 TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

[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 2019 (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 2019 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;
- (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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)

Regulations, 2009 upto 9th November 2018 and thereafter from 10th November 2018, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
(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);
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 upto 10th September, 2018 and thereafter from 11th September 2018, the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);** and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Environment (Protection) Act, 1986
- (b) Hazardous Waste (Management & Handling) Rules 1989
- (c) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (i.e SS-1 relating to Board Meetings & SS-2 relating to General Meetings) issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

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

Annexure-A

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 following specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- Special Resolution passed by the Members for re-appointment of Shri M B Parekh as a Whole Time Director and Executive Chairman for a further period of 5 years w.e.f. 1st August 2018.
- Special Resolution passed by the Members for continuation of appointment of Shri N K Parekh as Non-Executive Director as required under regulation 17(1A) of LODR Regulations, 2015 by means of Postal Ballot.
- Special Resolution passed by the Members for continuation of appointment of Shri B S Mehta as Non-Executive Independent Director as required under regulation 17(1A) of LODR Regulations, 2015 by means of Postal Ballot.

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: 14th May 2019

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

M. M. SHETH
(Prop.)

FCS No. 1455
CP No. 729

Place: Mumbai
Date: 14th May 2019

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.

Your Company undertook various measures for conservation of energy and use of alternate sources of energy which resulted in total savings of ₹ 18.4 crores during the year. Savings accrued during the last 3 years (2016 - 19) is ₹ 47.5 crores

A) CONSERVATION OF ENERGY/ALTERNATE SOURCE OF ENERGY

1. Steps taken or impact on conservation of energy:

The manufacturing units of the Company have continued their efforts to reduce energy consumption.

Steps taken or impact on conservation of energy:

1. Installation of Artic Master for air compressors.
2. Installation of LED Lights.
3. Installation of energy efficient motors for heavy duty pumps and motors.
4. Installation of Thyristor based heater system.
5. VFD installations for compressors.
6. Elimination of air leakages to reduce power consumption of compressors.
7. Power factor improvement.
8. Cycle time reduction initiatives.
9. Implementation of Polymer exotherm heat recovery in reactors.
10. Heat Pump System for energy efficient heating and chilling.

2. Steps taken by the Company for utilizing alternate sources of energy:

Various initiatives and steps taken by your Company are given below:

a. Green Fuel:

Large Boilers and Thermic Fluid Heaters are being operated with green fuel (Biomass) in place of fossil fuels. During the year by use of green fuels your company has saved ₹ 10.8 crores compared to use of conventional fuels.

b. Wind Energy:

Power generated through wind farm projects at Gujarat and Maharashtra is utilized in the manufacturing units and corporate office in Mumbai. This use of power from windmills of 60 Lakh KWH has resulted in saving of ₹ 4.9 crores in year.

c. Solar Energy:

During this year your Company has implemented Solar PV Projects with total capacity of 0.6 MW at 2 manufacturing locations. With these 10 locations have been provided with solar PV systems with a total capacity of 1.7 MW. During this year savings from solar projects have resulted in savings of ₹ 1.7 crores.

To further increase the use of renewable power your company has installed a solar on ground project with a capacity of 1.8 MW which will be operational by June 2019. This is expected to result in annual savings of ₹ 2.0 crores and raise the Company's renewable power consumption from current 80 Lakh KWH to 112 Lakh KWH.

3. The Capital Investment on Energy Conservation Equipments:

Capital Investment on energy conservation equipment was ₹ 10.8 crores during the year.

B) TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption:

- A technology roadmap has been developed by R&D department and will provide useful guidance for future R&D work.
- We continued working with various technology experts as well as research institutes in India and abroad for developing new technologies.
- R&D efforts continued on various types of adhesives, sealants, waterproofing products, synthetic resins, pigments, pigment dispersions, intermediates, thickeners, dispersants, coatings and construction chemicals.

2. Benefits derived like product improvement, cost reduction, product development or import substitution:

R&D innovations have resulted in improved sales, product performance, process efficiencies, capacity debottlenecking, addressing market needs for new applications; product cost reduction and improved environment compliance.

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

The details of technology imported, the year of import, whether the technology been fully absorbed, if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:

The technology for manufacture of Hot melt received by the Company during the year 2018-19, pursuant to a technology agreement signed in the previous year, shall be fully absorbed on installation of the proposed Hot melt adhesive plant by the Company.

4. Expenditure incurred on Research and Development:

Expenditure on R&D

(₹ in crores)

	Year ended 31 st March 2019	Year ended 31 st March 2018
i) Capital	0.45	5.06
ii) Recurring	64.09	50.80
TOTAL	64.54	55.86

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 crores)

	Year ended 31 st March 2019	Year ended 31 st March 2018
i) Foreign exchange earned	543	471
ii) Foreign exchange used	972	791

For and on behalf of the Board of Directors

Place: Mumbai
Date: 14th May 2019

M B Parekh
Executive Chairman

ANNEXURE 4 TO THE DIRECTORS' REPORT

Disclosure regarding Employee Stock Option of the Company for the year ended 31st March 2019

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Members may refer to the audited financial statement prepared as per Indian Accounting Standard (IND-AS) for the year 2018-19.
- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Diluted EPS for the year ended 31st March 2019 is ₹ 19.27 calculated in accordance with IND-AS 33 (Earnings per Share).

C. Details related to Employees' Stock option of the Company for the year ended 31st March 2019:

(i)

Sr. No.	Particulars	Employee Stock Option Scheme-2012	Employee Stock Option Plan-2016
(a)	Date of shareholders' approval	24.07.2012	02.04.2016
(b)	Total number of options approved under ESOS	3,00,000	45,00,000
(c)	Vesting requirements	<p>(a) On completion of 12 months from the date of Grant</p> <p>(b) On completion of 24 months from the date of Grant</p> <p>50% of the options</p> <p>Balance 50% of the options</p> <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>	<p>Options 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.</p> <p>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 Compensation Committee.</p>
(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.	As approved by the Shareholders through Postal Ballot which was declared on 2 nd April 2016, 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	All the options granted have been vested and have been exercised. No options have been granted in the year 2018-19.	Out of the options granted, till date, the last date of vesting is 23 rd January 2024. The vested options need to be exercised within a maximum period of three years from the date of vesting of such options.
(f)	Source of shares (primary, secondary or combination)	Primary	Primary
(g)	Variation in terms of options	Not Applicable	Not Applicable

Sr. No.	Particulars	Employee Stock Option Scheme-2012	Employee Stock Option Plan-2016
(ii)	Method used to account for ESOS	Fair value method*	Fair 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	N.A	N.A
	(b) The impact of this difference on profits and on EPS of the Company	N.A	N.A

*NOTE: Under IND AS, Fair value method is used for accounting.

(iv) Option movement during the year - Employee Stock Option Scheme-2012 (ESOS-2012) and Employee Stock Option Plan 2016 (ESOP – 2016)

Particulars	ESOS – 2012	ESOP – 2016
Number of options outstanding at the beginning of the period	1,19,400	79,000
Number of options granted during the year	Nil	2,95,700
Number of options forfeited / lapsed during the year	Nil	10,400
Number of options vested during the year	1,10,500	47,200
Number of options exercised during the year	1,19,400	48,550
Number of shares arising as a result of exercise of options	1,19,400	48,550
Money realized by exercise of options (₹)	1,19,400	48,550
Loan repaid by the Trust during the year from exercise price received	N.A.	N.A
Number of options outstanding as on 31 st March 2019	Nil	3,15,750
Number of options exercisable as on 31 st March 2019	Nil	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 27.07.2015 – ESOS 2012	1	521.11
Options granted on 29.01.2016 – ESOS 2012	1	532.20/525.01
Options granted on 29.07.2016 – ESOS 2012	1	722.31
Options granted on 29.07.2016 – ESOP 2016	1	730.61
Options granted on 09.11.2016 – ESOS 2012	1	661.86
Options granted on 08.11.2017 – ESOS 2016	1	734.15
Options granted on 11.04.2018 – ESOP 2016	1	976.94
Options granted on 30.10.2018 – ESOP 2016	1	931.19/924.50
Options granted on 23.01.2019 – ESOP 2016	1	1112.48/1127.85

(vi) Options granted during the year (excluding lapsed options):

a) Senior managerial personnel:

Sr. No.	Name of Employee	Designation	Number of options granted in 2018-19
1.	Shri Sabyaschi Patnaik	Whole Time Director	2,300
2.	Shri Amol Devidas Ubhayakar	President - Commercial	1,600
3.	Shri Ramnarayan Mohanty	President - Technology	1,200
4.	Shri Sanjay Bahadur	Group CEO - Construction Chemicals (CC)	2,700
5.	Shri Prabhakar Jain	CEO - International Business Division	2,900
6.	Shri Rajesh Balakrishnan	CEO - Industrial Products	1,900
7.	Shri Vivek Subramanian	CEO - Special Projects	2,400
8.	Shri Sanjay Panigrahi	Chief Customer Officer	1,500
9.	Shri Vivek Sharma	Chief Marketing Officer	2,100
10.	Shri Manish Modi	COO - Special Projects	2,000
11.	Shri Atul Bhatia	Chief R & D Officer	2,500
12.	Shri Nilesh Mazumdar	CEO - CC (Retail)	1,900
13.	Shri Chandramouli Venkatesan	CEO - Special Project	3,600
14.	Shri Rahul Kumar Sinha	President - HR	1,500
15.	Shri Nitin Chaudhry	CEO - Fevicol	2,300
16.	Shri Pankaj Bhargava	President - Procurement	1,200
17.	Shri Ajith Vasudevan	Sr. Vice President - Strategy	1,200
18.	Shri Rajesh Joshi	CEO (Subsidiary Company)	2,200
19.	Shri Shantanu Bhanja	CEO - Consumer Products	2,900
20.	Shri Anubhav Saxena	President - R & D	5,000
21.	Shri Mayur Danait	Chief Information Officer	3,000
22.	Shri Puneet Bansal	Sr. Vice President - Legal & Company Secretary	3,000
23.	Dr. Anil Bendale	Sr. Vice President - R&D CC	10,000
24.	Shri Salil Dalal	COO - Emerging India	1,300
25.	Shri Yogesh Anand	President - Sales & Marketing (CPMNT Division)	1,600
26.	Shri Manab Ghosh	President - Business Development	1,400
27.	Shri Priykant Chhotalal Patel	President	1,200
28.	Shri Bharat Odhavji Mehta	Sr. President - Sales & Marketing	1,200
29.	Shri Punit Mehra	Sr. Vice President - Falcofix & Bluecoat	1,200
30.	Shri Vishal Vijay Malhan	Sr. Vice President - International Business	1,000

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 2018-19-**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 and significant assumptions 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:

Please refer to "Notes to the Financial Statements - Note 45".

ANNEXURE 5 TO THE DIRECTORS' REPORT

Extract of Annual Return as on 31st March 2019 - 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	59.44 %

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, Jammnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U24295MH1979PLC021508	Subsidiary	100	2(87)(ii)
2	Madhumala Traders Pvt Ltd	7 th Floor, Regent Chambers, Jammnalal 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, Jammnalal 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, Jammnalal 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, Jammnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	U24233MH2012PLC235431	Subsidiary	60	2(87)(ii)
6	Nina Percept Pvt Ltd #	Office No. 401, A Wing, 4 th Floor, Naman Midtown, Senapati Bapat Marg, Elphinstone West, Mumbai-400 013	U74120MH2014PTC259216	Subsidiary	71.53	2(87)(ii)
7	ICA Pidilite Private Limited	403, 404, Satellite Silver, Andheri Kurla Road, Marol, Andheri East, Mumbai-400 059	U24233MH2015PTC270308	Subsidiary	50	2(87)(i)
8	Cipy Poly Urethanes Pvt Ltd	T-127, MIDC Industrial Area, Bhosari Pune-411 026	U24219PN1994PTC083328	Subsidiary	70	2(87)(ii)
9	Pidilite International Pte Ltd	9, Raffles Place, #27-00 Republic Plaza, Singapore 048619	200416836H	Subsidiary	100	2(87)(ii)
10	Pidilite Middle East Ltd	LOB16, Suit# 309, Jebel Ali Free Zone, P. O. Box 262794, Dubai, UAE	O. F 1264	Subsidiary	100	2(87)(ii)
11	Pidilite MEA Chemicals LLC	P. O. Box 120657, Dubai, UAE	74874	Subsidiary	49	2(87)(i)
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 , 17 th Floor, Srinakarini Road, Pattanakam Sub-District, Suan Luang District, Bangkok 10250 Thailand	0105535098263	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 ground floor, the second neighboring in Meraage City- next to Emarat-Misr 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	City of São Paulo, State of São Paulo, Avenida Presidente Altino, No. 2468 and 2600, Jaguaré, Brasil, Zip Code 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, Srinakarini Road, Pattanakam Sub-District, Suan Luang District, Bangkok 10250 Thailand	0105551044555	Subsidiary	49	2(87)(i)
20	PIL Trading (Egypt) Company	Building No. 2002 ground floor, the second neighboring in Meraage City- next to Emarat-Misr 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	91310000564784808W	Subsidiary	100	2(87)(ii)
22	Pidilite Chemical PLC	Kirkos S/city, Woreda 03, H.No. 269, 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	Nebula East Africa Private Limited	1 st Floor, Paresia centre, LR NO 1/548, Ngong Road. P. O. BOX 6574-00100, NAIROBI	CPR/2015/205413	Subsidiary	100	2(87)(ii)
25	Nina Lanka Construction Technologies (Pvt) Ltd	No. 116/10, Rosmead Place, Colombo 07	PV 120223	Subsidiary	**	2(87)(ii)
26	Pidilite Ventures LLC	3500 S DuPont Hwy, Dover, 19901, USA	6915230	Subsidiary	100	2(87)(ii)
27	Pidilite East Africa Limited	Odyssey Building, Muthithi Road, P.O. Box 18092-00500- Enterprise Road	PVT-9XUL3LM	Subsidiary	55	2(87)(ii)
28	Vinyl Chemicals (India) Ltd	7 th Floor, Regent Chambers, Jammnalal Bajaj Marg, 208 Nariman Point, Mumbai - 400 021	L24100MH1986PLC039837	Associate	40.64	2(6)

Refer to Note No. 56 (b) of the Consolidated Financial Statements.

*% of Shares held is either directly or indirectly through subsidiary(ies) of the Company.

** 25.2% holding by Pidilite Lanka (Private) Limited and 74.8% holding by Nina Percept Private Limited.

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 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% 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	25,60,55,088	-	25,60,55,088	50.42	25,58,21,434	-	25,58,21,434	50.36	(0.06)
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Governments(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	8,72,16,932	-	8,72,16,932	17.18	8,74,08,932	-	8,74,08,932	17.21	0.03
(e) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f) Any Other (Trust)	1,10,69,217	-	1,10,69,217	2.18	1,10,94,217	-	1,10,94,217	2.18	0.00
Sub-Total (A) (1)	35,43,41,237	-	35,43,41,237	69.78	35,43,24,583	-	35,43,24,583	69.75	(0.03)
(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)	35,43,41,237	-	35,43,41,237	69.78	35,43,24,583	-	35,43,24,583	69.75	(0.03)
B. Public Shareholding									
1 Institutions									
(a) Mutual Funds	2,25,41,359	50	2,25,41,409	4.44	2,32,48,673	50	2,32,48,723	4.58	0.14
(b) Financial Institutions / Banks	1,20,429	-	1,20,429	0.02	99,641	-	99,641	0.02	0.00
(c) Central Government	3,87,995	-	3,87,995	0.08	3,15,995	-	3,15,995	0.06	(0.02)
(d) State Government(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	2,28,93,156	-	2,28,93,156	4.51	1,47,62,772	-	1,47,62,772	2.91	(1.60)
(g) Foreign Institutional Investors	88,970	-	88,970	0.02	58,739	-	58,739	0.01	(0.01)
(h) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i) Any Other									
i Foreign Portfolio Investors (Corporate)	5,25,51,451	-	5,25,51,451	10.35	5,94,14,555	-	5,94,14,555	11.70	1.35
ii Alternate Investment Fund	6,43,235	-	6,43,235	0.13	10,74,184	-	10,74,184	0.21	0.08
Sub-Total (B) (1)	9,92,26,595	50	9,92,26,645	19.54	9,89,74,559	50	9,89,74,609	19.48	(0.06)
(2) Non-Institutions									
(a) Bodies Corporate									
i Indian	79,90,342	1,408	79,91,750	1.57	68,88,679	1,298	68,89,977	1.36	0.21
ii Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
i Individual shareholders holding nominal share capital upto ₹ 1 lakh	3,63,99,809	24,87,882	3,88,87,691	7.66	3,85,55,033	18,13,413	4,03,68,446	7.95	0.29
ii Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	72,46,638	-	72,46,638	1.43	71,70,119	-	71,70,119	1.41	(0.02)
(c) Any Other									
i Trust	1,16,369	-	1,16,369	0.02	2,50,546	-	2,50,546	0.05	0.03
Sub-Total (B) (2)	5,17,53,158	24,89,290	5,42,42,448	10.68	5,28,64,377	18,14,711	5,46,79,088	10.76	0.08
Total Public Shareholding (B) = (B) (1)+(B)(2)	15,09,79,753	24,89,340	15,34,69,093	30.22	15,18,38,936	18,14,761	15,36,53,697	30.25	0.03
C. Shares held by Custodians for GDRs & ADRs									
Grand Total (A) +(B)+(C)	50,53,20,990	24,89,340	50,78,10,330	100	50,61,63,519	18,14,761	50,79,78,280	100.00	

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% 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	5,27,62,286	10.39	0.00	5,27,62,286	10.39	0.00	0.00
2	NARENDRAKUMAR KALYANJI PAREKH	5,42,73,688	10.69	0.00	5,42,73,688	10.69	0.00	0.00
3	AJAY BALVANTRAY PAREKH	4,74,33,489	9.34	0.00	4,74,33,489	9.34	0.00	0.00
4	SUSHILKUMAR KALYANJI PAREKH	4,18,17,646	8.23	0.00	4,18,17,646	8.23	0.00	0.00
5	DEVKALYAN SALES PRIVATE LTD	2,62,24,280	5.16	0.00	2,62,24,280	5.16	0.00	0.00
6	ISHIJAS CHEMICALS PRIVATE LIMITED	2,47,30,038	4.87	0.00	2,48,62,038	4.89	0.00	0.02
7	MALA MADHUKAR PAREKH	95,98,618	1.89	0.00	95,98,618	1.89	0.00	0.00
8	HARTON PRIVATE LIMITED	1,23,57,634	2.43	0.00	1,23,57,634	2.43	0.00	0.00
9	THE VACUUM FORMING COMPANY PVT LTD	1,14,62,186	2.26	0.00	1,14,62,186	2.26	0.00	0.00
10	BHARATI NARENDRAKUMAR PAREKH	57,72,323	1.14	0.00	57,72,323	1.14	0.00	0.00
11	PIDICHEM PVT LTD	83,63,916	1.65	0.00	83,63,916	1.65	0.00	0.00
12	KALPANA APURVA PAREKH	65,93,592	1.30	0.00	99,43,079	1.96	0.00	0.66
13	DARSHANA BIMAL MODY	57,41,535	1.13	0.00	57,41,535	1.13	0.00	0.00
14	AMI AJAY PAREKH	55,50,120	1.09	0.00	55,50,120	1.09	0.00	0.00
15	HIMATLAL KALYANJI PAREKH	166	0.00	0.00	166	0.00	0.00	0.00
16	JASNA RAOL THACKERSEY	35,76,765	0.70	0.00	35,76,765	0.70	0.00	0.00
17	APURVA NARENDRAKUMAR PAREKH	30,76,918	0.61	0.00	30,76,918	0.61	0.00	0.00
18	MRUDULA SUSHILKUMAR PAREKH	15,47,527	0.30	0.00	15,47,527	0.30	0.00	0.00
19	KANTA BALVANTRAY PAREKH	33,49,487	0.66	0.00	0	0.00	0.00	(0.66)
20	RASHMIKANT HIMATLAL PAREKH	71,33,538	1.40	0.00	37,16,904	0.73	0.00	(0.67)
21	HARISH HIMATLAL PAREKH	20,59,182	0.41	0.00	34,38,443	0.68	0.00	0.27
22	AMRITA AJAY PAREKH	19,47,130	0.38	0.00	19,47,130	0.38	0.00	0.00
23	KALVA MARKETING AND SERVICES LTD	13,82,628	0.27	0.00	13,82,628	0.27	0.00	0.00
24	PARKEM DYES & CHEMICALS PVT LTD	14,36,510	0.28	0.00	14,36,510	0.28	0.00	0.00
25	PARUL HARISH PAREKH	12,04,029	0.24	0.00	14,45,074	0.28	0.00	0.04
26	KAMALINI RASHMIKANT PAREKH	10,76,726	0.21	0.00	10,56,055	0.21	0.00	0.00
27	PURVEE APURVA PAREKH	7,93,299	0.16	0.00	7,93,299	0.16	0.00	0.00
28	PAREKH MARKETING LIMITED	7,96,700	0.16	0.00	8,56,700	0.17	0.00	0.01
29	TRIVENIKALYAN TRADING PVT LTD	4,63,040	0.09	0.00	4,63,040	0.09	0.00	0.00
30	ANUJA ANKUR SHAH	1,87,670	0.04	0.00	1,87,670	0.04	0.00	0.00
31	MALAY RASHMIKANT PAREKH	1,60,241	0.03	0.00	4,01,286	0.08	0.00	0.05
32	PAREET D SANGHAVI	95,600	0.02	0.00	0	0.00	0.00	(0.02)
33	JIMEET D SANGHAVI	91,054	0.02	0.00	0	0.00	0.00	(0.02)
34	PANNA DEEPAK SANGHAVI	79,414	0.02	0.00	8,54,891	0.17	0.00	0.15
35	HARSHADA HARVADAN VAKIL	51,452	0.01	0.00	8,04,929	0.16	0.00	0.15
36	HARVADAN	41,930	0.01	0.00	41,930	0.01	0.00	0.00
37	URVI MALAY PAREKH	39,663	0.01	0.00	39,663	0.01	0.00	0.00
38	PRAKASH SHAH TRUSTEE OF SANMP PRIVATE BENEFICIARY TRUST	82,00,000	1.61	0.00	82,00,000	1.61	0.00	0.00
39	PRAKASH DHARSHIBHAI SHAH TRUSTEE OF I M FAMILY TRUST	28,69,217	0.56	0.00	28,69,217	0.56	0.00	0.00
40	MALAY RASHMIKANT PAREKH TRUSTEE OF MALAY FAMILY TRUST	0	0.00	0.00	12,500	0.00	0.00	0.00
41	MALAY RASHMIKANT PAREKH TRUSTEE OF ANUJA FAMILY TRUST	0	0.00	0.00	12,500	0.00	0.00	0.00
		35,43,41,237	69.78	0.00	35,43,24,583	69.75	0.00	(0.03)

(iii) Change In Promoters' Shareholding

Sr. No.	Date	Reason	Shareholding as on 01.04.2018		Cumulative Shareholding during 2018-19	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year		35,43,41,237	69.78		
1	01.06.2018	Gift of shares	(95,600)	(0.02)	35,42,45,637	69.74
2	26.06.2018	Transmission	(37,56,865)	(0.74)	35,04,88,772	69.00
3	26.06.2018	Transmission	37,56,865	0.74	35,42,45,637	69.74
4	30.08.2018	Inter se transfer	(20,000)	0.00	35,42,25,637	69.73
5	30.08.2018	Inter se transfer	20,000	0.00	35,42,45,637	69.74
6	22.11.2018	Market Purchase	1,32,000	0.03	35,43,77,637	69.76
7	14.12.2018	Inter se transfer	40,000	0.01	35,44,17,637	69.77
8	14.12.2018	Inter se transfer	(40,000)	(0.01)	35,43,77,637	69.76
9	22.02.2019	Gift of shares	(22,000)	0.00	35,43,55,637	69.76
10	06.03.2019	Market Sale	(18,300)	0.00	35,43,37,337	69.75
11	18.03.2019	Gift of shares	(25,000)	0.00	35,43,12,337	69.75
12	18.03.2019	Gift of shares	25,000	0.00	35,43,37,337	69.75
13	25.03.2019	Market Sale	(6,000)	0.00	35,43,31,337	69.75
14	26.03.2019	Market Sale	(6,754)	0.00	35,43,24,583	69.75
15	29.03.2019	Transmission	(33,49,487)	(0.66)	35,09,75,096	69.09
16	29.03.2019	Transmission	33,49,487	0.66	35,43,24,583	69.75
	At the end of the year				35,43,24,583	69.75

(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 (01.04.2018)/ end of the year (31.03.2019)	% 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	Axis Mutual Fund Trustee Limited	1,36,56,695	2.69	01.04.2018				
				06.04.2018	42,300	Transfer	1,36,98,995	2.70
				13.04.2018	(6,42,924)	Transfer	1,30,56,071	2.57
				20.04.2018	(5,00,000)	Transfer	1,25,56,071	2.47
				27.04.2018	(50,000)	Transfer	1,25,06,071	2.46
				11.05.2018	(47,180)	Transfer	1,24,58,891	2.45
				18.05.2018	(51,583)	Transfer	1,24,07,308	2.44
				01.06.2018	(5,00,000)	Transfer	1,19,07,308	2.34
				22.06.2018	(18,900)	Transfer	1,18,88,408	2.34
				20.07.2018	1,00,000	Transfer	1,19,88,408	2.36
				27.07.2018	93,469	Transfer	1,20,81,877	2.38
				03.08.2018	2,00,000	Transfer	1,22,81,877	2.42
				10.08.2018	1,19,344	Transfer	1,24,01,221	2.44
				24.08.2018	35,000	Transfer	1,24,36,221	2.45
				07.09.2018	1,19,000	Transfer	1,25,55,221	2.47
				14.09.2018	(64,155)	Transfer	1,24,91,066	2.46
				21.09.2018	67,579	Transfer	1,25,58,645	2.47
				28.09.2018	(13,000)	Transfer	1,25,45,645	2.47
				12.10.2018	(45,000)	Transfer	1,25,00,645	2.46
				19.10.2018	61,400	Transfer	1,25,62,045	2.47
				26.10.2018	2,87,013	Transfer	1,28,49,058	2.53
				02.11.2018	18,233	Transfer	1,28,67,291	2.53
				09.11.2018	3,00,000	Transfer	1,31,67,291	2.59
				16.11.2018	61,000	Transfer	1,32,28,291	2.60
				23.11.2018	10,000	Transfer	1,32,38,291	2.61
				30.11.2018	43,000	Transfer	1,32,81,291	2.61
				07.12.2018	82,718	Transfer	1,33,64,009	2.63
				14.12.2018	1,31,069	Transfer	1,34,95,078	2.66
				21.12.2018	8,31,771	Transfer	1,43,26,849	2.82
				04.01.2019	34,000	Transfer	1,43,60,849	2.83
				11.01.2019	(1,00,000)	Transfer	1,42,60,849	2.81
				18.01.2019	8,00,000	Transfer	1,50,60,849	2.96
				25.01.2019	(1,829)	Transfer	1,50,59,020	2.96
				01.02.2019	6,30,000	Transfer	1,56,89,020	3.09
				08.02.2019	7,65,000	Transfer	1,64,54,020	3.24
				15.02.2019	1,50,000	Transfer	1,66,04,020	3.27
				22.02.2019	3,41,953	Transfer	1,69,45,973	3.34
				01.03.2019	2,99,641	Transfer	1,72,45,614	3.39
				08.03.2019	359	Transfer	1,72,45,973	3.40
				15.03.2019	(1,80,286)	Transfer	1,70,65,687	3.36
				22.03.2019	46,881	Transfer	1,71,12,568	3.37
				31.03.2019	(26,069)	Transfer	1,70,86,499	3.36
		1,70,86,499	3.36	31.03.2019				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2018)/ end of the year (31.03.2019)	% 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
2	Life Insurance Corporation of India	1,91,27,980	3.77	01.04.2018				
				01.06.2018	(2,26,533)	Transfer	1,89,01,447	3.72
				08.06.2018	(2,53,831)	Transfer	1,86,47,616	3.67
				06.07.2018	(4,35,405)	Transfer	1,82,12,211	3.59
				13.07.2018	(4,12,190)	Transfer	1,78,00,021	3.50
				20.07.2018	(2,85,891)	Transfer	1,75,14,130	3.45
				27.07.2018	(6,52,630)	Transfer	1,68,61,500	3.32
				21.12.2018	(4,24,228)	Transfer	1,64,37,272	3.24
				28.12.2018	(3,02,177)	Transfer	1,61,35,095	3.18
				31.12.2018	(10,690)	Transfer	1,61,24,405	3.17
				04.01.2019	(1,44,091)	Transfer	1,59,80,314	3.15
				11.01.2019	(4,23,247)	Transfer	1,55,57,067	3.06
				18.01.2019	(14,05,653)	Transfer	1,41,51,414	2.79
				25.01.2019	(3,51,592)	Transfer	1,37,99,822	2.72
				01.02.2019	(8,12,247)	Transfer	1,29,87,575	2.56
				08.02.2019	(4,63,716)	Transfer	1,25,23,859	2.47
				1,25,23,859	2.47	31.03.2019		
3	Government Pension Fund Global	55,28,932	1.09	01.04.2018				
				08.06.2018	(1,12,979)	Transfer	54,15,953	1.07
				15.06.2018	(61,906)	Transfer	53,54,047	1.05
				22.06.2018	(66,197)	Transfer	52,87,850	1.04
				29.06.2018	(1,20,767)	Transfer	51,67,083	1.02
				06.07.2018	(1,240)	Transfer	51,65,843	1.02
				23.08.2018	(1,07,996)	Transfer	50,57,847	1.00
				24.08.2018	(81,515)	Transfer	49,76,332	0.98
		49,76,332	0.98	31.03.2019				
4	New World Fund Inc	41,00,000	0.81	01.04.2018				
		41,00,000	0.81	31.03.2019				
5	The Genesis Group Trust For Employee Benefit Plans	50,95,724	1.00	01.04.2018				
				04.05.2018	(21,152)	Transfer	50,74,572	1.00
				01.06.2018	(6,77,059)	Transfer	43,97,513	0.87
				06.07.2018	(47,142)	Transfer	43,50,371	0.86
				27.07.2018	(49,934)	Transfer	43,00,437	0.85
				03.08.2018	(1,38,180)	Transfer	41,62,257	0.82
				10.08.2018	(47,308)	Transfer	41,14,949	0.81
				17.08.2018	(41,044)	Transfer	40,73,905	0.80
				23.08.2018	(1,17,149)	Transfer	39,56,756	0.78
				30.08.2018	(16,614)	Transfer	39,40,142	0.78
				31.08.2018	(1,66,151)	Transfer	37,73,991	0.74
				07.09.2018	(54,748)	Transfer	37,19,243	0.73
				05.10.2018	(74,571)	Transfer	36,44,672	0.72
				02.11.2018	(1,14,330)	Transfer	35,30,342	0.69
				09.11.2018	(35,688)	Transfer	34,94,654	0.69
				30.11.2018	(77,725)	Transfer	34,16,929	0.67
				07.12.2018	(1,03,041)	Transfer	33,13,888	0.65
		21.12.2018	(81,102)	Transfer	32,32,786	0.64		
		28.12.2018	(8,242)	Transfer	32,24,544	0.63		
		15.02.2019	(72,220)	Transfer	31,52,324	0.62		
		22.02.2019	(1,09,951)	Transfer	30,42,373	0.60		
		30,42,373	0.60	31.03.2019				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2018)/ end of the year (31.03.2019)	% 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	The Genesis Emerging Markets Investment Company	47,05,952	0.93	01.04.2018				
				13.04.2018	(24,824)	Transfer	46,81,128	0.92
				27.04.2018	(36,240)	Transfer	46,44,888	0.91
				04.05.2018	(34,863)	Transfer	46,10,025	0.91
				11.05.2018	(22,931)	Transfer	45,87,094	0.90
				18.05.2018	(49,715)	Transfer	45,37,379	0.89
				25.05.2018	(12,582)	Transfer	45,24,797	0.89
				01.06.2018	(6,02,156)	Transfer	39,22,641	0.77
				15.06.2018	(42,618)	Transfer	38,80,023	0.76
				06.07.2018	(45,630)	Transfer	38,34,393	0.75
				27.07.2018	(85,045)	Transfer	37,49,348	0.74
				03.08.2018	(1,12,361)	Transfer	36,36,987	0.72
				10.08.2018	(58,422)	Transfer	35,78,565	0.70
				17.08.2018	(63,759)	Transfer	35,14,806	0.69
				23.08.2018	(1,03,196)	Transfer	34,11,610	0.67
				30.08.2018	(14,636)	Transfer	33,96,974	0.67
				31.08.2018	(1,46,361)	Transfer	32,50,613	0.64
				07.09.2018	(95,091)	Transfer	31,55,522	0.62
				14.09.2018	(58,287)	Transfer	30,97,235	0.61
				21.09.2018	(53,596)	Transfer	30,43,639	0.60
				05.10.2018	(82,620)	Transfer	29,61,019	0.58
				12.10.2018	(53,392)	Transfer	29,07,627	0.57
				19.10.2018	(75,167)	Transfer	28,32,460	0.56
				26.10.2018	(2,14,418)	Transfer	26,18,042	0.52
				16.11.2018	(21,487)	Transfer	25,96,555	0.51
				30.11.2018	(54,293)	Transfer	25,42,262	0.50
				07.12.2018	(62,742)	Transfer	24,79,520	0.49
				14.12.2018	(13,159)	Transfer	24,66,361	0.49
				21.12.2018	(56,650)	Transfer	24,09,711	0.47
				28.12.2018	(5,757)	Transfer	24,03,954	0.47
				25.01.2019	(10,217)	Transfer	23,93,737	0.47
		01.02.2019	(88,353)	Transfer	23,05,384	0.45		
		08.03.2019	(5,884)	Transfer	22,99,500	0.45		
		15.03.2019	(31,870)	Transfer	22,67,630	0.45		
		22,67,630	0.45	31.03.2019				
7	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	23,52,595	0.46	01.04.2018				
				04.05.2018	(4,260)	Transfer	23,48,335	0.46
				15.06.2018	(3,195)	Transfer	23,45,140	0.46
				22.06.2018	(1,30,388)	Transfer	22,14,752	0.44
				29.06.2018	(1,11,952)	Transfer	21,02,800	0.41
				06.07.2018	(9,045)	Transfer	20,93,755	0.41
				13.07.2018	(14,405)	Transfer	20,79,350	0.41
				16.11.2018	2,895	Transfer	20,82,245	0.41
				23.11.2018	7,527	Transfer	20,89,772	0.41
				07.12.2018	3,667	Transfer	20,93,439	0.41
				21.12.2018	10,422	Transfer	21,03,861	0.41
				28.12.2018	(64,084)	Transfer	20,39,777	0.40
				01.02.2019	10,962	Transfer	20,50,739	0.40
				08.02.2019	27,728	Transfer	20,78,467	0.41
				15.02.2019	7,237	Transfer	20,85,704	0.41
		22.03.2019	(71,602)	Transfer	20,14,102	0.40		
		29.03.2019	4,347	Transfer	20,18,449	0.40		
		20,18,449	0.40	31.03.2019				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2018)/ end of the year (31.03.2019)	% 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
8	UTI Funds	17,31,074	0.34	01.04.2018				
				06.04.2018	1,047	Transfer	17,32,121	0.34
				20.04.2018	(264)	Transfer	17,31,857	0.34
				04.05.2018	(66)	Transfer	17,31,791	0.34
				29.06.2018	(220)	Transfer	17,31,571	0.34
				06.07.2018	47,909	Transfer	17,79,480	0.35
				13.07.2018	739	Transfer	17,80,219	0.35
				20.07.2018	(10,000)	Transfer	17,70,219	0.35
				27.07.2018	13,423	Transfer	17,83,642	0.35
				03.08.2018	(260)	Transfer	17,83,382	0.35
				10.08.2018	482	Transfer	17,83,864	0.35
				17.08.2018	1,716	Transfer	17,85,580	0.35
				23.08.2018	390	Transfer	17,85,970	0.35
				30.08.2018	(51,161)	Transfer	17,34,809	0.34
				31.08.2018	18,000	Transfer	17,52,809	0.35
				07.09.2018	(12,155)	Transfer	17,40,654	0.34
				14.09.2018	1,105	Transfer	17,41,759	0.34
				21.09.2018	(358)	Transfer	17,41,401	0.34
				28.09.2018	(974)	Transfer	17,40,427	0.34
				05.10.2018	2,110	Transfer	17,42,537	0.34
				12.10.2018	10,631	Transfer	17,53,168	0.35
				19.10.2018	1,087	Transfer	17,54,255	0.35
				26.10.2018	594	Transfer	17,54,849	0.35
				02.11.2018	1,584	Transfer	17,56,433	0.35
				09.11.2018	65,726	Transfer	18,22,159	0.36
				16.11.2018	1,158	Transfer	18,23,317	0.36
				23.11.2018	396	Transfer	18,23,713	0.36
				30.11.2018	885	Transfer	18,24,598	0.36
				07.12.2018	146	Transfer	18,24,744	0.36
				14.12.2018	2,101	Transfer	18,26,845	0.36
				21.12.2018	1,240	Transfer	18,28,085	0.36
				28.12.2018	(449)	Transfer	18,27,636	0.36
				04.01.2019	1,102	Transfer	18,28,738	0.36
				11.01.2019	842	Transfer	18,29,580	0.36
				18.01.2019	14,064	Transfer	18,43,644	0.36
				25.01.2019	548	Transfer	18,44,192	0.36
				01.02.2019	910	Transfer	18,45,102	0.36
				08.02.2019	46,418	Transfer	18,91,520	0.37
				15.02.2019	1,172	Transfer	18,92,692	0.37
				22.02.2019	17,550	Transfer	19,10,242	0.38
				01.03.2019	34,433	Transfer	19,44,675	0.38
				08.03.2019	(520)	Transfer	19,44,155	0.38
				15.03.2019	(3,414)	Transfer	19,40,741	0.38
				22.03.2019	1,174	Transfer	19,41,915	0.38
				29.03.2019	(179)	Transfer	19,41,736	0.38
		19,41,736	0.38	31.03.2019				

Sr. No.	Shareholder's Name	No. of shares at the beginning of the year (01.04.2018)/ end of the year (31.03.2019)	% 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
9	Vanguard Total International Stock Index Fund	16,35,184	0.32	01.04.2018				
				25.05.2018	31,455	Transfer	16,66,639	0.33
				08.06.2018	30,168	Transfer	16,96,807	0.33
				20.07.2018	37,545	Transfer	17,34,352	0.34
				27.07.2018	10,849	Transfer	17,45,201	0.34
				23.08.2018	32,998	Transfer	17,78,199	0.35
				05.10.2018	63,517	Transfer	18,41,716	0.36
				07.12.2018	30,032	Transfer	18,71,748	0.37
				29.03.2019	31,262	Transfer	19,03,010	0.37
					19,03,010	0.37	31.03.2019	
10	Stichting Depository Apg Emerging Markets Equity Pool	26,21,034	0.52	01.04.2018				
				27.04.2018	86,792	Transfer	27,07,826	0.53
				04.05.2018	59,721	Transfer	27,67,547	0.54
				01.06.2018	(3,40,197)	Transfer	24,27,350	0.48
				08.06.2018	(53,991)	Transfer	23,73,359	0.47
				15.06.2018	(47,269)	Transfer	23,26,090	0.46
				22.06.2018	(47,269)	Transfer	22,78,821	0.45
				27.07.2018	(20,827)	Transfer	22,57,994	0.44
				03.08.2018	(26,552)	Transfer	22,31,442	0.44
				10.08.2018	(25,154)	Transfer	22,06,288	0.43
				17.08.2018	(21,823)	Transfer	21,84,465	0.43
				23.08.2018	(62,294)	Transfer	21,22,171	0.42
				30.08.2018	(8,835)	Transfer	21,13,336	0.42
				31.08.2018	(88,349)	Transfer	20,24,987	0.40
				07.09.2018	(17,670)	Transfer	20,07,317	0.40
				05.10.2018	14,270	Transfer	20,21,587	0.40
				02.11.2018	26,272	Transfer	20,47,859	0.40
				30.11.2018	(38,688)	Transfer	20,09,171	0.40
				07.12.2018	(44,708)	Transfer	19,64,463	0.39
				21.12.2018	(40,366)	Transfer	19,24,097	0.38
28.12.2018	(4,103)	Transfer	19,19,994	0.38				
01.02.2019	(1,03,399)	Transfer	18,16,595	0.36				
	18,16,595	0.36	31.03.2019					
11	Neerav A Parekh	19,81,357	0.39	01.04.2018				
				23.11.2018	(1,32,000)	Transfer	18,49,357	0.36
				01.03.2019	(33,224)	Transfer	18,16,133	0.36
				08.03.2019	(1,55,747)	Transfer	16,60,386	0.33
					16,60,386	0.33	31.03.2019	
12	General Insurance Corporation Of India	17,84,922	0.35	01.04.2018				
				17.04.2018	(17,84,922)	Transfer	0	0.00
				20.04.2018	17,84,922	Transfer	17,84,922	0.35
				22.06.2018	(47,926)	Transfer	17,36,996	0.34
				29.06.2018	(36,996)	Transfer	17,00,000	0.33
				20.07.2018	(23,621)	Transfer	16,76,379	0.33
				27.07.2018	(1,379)	Transfer	16,75,000	0.33
				23.08.2018	(50,000)	Transfer	16,25,000	0.32
				30.08.2018	(25,000)	Transfer	16,00,000	0.31
				31.08.2018	(20,000)	Transfer	15,80,000	0.31
				07.09.2018	(40,502)	Transfer	15,39,498	0.30
				08.02.2019	(85,000)	Transfer	14,54,498	0.29
				15.02.2019	(54,498)	Transfer	14,00,000	0.28
29.03.2019	(1,533)	Transfer	13,98,467	0.28				
	13,98,467	0.28	31.03.2019					

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding		Date	Increase. (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of Shares at the beginning of the year (01.04.2018). end of the year (31.03.2019)	% of total Shares of the Company				No. of shares	% of total Shares of the Company
Shareholding of Directors:								
1	M B Parekh	5,27,62,286	10.39	01-04-2018		NIL movement during the year	5,27,62,286	10.39
		5,27,62,286	10.39	31-03-2019				
2	N K Parekh	5,42,73,688	10.69	01-04-2018		NIL movement during the year	5,42,73,688	10.69
		5,42,73,688	10.69	31-03-2019				
3	A B Parekh	4,74,33,489	9.34	01-04-2018		NIL movement during the year	4,74,33,489	9.34
		4,74,33,489	9.34	31-03-2019				
4	B S Mehta	24,716	0	01-04-2018		NIL movement during the year	24,716	0.00
		24,716	0	31-03-2019				
5	A N Parekh	30,76,918	0.61	01-04-2018		NIL movement during the year	30,76,918	0.61
		30,76,918	0.61	31-03-2019				
6	Bharat Puri (also Key Managerial Personnel)	1,00,000	0.02	01-04-2018			1,00,000	0.02
				20-09-2018	1,00,000*		2,00,000	
		2,00,000	0.04	31-03-2019				
7	Sanjeev Aga	798	0	01-04-2018		NIL movement during the year	798	0
		798	0	31-03-2019				
8	Uday Khanna	5,000	0	01-04-2018		NIL movement during the year	5,000	0
		5,000	0	31-03-2019				
9	Meera Shankar	0	0	01-04-2018		NIL movement during the year	0	0
		0	0	31-03-2019				
10	Sabyaschi Patnaik	1,800	0	01-04-2018			1,800	0
				14-06-2018	200*		2,000	
				20-09-2018	1,600**		3,600	
				17-12-2018	1,500**		5,100	
		5,100	0	31-03-2019				
11	Vinod Kumar Dasari	0	0	01-04-2018		NIL movement during the year	0	0
		0	0	31-03-2019				
12	Piyush Pandey (w.e.f. 11.04.2018)	0	0	11-04-2018		NIL movement during the period	0	0
		0	0	31-03-2019				
Shareholding of Key Managerial Personnel :								
1	Savithri Parekh (upto 09.10.2018)	0	0	01-04-2018		NIL movement during the period	0	0
		0	0	09-10-2018				
2	Puneet Bansal (w.e.f. 20.02.2019)	100	0	20-02-2019		NIL movement during the period	100	0
		100	0	31-03-2019				
3	P Ganesh	50	0	01-04-2018		NIL movement during the year	50	0
		50	0	31-03-2019				

* Shares allotted during the year under ESOS- 2012

**Shares allotted during the year under ESOP-2016

(₹ in crores)

V.	Indebtedness
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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 01.04.2018)				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction (Repayment)	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year (as on 31.03.2019)				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

(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)	A B Parekh (Whole Time Director)	A N Parekh (Whole Time Director)	Sabyaschi Patnaik (Whole Time Director)	
1	Gross salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	2,89,25,128	9,99,49,703	1,26,49,401	1,05,30,444	2,25,88,602	17,46,43,278
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	83,47,500	7,01,425	32,86,509	23,33,948	1,53,462	1,48,22,844
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-	-	-
2	Stock option	-	11,02,55,000*	-	-	36,61,175*	11,39,16,175
3	Sweat Equity	-	-	-	-	-	-
4	Commission #						
	- as % of profit	-	3,36,11,111	4,70,55,556	4,03,33,333	-	12,10,00,000
	- others	-	-	-	-	-	-
5	Others: Employer contribution to provident and other funds	25,61,701	1,42,84,836	12,47,883	11,06,869	13,31,126	2,05,32,415
	Total (A)	3,98,34,329	25,88,02,075	6,42,39,349	5,43,04,594	2,77,34,365	44,49,14,712

Ceiling as per the Act

Remuneration paid is within the ceiling limits calculated as per Section 198 of the Companies Act 2013

* Represents options which have vested and exercised

Commission for the financial year 2017-18 paid in 2018-19

(Amount in ₹)

B. Remuneration to other Directors:					
1 Independent Directors:					
Name of Director	Fee for attending Board/ Committee meetings	Commission#	Others	Total	
Shri B S Mehta	5,40,000	20,00,000	-	25,40,000	
Shri Sanjeev Aga	4,62,000	20,00,000	-	24,62,000	
Shri Uday Khanna	4,20,000	20,00,000	-	24,20,000	
Smt. Meera Shankar	2,40,000	20,00,000	-	22,40,000	
Shri Vinod Kumar Dasari	1,80,000	20,00,000	-	21,80,000	
Shri Ranjan Kapur*	-	16,55,000	-	16,55,000	
Shri Piyush Pandey**	1,80,000	-	-	1,80,000	
Total (1)				1,36,77,000	
2 Non-Executive/Promoter Director:					
Shri N K Parekh (Non Executive Vice Chairman)	8,40,000	20,00,000	-	28,40,000	
Total (2)				28,40,000	
Total (B) (1+2)				1,65,17,000	

Commission for the financial year 2017-18 paid in 2018-19.

* Ceased to be a Director due to his demise on 27th January 2018.** Appointed w.e.f. 11th April 2018.

(Amount in ₹)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:					
Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Savithri Parekh * Company Secretary	P Ganesh Chief Financial Officer	Puneet Bansal ** Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	88,35,047	2,18,63,222	41,55,000	3,48,53,269
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the 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	2,09,233	22,64,229	3,15,471	27,88,933
	Total (C)	90,44,280	2,41,27,451	44,70,471	3,76,42,202

* Upto 09.10.2018 ** w.e.f. 20.02.2019 *** Options granted have not yet vested

VII. Penalties / Punishment / Compounding of Offences

There were no penalties, punishment, compounding of offences for the year ending 31st March 2019.

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 paid to each Director to the median remuneration of the employees of the Company and percentage increase in remuneration for the financial year 2018-19 is as follows:

Sr. No.	Name of Director	Designation	Ratio of remuneration of Director to the Median remuneration	% increase
1.	Shri M B Parekh	Executive Chairman	76.55	2.3%
2.	Shri N K Parekh	Vice Chairman	5.46	27.9%
3.	Shri Bharat Puri	Managing Director	497.32	27.4%
4.	Shri A B Parekh	Whole time Director	123.44	11.5%
5.	Shri A N Parekh	Whole time Director	104.35	11.9%
6.	Shri B S Mehta	Director	4.88	26.4%
7.	Shri Sanjeev Aga	Director	4.73	38.2%
8.	Shri Uday Khanna	Director	4.65	30.1%
9.	Smt Meera Shankar	Director	4.30	31.0%
10.	Shri Sabyaschi Patnaik	Whole time Director	53.30	13.9%
11.	Shri Vinod Kumar Dasari	Director	4.19	34.6%
12.	Shri Piyush Pandey	Director	-	@

B. Percentage increase in remuneration of Company Secretary and Chief Financial Officer for the financial year 2018-19 is as follows:

Sr. No.	Name	Designation	% increase
1	Shri P Ganesh	Chief Financial Officer	^
2	Smt. Savithri Parekh	Company Secretary	#
3	Shri Puneet Bansal	Company Secretary	#

Notes:

- The aforesaid details are calculated on the basis of remuneration paid during the financial year 2018-19.
- The remuneration to Non Executive Directors comprises of sitting fees and commission paid to them during the financial year 2018-19.
- The median remuneration is ₹ 5,20,389/- for the financial year 2018-19.
- @ % increase in remuneration not given as Shri Piyush Pandey was appointed as an Independent Director of the Company w.e.f. 11th April 2018.
- ^ % increase in remuneration is not given as the payment for financial year 2017-18 was only for part of the year.
- # % increase in remuneration is not given as the payment for financial year 2018-19 was only for part of the year.
- The remuneration to Directors is within the overall limits approved by the shareholders.

C. Percentage increase in the median remuneration of employee in the financial year 2018-19: 7.34%

D. Number of permanent employees on the rolls of the Company as on 31st March 2019: 5,742.

E. Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Increase in remuneration is based on remuneration policy of the Company.

Average increase in salary of all employees in 2018-19 compared to 2017-18: 11.49%

F. 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.

DIVIDEND DISTRIBUTION POLICY

1. **Applicability and Objective:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy (“the Policy”) in the annual report and on their website.

The Board of Directors (“Board”) of Pidilite Industries Limited has adopted this Dividend Distribution Policy to comply with these Regulations.

The objective of the Policy is to lay down the parameters that are required to be considered by the Board of the Company for declaration of Dividend from time to time.

2. **Scope:**

The Company currently has only one class of shares i.e. equity, for which the Policy is applicable. The Policy is subject to review if and when the Company issues different classes of shares.

3. **Dividend:**

Dividend represents the profit of the Company, which is distributed to the shareholders in proportion to the amount paid-up on the equity shares held by them. The term ‘Dividend’ includes Interim Dividend.

4. **Parameters and factors for declaration of dividend:**

The Company shall ensure compliance of the provisions of Companies Act, 2013 (“the Act”) read with the Rules and the following financial parameters and internal and external factors shall also be considered :-

Financial Parameters and Internal Factors:

- i. Distributable Surplus available as per relevant statutory regulations
- ii. Past dividend payout trends of the Company
- iii. Working capital requirements
- iv. Business expansion and growth
- v. Company’s liquidity position and future cash flow requirements
- vi. Additional investments in subsidiaries and associates of the Company
- vii. Current year’s profits and future outlook in light of the development of internal and external environment
- viii. Prevailing Taxation Policy or any amendments expected thereof, with respect to Dividend distribution
- ix. Operating cash flows and treasury position keeping in view the total debt to equity ratio
- x. Possibilities of alternate usage of cash, e.g. capital expenditure etc., with potential to create greater value for shareholders
- xi. Providing for unforeseen events and contingencies with financial implications
- xii. Such other factors and/ or material events which the Company’s Board may consider

External Factors:

- i. Economic environment
- ii. Capital markets
- iii. Inorganic growth plans
- iv. Statutory provisions and guidelines
- v. Dividend pay-out ratios across industries

5. Circumstances under which the shareholders of the Company may or may not expect dividend:

The Board will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors (as mentioned in this policy) and declare Dividend in any financial year.

The Board may not recommend any dividend if the Board is of the considered opinion that it is prudent to conserve capital based on the factors outlined above or other exigencies.

6. Utilization of retained earnings:

The Company would utilize the retained earnings in a manner which is beneficial to the interest of the Company and its stakeholders, including, but not limited to meeting the Company's future business growth/ expansion and strategic plans or such other purpose the Board may deem fit from time to time.

7. Conflict in Policy:

In the event of a conflict between this policy and the statutory provisions, the statutory provisions shall prevail.

8. Modification of the Policy:

The Board is authorised to change or amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Act, the Regulations, or any other applicable law. The modifications, if any, made to the policy shall be disclosed on the website and in the Annual Report.

9. Review of the Policy:

The Board may review the Dividend Distribution Policy of the Company as appropriate.

10. Disclosure of Policy:

This Policy shall be disclosed in the Annual Report of the Company and placed on the Company's website, www.pidilite.com

REMUNERATION POLICY

A. Remuneration Policy for Executive Directors

- a) The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee.
- b) Remuneration of the Executive Chairman, Managing Director and Executive Directors consist of a fixed component and commission based on the net profits of each financial year. The commission amount is linked to the Net profit of each year. The increase in fixed salary is recommended by the Nomination and Remuneration Committee based on the general industry practice and the increase given to other managers in the Company.

B. Remuneration Policy for Non-Executive Directors

Non-Executive Directors of a Company's Board of Directors add substantial value to the Company through their contribution to the Management of the Company. In addition they also play an appropriate control role. For best utilizing the Non-Executive Directors, the Company has constituted certain Committees of the Board.

Remuneration payable:

Sr. No.	Particulars	Remuneration	Remarks
1	Commission	₹ 20,00,000 per annum per Director	<ol style="list-style-type: none"> a) On the basis of Company's Performance and at a rate not exceeding 1% per annum of the profits of the Company distributed uniformly among the Directors. b) Approval - Shareholders
2	Sitting Fees: For Board Meetings	₹ 30,000 per meeting	<ol style="list-style-type: none"> a) Within the limits prescribed by the Companies Act. b) Approval – Board
3	a) For Committee Meetings	₹ 30,000 per meeting for Nomination and Remuneration Committee, Audit Committee, Corporate Social Responsibility Committee and Risk Management Committee	<ol style="list-style-type: none"> a) Within the limits prescribed by the Companies Act. b) Approval – Board (An Independent Director shall not be entitled to any stock option.)
	b) For Finance Committee, Share Transfer Committee, Stakeholders Relationship Committee and other Committee meetings	₹ 12,000 per meeting	

C. Remuneration Policy for Senior Managers including Key Managerial Personnel

1. The Company while deciding the remuneration package of the senior management members takes into consideration the employment scenario and remuneration package of the managerial talent of other comparable industries.
2. The remuneration to Senior Management employees comprises of two broad terms – Fixed Remuneration and Variable remuneration in the form of performance incentive.
3. Remuneration of Senior Management members and other employees in the management cadre largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled his/her individual performance etc. The annual variable pay of senior managers is linked to the Company's performance, the performance of the respective divisions/ functions they are attached to and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.
4. The performance incentive is based on internally developed detailed performance related matrix which is verified by the HR department.
5. Annual increase in fixed remuneration is reviewed and then approved by the Nomination and Remuneration Committee.

BUSINESS RESPONSIBILITY REPORT

Introduction

Inclusive and sustained growth has been a fundamental element of Pidilite's strategy. In today's changing business dynamics, the long-term sustainability of an organisation depends on its ability to meet evolving stakeholders' expectations and create value. Stakeholders are more aware than ever and expect businesses to operate in a fair and equitable manner.

Over the years, the Company has made progressive advancement across all three dimensions of sustainability. On the economic front, through an appropriate product mix and a good understanding of customer requirements, the Company has been consistently growing its market presence, revenues and profitability. On the environment front, initiatives are focused towards resource optimisation, reduction of waste, energy and emissions across operations. Across the social dimension, the Company undertakes CSR initiatives, under various thematic areas such as education, healthcare, agriculture and horticulture, milk and animal health, women empowerment and rural development for local communities to name a few. In order to further enhance its sustainability performance, the Company endeavours to improve practices across its operations.

The Company has initiated efforts towards development of a sustainability roadmap. This will drive integration of sustainability considerations into core business systems and decision-making. The Company is also working towards reporting sustainability disclosures by publishing its first Sustainability report in accordance with GRI Standards for financial year 2018-19.

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs, India.

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: 2018-19
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 & Craft Materials

For additional information on segment wise products/services, please refer to "Notes to the Financial Statements- Note 41"
9. Total number of locations where business activity is undertaken by the Company:
 - (a) Number of International Locations: 7 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 such as UAE, USA, Nigeria, Bangladesh, Sri Lanka, Nepal, Singapore, China, Indonesia, Thailand, Egypt, Brazil, Bahrain, Qatar, Oman, Myanmar, Ethiopia, Kenya, France, Germany, Italy, Saudi Arabia, Tanzania etc.

B] FINANCIAL DETAILS OF THE COMPANY

(₹ in crores)

1. Paid up Capital (INR) : 50.80
2. Total Turnover (INR): 6048.18
3. Total profit after taxes (INR): 979.44
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2.40%*

*CSR expense is ₹ 23.49 crores and current year PAT is ₹ 979.44 crores. 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 Education, Healthcare, Agriculture and Horticulture, Milk and Animal Health Initiative, Rural Development, Water Resource Management, Sanitation, Initiatives for Women etc.

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

C] OTHER DETAILS

The Company has 27 subsidiaries, both direct and indirect, as on 31st March 2019. 8 of these subsidiaries are in India and 19 of them are located abroad.

The Business Responsibility (BR) policies of the subsidiaries are in line with the local requirements. Currently, the subsidiary companies and other entities (suppliers/ distributors, etc.) do not participate in BR initiatives of the Company.

D] BR INFORMATION

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

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

Sr. No.	Particulars	Details
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 National Voluntary Guidelines (NVGs)] BR Policy/policies:
These Principles are as follows:

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability (P1).

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle (P2).

Principle 3: Businesses should promote the wellbeing of all employees (P3).

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized (P4).

Principle 5: Businesses should respect and promote human rights (P5).

Principle 6: Businesses should respect, protect and make efforts to restore the environment (P6).

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner (P7).

Principle 8: Businesses should support inclusive growth and equitable development (P8).

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner (P9).

(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 applicable 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 Director- Operations is responsible for the implementation of Environment Health and Safety (EHS) policy/ies.								
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 available on the website of the Company: www.pidilite.com								
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?	Internal/ External audits have been carried out for the policies, as applicable.								

(3) Governance related to BR

Business Responsibility performance is reviewed, at-least annually, by the Board. The BR Report is part of Annual Report and is published annually. The Annual Report is available on the Company's website www.pidilite.com.

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 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 7 complaints from shareholders during the year which were resolved expeditiously. There were no pending complaints at the end of the year.

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

The Company has over the years undertaken several sustainability initiatives.

While designing the product, the Company ensures that the products are safe while using and manufacturing processes and technologies are resource efficient and sustainable. The Company regularly reviews and improves upon the manufacturing processes and services provided incorporating product safety and environmental considerations.

In our Construction Chemicals business, we offer products which save energy. We also offer waterproofing products which save structures from deterioration and improve the life of such structures.

There are various initiatives undertaken in the organization to reduce carbon footprint, improvement in energy efficiencies and use of renewable energy. Details are provided in Annexure 3 to the Directors' Report.

The Company works with various small-scale job working units and provides them with relevant inputs and training to produce quality products. Through regular interactions, Company also imbibes their feedbacks and suggestions in developing new products and improving processes on an ongoing basis. The Company also undertakes performance evaluations of critical vendors and encourages them to scale up their capabilities and capacities.

The Company has mechanisms in place to recycle following wastes:

1. Waste generated out of packaging plastic is recycled through authorized recyclers.
2. Ash generated from boilers is used for brick manufacture/agricultural land.
3. Most spent solvents are redistilled and recycled.
4. Hazardous waste is co-processed and used as a fuel in cement industry, wherever permitted by regulations.

In terms of sustainable sourcing and to reduce carbon footprint, we are actively using waterways and railways for shipping our goods, instead of the usual road transport.

With an objective to build capacities and capabilities of communities surrounding our factories, we have been procuring materials from local vendors having manufacturing facility in the vicinity of our units. More than 90% of our packing material is purchased from such vendors.

We are also driving a vendor self-certification programme, whereby the processes of vendors are strengthened to ensure defect free products, which prima facie reduces waste generation.

In the year 2018-19 we collected 531.40 MT of plastic waste and 296.40 MT of Multi Layered Plastic and reprocessed the same. The collection was done through expert agencies and processing was done through government approved processors.

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

The Company is focused towards building progressive and best in class people policies on work life balance, career progression, development and employee engagement. The Company’s “Happy and Healthy” (HAH) movement saw great participation with over 50% of the employees engaging in HAH activities.

As on 31st March 2019, the total number of permanent employees on the payroll of the Company were 5,742 and the total number of employees hired on temporary/contractual/casual basis were 3,467. The permanent women employees were 353 and permanent employees with disabilities were 12. There are no employees association that is recognized by the management. The details of complaints filed during the financial year are as under :

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

Safety and skill upgradation programmes are provided from time to time to the employees and over a period of time most of the employees are covered under such programmes. Employees are encouraged to participate in safety programmes and be acquainted with the safety measures.

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

The Company has identified its internal and external stakeholders and endeavours to maintain healthy engagement with these stakeholders which allows active participation and collaboration wherever possible.

With an objective to be responsive towards stakeholders which are disadvantaged, vulnerable or marginalized, the Company continues to build on its unique initiative ‘WAGALE’ (Wanchan-Ganan-Lekhan) which has helped students with lesser learning abilities with training sessions through practical methods, visual representations and interactions with the academically better students. The Company also facilitates scholarships to the deserving and qualified students for pursuing higher education.

An art-workshop is organised every fortnight titled “Rang Rang Vadalia” for children with learning disabilities at Spandan: A school for the intellectually Challenged.

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

Principle 5: Businesses should respect and promote human rights:

The Code of Conduct is applicable to all the employees of the Company and its subsidiaries, joint ventures and associate entities.

It is the Company’s policy to ensure that no person below the age of 18 years is employed anywhere in the Company or in the units undertaking job work activities for the Company. It is also the Company’s policy that key vendors supplying goods/services to the Company should not employ any child labour. The process of verifying the compliance at key vendors is under formulation and will be rolled out shortly.

There have been no complaints received in the year under review, relating to any human rights issue.

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

Based on the EHS Policy of the Company, processes have been deployed to continually improve the environmental performance. The said policy has been deployed across the Company and also includes the joint venture and subsidiaries. All manufacturing units of the Company are certified for ISO 14000 and OSHAS 18000 standards.

An integrated EHS management system has been deployed at all manufacturing units. These measures are effective in mitigating the potential environmental risks.

The Company has been using green fuel at plants where high quantum of energy is required and all the boilers run on briquette (Agriculture husk waste) in place of fossil fuels. Energy efficient devices such as Artic Masters, LED lights, Thyristor based heaters, VFDs etc. have been installed to reduce overall power consumption. We also augmented the energy generation from our solar power panels and wind mills from 80 Lakh KWH to 112 Lakh KWH in the year under review.

The Company has been actively reusing/recycling the storm water in monsoon for toilet flushing, treated water from ETP for vaccum pump and back wash water for processing. Apart from this, various water conservation initiatives have been undertaken such as water saving in DM Plant by regulating flow of water for regeneration, installation of steam condensate water recycle system and usage of orifice to reduce overall water usage for domestic washing areas.

The Company makes a continuous effort to identify and assess potential environmental risks and also has active programmes to continually reduce hazardous wastes, emissions, effluent generation and effluent discharge in its manufacturing units. Through the authorized recycler of MLP i.e. Multilayered packing material and Non MLP packing material used for our products, we recycled back 20% of overall packing material. Waste Ash generated from plants using briquette and coal in boilers were directed to brick manufacturers for recycling. The Company also installed Rotary Cone Vacuum Dryer at few of its units to recover and recycle solvents, thereby reducing the quantity of waste generated.

During the financial year 2018-19, the emissions/ waste generated by the Company were within the permissible limits prescribed by the State and Central Pollution Control Board.

The Company has also undertaken an initiative 'Harit Karkhana', to promote greenery through tree plantation at manufacturing sites and residential complexes.

There were no pending show cause notices relating to environment issues as on 31st March 2019.

Principle 7: Business when engaged in influencing Public and Regulatory Policy, should do so in a responsible manner:

The Company has its representation in several business and industrial association and is a member of the following trade/chamber/association:

- Federation of Indian Chambers of Commerce and Industry
- Indian Speciality Chemical Manufacturers Association
- Bombay Chamber of Commerce and Industry

The Company, through its employees and representatives, actively participates in the deliberations at these trade/chamber/associations relating to environment, sustainability, trade and economic reforms etc. and making representations to the relevant regulatory bodies during the framing of legislations/guidelines/policies.

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

The Company has been actively supporting several initiatives including self-help groups of women aimed at improving their economic standing and supporting farmers in ways to improve yield of the farm lands.

These initiatives are implemented by the Company mainly through the implementing agencies as given in the 'Social and Community Service Initiatives report' and Annexure to the Directors' Report.

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

As at the end of financial year, there were 12 consumer cases pending which majorly relate to perceived deficiency in waterproofing done by third party applicators. 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 financial year. Our sales force remains in regular touch with the customers and shares the customers' feedback with internal stakeholders. All such feedback is adequately addressed in a time bound manner to ensure high level of customers' satisfaction.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Pidilite Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue recognition (refer Note 2.4 and 30 of the Standalone Financial Statements)	Principal audit procedures performed: Our audit procedures with regard to revenue recognition included testing of design and operative effectiveness of controls, automated as well as manual, around dispatches and deliveries, inventory verifications and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.
Investment in subsidiaries - Impairment (refer Note 6 of the Standalone Financial Statements)	Principal audit procedures performed: To evaluate impairment of investment in subsidiaries, our procedures included: <ol style="list-style-type: none"> Reviewing management's annual process in determining the carrying value including provision for diminution in value other than temporary. Assessing whether there are any indicators that investment in subsidiaries may be impaired such as significant decline in the market value, adverse effect of changes in business environment, obsolescence or damage of assets etc; Where there are impairment indicators, we have reviewed valuations of material subsidiaries using internal specialists. Testing the mathematical accuracy of underlying calculations and comparing the forecasts with the latest Board-approved budgets. Challenging the assumptions made by the management of the Company in relation to the recoverable amount. Reviewing the sensitivity analysis performed by the management of the Company on the key assumptions.
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	
The standalone financial statements of the Company includes investment in subsidiaries amounting to ₹ 672.79 crores which is measured at cost less impairment and is tested for impairment annually. For impairment testing, management determines recoverable amount, using cash flow projections, which represent management's best estimate about future developments and takes into account past experience. Key assumptions on which management has based its determination of recoverable amount include estimated long-term growth rates, weighted average cost of capital and estimated operating margins. Management obtains fair value of investments from independent valuation experts in case of evident impairment indicators, for material investments. Determination of recoverable amount involves significant estimates and judgements, as regards determination of method to be used, reasonableness of assumptions involved in developing forecasts of financial performance etc., and is therefore susceptible to material misstatement due to error or fraud.	

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Business Responsibility Report, Corporate Governance and Information for Shareholder, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls 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 the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) 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, as amended 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.
 - 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 LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

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

Place: **Mumbai**
Date: 14th May 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2019

(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 2019 in conjunction with our audit of the standalone Ind AS 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 of the Company 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 was 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 2019, based on the criteria for internal financial control over financial reporting 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 LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

B. P. Shroff

Partner
(Membership No. 034382)

Place: **Mumbai**
Date: 14th May 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2019

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (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, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31st March 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Goods and Service Tax, Service Tax, Excise Duty, Sales Tax and Value Added Tax which have not been deposited as on 31st March 2019 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 (₹ in crores)
Income Tax Act, 1961	Income Tax	Commissioner (Appeals)	AY 2007-08	0.11
Income Tax Act, 1961 - Total				0.11*
Goods and Service tax Act, 2017	Goods and Service tax	Superintendent of GST	2017-18	0.20
		Additional Commissioner	2017-18	0.05
Goods and Service tax Act, 2017- Total				0.25**
Finance Act, 1994	Service Tax	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2006-07 to 2011-12, 2013-14	11.42
Service Tax as per Finance Act, 1994 – Total				11.42@
Central Excise Act, 1944	Excise Duty in Various States	Commissioner of Central Excise (Appeals)	2008-09, 2009-10	0.38
	Excise Duty in Various States	The Customs, Excise & Service Tax Appellate Tribunal (CESTAT)	2007-08 to 2009-10	0.02
Central Excise Act, 1944- Total				0.40#
Sales Tax Act	Sales Tax in Various States	Assessing officer	1998-99, 2005-06, 2007-08 to 2015-16	15.53
	Sales Tax in Various States	Commissioner of Sales Tax	2008-09, 2012-13	0.82
	Sales Tax in Various States	Additional Commissioner	2002-03, 2008-09 to 2011-12, 2013-14 to 2016-17	13.44
	Sales Tax in Various States	Deputy Joint commissioner of Sales Tax	1994-95, 2005-06 to 2016-17	2.35
	Sales Tax in Various States	Joint commissioner of Sales Tax	1998-99, 1999-00, 2002-03, 2004-05, 2007-08 to 2014-15 2016-17, 2017-18	79.80
	Sales Tax in West Bengal	Revision Board	2001-02, 2004-05	0.85
	Sales Tax in Various States	Sales Tax Tribunal	1999-00 to 2002-03, 2004-05 to 2016-17	36.61
	Sales Tax in Various States	High Court	2003-04	0.02
Sales Tax Act – Total				149.41^

* Net of ₹ 29.87 crores paid under protest

** Net of ₹ 0.17 crores paid under protest

@ Net of ₹ 0.33 crores paid under protest

Net of ₹ 0.03 crores paid under protest

^ Net of ₹ 27.32 crores paid under protest

There are no dues of Customs Duty which have not been deposited as on 31st March 2019 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 banks. The Company has not taken any loans or borrowings from financial institutions and 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 3(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 3(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 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 3(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-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

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

Place: **Mumbai**
Date: 14th May 2019

STATEMENT OF BALANCE SHEET

as at 31st March 2019

(₹ in crores)

Particulars	Note No.	As at 31 st March 2019	As at 31 st March 2018
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	667.62	656.62
(b) Capital Work-In-Progress	4	229.08	164.13
(c) Goodwill	5	86.11	86.11
(d) Other Intangible Assets	5	196.93	197.34
(e) Financial Assets			
(i) Investments	6	1,038.49	713.68
(ii) Loans	9	2.94	3.32
(iii) Other Financial Assets	11	18.51	11.69
(f) Income Tax Assets (net)	16	98.53	62.27
(g) Other Non-Current Assets	18	82.45	69.25
Total Non-Current Assets		2,420.66	1,964.41
2 Current Assets			
(a) Inventories	15	734.30	630.94
(b) Financial Assets			
(i) Investments	7	1,151.39	1,072.01
(ii) Trade Receivables	8	774.98	689.59
(iii) Cash and Cash Equivalents	13	60.24	66.12
(iv) Bank balances other than (iii) above	14	56.94	11.64
(v) Loans	10	15.38	13.22
(vi) Other Financial Assets	12	9.25	8.59
(c) Current Tax Assets (net)	17	-	23.66
(d) Other Current Assets	19	126.87	147.77
Total Current Assets		2,929.35	2,663.54
TOTAL ASSETS		5,350.01	4,627.95
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	20	50.80	50.78
(b) Other Equity	21	4,135.92	3,513.15
Total Equity		4,186.72	3,563.93
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Other Financial Liabilities	23	46.01	43.01
(b) Provisions	25	34.55	29.57
(c) Deferred Tax Liabilities (net)	27	112.97	102.90
Total Non-Current Liabilities		193.53	175.48
2 Current Liabilities			
(a) Financial Liabilities			
(i) Trade Payables	22		
- Total Outstanding Dues of Micro Enterprise and Small Enterprises		20.96	19.58
- Total Outstanding Dues of Creditors other than Micro Enterprise and Small Enterprises		428.19	408.58
(ii) Other Financial Liabilities	24	440.85	394.36
(b) Other Current Liabilities	28	57.42	49.46
(c) Provisions	26	14.60	9.78
(d) Current Tax Liabilities (net)	29	7.74	6.78
Total Current Liabilities		969.76	888.54
TOTAL LIABILITIES		1,163.29	1,064.02
TOTAL EQUITY AND LIABILITIES		5,350.01	4,627.95

See accompanying notes to the financial statements

1 to 54

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

B. P. SHROFF

Partner

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May 2019

STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019

(₹ in crores)

Particulars	Note No.	For the year ended 31 st March 2019	For the year ended 31 st March 2018
INCOME			
Revenue from Operations	30	6,094.66	5,490.96
Other Income	31	191.51	136.49
Total Income		6,286.17	5,627.45
EXPENSES			
Cost of Materials Consumed	32	2,763.65	2,271.28
Purchases of Stock-in-Trade		374.58	275.13
Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	33	(73.81)	(8.48)
Excise Duty		-	136.56
Employee Benefits Expense	34	663.54	570.86
Finance Costs	35	7.14	6.06
Depreciation, Amortisation and Impairment Expense	36	99.83	91.48
Other Expenses	37	1,074.79	953.28
Total Expenses		4,909.72	4,296.17
Profit before Tax		1,376.45	1,331.28
Tax Expense			
Current Tax	47	385.56	356.89
Deferred Tax	47	11.45	19.20
Net Tax Expense		397.01	376.09
Profit for the year		979.44	955.19
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan	44	(4.37)	0.20
Income tax relating to items that will not be reclassified to profit or loss	47	1.39	(0.07)
Total Other Comprehensive (Loss)/ Income		(2.98)	0.13
Total Comprehensive Income for the year		976.46	955.32
Earnings Per Equity Share:			
Basic (₹)	42	19.28	18.81
Diluted (₹)		19.27	18.80
See accompanying notes to the financial statements	1 to 54		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B. P. SHROFF
Partner

BHARAT PURI
Managing Director
DIN: 02173566
P GANESH
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

M B PAREKH
Executive Chairman
DIN: 00180955
PUNEET BANSAL
Company Secretary
Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May 2019

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

(₹ in crores)

a. Equity Share Capital		Amount
Balance as at 1 st April 2017		51.27
Changes in equity share capital during the year		
• Buy-back of Shares [refer Note 52 (a)]		(0.50)
• Issue of equity shares under Employee Stock Option Scheme - 2012 (refer Note 45)		0.01
• Issue of equity shares under Employee Stock Option Plan - 2016* (refer Note 45)		0.00
Balance as at 31 st March 2018		50.78
Changes in equity share capital during the year		
• Issue of equity shares under Employee Stock Option Scheme - 2012 (refer Note 45)		0.01
• Issue of equity shares under Employee Stock Option Plan - 2016** (refer Note 45)		0.00
Balance as at 31st March 2019		50.80

*Issue of equity shares under Employee Stock Option Plan - 2016 amounts to ₹ 21,600 during the year 2017-18.

**Issue of equity shares under Employee Stock Option Plan - 2016 amounts to ₹ 48,550 during the year 2018-19.

b. Other Equity	Reserves and Surplus							TOTAL
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Cash Subsidy Reserve	Share Options Outstanding Account	General Reserve	Retained Earnings	
Balance as at 1 st April 2017	0.34	66.36	-	0.95	11.01	1,764.70	1,504.72	3,348.08
Profit for the year	-	-	-	-	-	-	955.19	955.19
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	0.13	0.13
Payment of dividends (including tax thereon)	-	-	-	-	-	-	(293.09)	(293.09)
Transferred to Capital Redemption Reserve for Buy-back of Shares [refer Note 52(a)]	-	-	0.50	-	-	(0.50)	-	-
Buy-back of Shares [refer Note 52 (a)]	-	(73.57)	-	-	-	(425.93)	-	(499.50)
Transaction cost related to Buy-back of Shares [refer Note 52 (a)]*	-	-	-	-	-	(2.89)	-	(2.89)
Recognition of share-based payments (refer Note 45)	-	7.21	-	-	(1.98)	-	-	5.23
Transferred to Securities Premium on Options exercised during the year	-	7.21	-	-	(7.21)	-	-	-
Exercised during the year	-	-	-	-	0.74	-	-	0.74
Amortised during the year	-	-	-	-	4.64	-	-	4.64
Lapsed during the year	-	-	-	-	(0.15)	-	-	(0.15)
Balance as at 31 st March 2018	0.34	-	0.50	0.95	9.03	1,335.38	2,166.95	3,513.15
Profit for the year	-	-	-	-	-	-	979.44	979.44
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	(2.98)	(2.98)
Payment of dividends (including tax thereon)	-	-	-	-	-	-	(364.32)	(364.32)
Recognition of share-based payments (refer Note 45)	-	10.01	-	-	0.62	-	-	10.63
Transferred to Securities Premium on Options exercised during the year	-	10.01	-	-	(10.01)	-	-	-
Exercised during the year	-	-	-	-	1.64	-	-	1.64
Amortised during the year	-	-	-	-	9.51	-	-	9.51
Lapsed during the year	-	-	-	-	(0.52)	-	-	(0.52)
Balance as at 31st March 2019	0.34	10.01	0.50	0.95	9.65	1,335.38	2,779.09	4,135.92

* Net of Tax

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B. P. SHROFF
Partner

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

BHARAT PURI
Managing Director
DIN: 02173566
P GANESH
Chief Financial Officer

M B PAREKH
Executive Chairman
DIN: 00180955
PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May 2019

STATEMENT OF CASH FLOWS

for the year ended 31st March 2019

(₹ in crores)

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
A Cash Flows From Operating Activities		
Profit before tax for the year	1,376.45	1,331.28
Adjustments for:		
Finance costs recognised in Statement of Profit and Loss	7.14	6.06
Interest income recognised in Statement of Profit and Loss	(16.31)	(1.70)
Dividend income recognised in Statement of Profit and Loss	(26.92)	(16.92)
Loss on disposal of Property, Plant and Equipment	2.18	0.73
Profit on sale of Intangible Assets	(33.41)	-
Net gain arising on Financial Assets designated at FVTPL	(87.64)	(90.36)
Allowance for Doubtful Debts	4.18	5.49
Depreciation, Amortisation and Impairment Expense	99.83	91.48
Unrealised foreign exchange loss (net)	6.26	0.29
Provision for Employee Benefits	5.23	1.77
Write back of allowance for doubtful debts/ advance to vendors	-	(0.53)
Expense recognised in respect of Equity-Settled Share-Based Payments	10.45	5.14
Operating profits before Working Capital changes	1,347.44	1,332.73
Movements in Working Capital:		
(Increase)/ Decrease in Operating Assets		
Trade Receivables	(92.71)	(91.30)
Inventories	(103.36)	(74.69)
Non-Current Loans	0.38	1.08
Current Loans	(2.16)	5.26
Other Non-Current Financial Assets	(6.82)	1.14
Other Current Financial Assets	(0.66)	(3.59)
Other Non-Current Non Financial Assets	(2.70)	4.67
Other Current Non Financial Assets	20.90	(77.85)
Increase/ (Decrease) in Operating Liabilities		
Trade Payables	18.55	103.28
Other Current Financial Liabilities	43.90	25.57
Other Non-Current Financial Liabilities	8.37	0.82
Other Current Non Financial Liabilities	7.96	(13.62)
Cash generated from Operations	1,239.09	1,213.50
Taxes paid (net of refunds)	(385.94)	(414.04)
Net Cash generated from Operating Activities [A]	853.15	799.46

STATEMENT OF CASH FLOWS

for the year ended 31st March 2019

(₹ in crores)

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
B Cash Flows from Investing Activities		
Payments for purchase of Property, Plant and Equipment & Other Intangible Assets	(201.40)	(125.44)
Proceeds from disposal of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	42.19	0.83
Net Cash outflow on Acquisition/ Investment in Subsidiaries	(61.04)	(151.20)
Payments to purchase Investments	(2,333.38)	(2,175.34)
Proceeds on sale of Investments	2,078.81	2,458.36
Increase in Share Application Money	-	4.65
Increase in Bank Deposits	(51.19)	(0.64)
Decrease/ (Increase) in Other Bank Balances	5.89	(6.33)
Interest received	5.05	1.70
Dividend received	26.92	16.92
Net cash (used)/ generated in Investing Activities [B]	(488.15)	23.51
C Cash Flows from Financing Activities		
Proceeds from issue of Equity shares of the Company	0.01	0.01
Payment for Buy-back of Equity Shares	-	(500.00)
Payment for Buy-back Expenses	-	(4.53)
Dividends paid on Equity Shares (including tax thereon)	(363.47)	(293.00)
Interest paid	(7.14)	(6.06)
Net cash used in Financing Activities [C]	(370.60)	(803.48)
Net (decrease)/ increase in Cash and Cash Equivalents [A+B+C]	(5.60)	19.49
Cash and Cash Equivalents at the beginning of the year	66.12	45.80
Bank unrealised gain	0.05	0.88
Cash and Cash Equivalents at the beginning of the year	66.17	46.68
Cash and Cash Equivalents at the end of the year (refer Note 13)	60.24	66.12
Bank unrealised gain	0.33	0.05
Cash and Cash Equivalents at the end of the year	60.57	66.17
Net (decrease)/ increase in Cash and Cash Equivalents	(5.60)	19.49

Notes:

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS 7) - Statement of Cash Flows.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B. P. SHROFF
Partner

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May 2019

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Corporate information

Pidilite Industries Limited, together with its subsidiaries are pioneers 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).

The address of its registered office is Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021. The address of principal place of business is Ramkrishna Mandir Road, Off Mathuradas VasANJI Road, Andheri (E), Mumbai 400 059.

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

The financial statements have been prepared under the historical cost convention except for the following items –

- a. Certain Financial Assets/ Liabilities (including derivative instruments) – at Fair value
- b. Employee Stock Options - at Fair value

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except otherwise indicated.

2.2 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange of control of acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding changes against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. Contingent consideration that is classified as an asset or a liability is subsequently (after the measurement period) remeasured at subsequent reporting dates with the corresponding gain or loss being recognised in Statement of Profit and Loss.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Retained earnings appearing in the financial statements of the transferor. is aggregated with the corresponding balance appearing in the financial statements of the transferee. Identity of the reserves appearing in the financial statement of the transferor is preserved and appears in the financial statements of the transferee in the same form. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

2.3 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred over the net of acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each assets in the unit. Any impairment loss for goodwill is recognised directly in Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

2.4 Revenue Recognition

The Company adopted Ind AS 115 Revenue from Contracts with Customers, using the modified retrospective method of adoption with the date of initial application of 1st April 2018.

The Company elected to apply this standard to all the contracts as at 1st April 2018. The effect of adoption of Ind AS 115 on the Balance Sheet and retained earnings is not material.

The Company recognises revenue from sale of goods, based on the terms of contract and as per the business practise; the Company determines transaction price considering the amount it expects to be entitled in exchange of transferring promised goods to the customer. Revenue is recognised when it is realized or is realizable and has been earned after the deduction of variable components such as discounts, rebates, incentives, promotional couponing and schemes. The company estimates the amount of variable components based on historical, current and forecast information available and either expected value method or most likely method, as appropriate and records a corresponding liability in other payables; the actual amounts may be different from such estimates. These differences, which have historically not been significant, are recognised as a change in management estimate in a subsequent period.

2.4.1 Sale of Goods

Revenue is recognised when control of the products being sold has been transferred to a customer and when there are no longer any unfulfilled obligations to the customer. This is generally on delivery to the customer but depending on individual customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. This is considered the appropriate point where the performance obligations in our contracts are satisfied and the Company no longer has control over the inventory. Sales include excise duty upto 30th June 2017 but exclude GST.

Advance received from customer before transfer of control of goods to the customer is recognised as contract liability.

2.4.2 Dividend, Interest income and Royalty

Dividend income from investments is recognised when the Company's right to receive dividend is established. Interest income from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Company and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement or underlying arrangement in case of sales provided that it is probable that the economic benefits associated with the royalty shall flow to the Company and the amount of royalty can be measured reliably.

Claims/ Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt.

The Company's policy for recognition of revenue (rental income) from operating leases is described in Note 2.5.1.

2.5 Leasing

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.5.1 Company as Lessor

Rental income from operating leases is recognised on a straight- line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect constant periodic rate of return of the Company's net investment outstanding in respect of the leases.

2.5.2 Company as Lessee

In case of assets under a finance lease, such assets are initially capitalised at the lower of fair value and the present value of the minimum lease payments. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Subsequent to initial recognition, the assets are accounted in accordance with the accounting policy applicable to similar owned assets.

Payments made under operating leases are recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.6 Foreign Currencies

The functional currency of the Company is the Indian Rupee. At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses arising from these translations are recognised 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 are recognised in the Statement of Profit and Loss.

2.7 Share-based payment transactions of the Company

Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

2.8.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.8.3 Current and Deferred Tax for the year

Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.9 Property, Plant and Equipment

2.9.1 Property, Plant and Equipment acquired separately

Freehold land is stated at cost and not depreciated. Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

2.9.2 Capital Work-in-Progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2.9.3 Depreciation

Depreciation is recognised so as to write off the cost of assets (other than Freehold Land and Capital Work-in-Progress) less their residual values over their useful lives, using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

For certain items of Property, Plant and Equipment, the Company depreciates over estimated useful life which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 which is based upon technical assessment made by technical expert and management estimate. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of Asset	Useful Life
Buildings	30 - 60 years
Plant and Machinery	6 - 25 years
Vehicles	8 - 10 years
Furniture and Fixtures	10 years
Office Equipment	3 - 6 years

2.10 Intangible Assets

2.10.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.10.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.10.3 Internally generated Intangible Assets – Research and Development Expenditure

Expenditure on research activities is recognised in Statement of Profit and Loss in the period in which it is incurred.

An internally generated intangible asset arising from development is recognised if and only if it meets the recognition criteria of intangible assets. The amount initially recognised is the sum total of expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no intangible asset can be recognised, development expenditure is recognised in Statement of Profit and Loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2.10.4 Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

Type of Asset	Useful Life
Computer Software	6 years
Technical Knowhow	10 years
Non-Compete Fees	7-10 years
Copyrights	Indefinite Life
Trademarks	Indefinite Life

2.11 Impairment of Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Recoverable amount is the higher of fair value less costs of disposal and value in use. If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in Statement of Profit and Loss.

2.12 Inventories

Inventories are valued at lower of cost and net realisable value. Cost of inventories is determined on weighted average. Cost for this purpose includes cost of direct materials, direct labour, excise duty and appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale. Obsolete, defective, unserviceable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

2.13 Provisions (other than Employee Benefits)

A provision is recognised when as a result of past event, the Company has a present legal or constructive obligation which can be reliably estimated and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but disclosed in the Notes to the financial statements.

2.14 Financial Instruments

2.14.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. At initial recognition, financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit or Loss are recognised in the Statement of Profit and Loss.

2.14.2 Subsequent measurement of Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method. All other financial assets are measured at fair value. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as Fair Value Through Profit or Loss. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.14.3 Impairment of Financial Assets

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value Through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest. For Trade receivables, the Company measures loss allowance at an amount equal to lifetime expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.14.4 Financial Liabilities and equity instruments

2.14.4.1 Classification of debt or equity

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

2.14.4.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

2.14.4.3 Financial Liabilities

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method at the end of reporting periods.

2.14.5 Derecognition of Financial Assets and Liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset. The Company derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

2.14.6 Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency exchange rate risks. Also, the Company has an option to purchase and the seller has an option to sell balance stake in equity share capital of certain partly owned subsidiary(ies).

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value at the end of each reporting period and changes are recognised in Statement of Profit and Loss.

2.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/ loss before extraordinary items and tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash Flows from operating, investing and financing activities of the Company are segregated. Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise of cash at bank, cash in hand and short- term deposits with an original maturity of three months or less, as reduced by bank overdrafts.

2.16 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 Chief Operating Decision Maker (CODM) 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" respectively.

2.17 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.

2.17.1 Defined Contribution Plans

The Company's contribution to Provident Fund, Superannuation Fund, National Pension Scheme 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.

2.17.2 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. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income

in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

2.17.3 Short-Term and Other Long-Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.18 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.19 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from 1st April 2019:

2.19.1 Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Effective date for application of this standard is annual period beginning on or after 1st April, 2019. The Company is evaluating the effect of this standard on the standalone financial statements.

2.19.2 Ind AS - 12 Income Tax

- a) On 30th March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments, which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April 2019. The Company will adopt the standard on 1st April 2019 and is evaluating the effect of this amendment.

- b) On 30th March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events

Effective date for application of this amendment is annual period beginning on or after 1st April 2019. The Company is evaluating the effect of this amendment on the standalone financial statements.

2.19.3 Ind AS 19 – Employee Benefits

On 30th March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1st April 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

3 Critical Accounting Judgements and key sources of Estimation Uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Key accounting judgements, assumptions and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

3.1.1 Impairment of investments in subsidiaries

Investment in subsidiaries is measured at cost and tested for impairment annually. For impairment testing, management determines recoverable amount, using cash flow projections which take into account past experience and represent management's best estimate about future developments. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Management obtains fair value of investments from independent valuation experts.

3.1.2 Impairment of Goodwill and Other Intangible Assets

Goodwill and Other Intangible Assets (i.e. trademarks and copyrights) are tested for impairment on an annual basis. Recoverable amount of cash-generating units is determined based on higher of value-in-use and fair value less cost to sell. The impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which the intangibles are monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

3.1.3 Employee related provisions

The costs of long term and short term employee benefits are estimated using assumptions by the management. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates. (disclosed in Note 44)

3.1.4 Income taxes

Significant judgements are involved in estimating budgeted profits for the calculation of advance tax and deferred tax, and determining provision for income taxes and uncertain tax positions (disclosed in Note 47).

3.1.5 Property, Plant and Equipment and Other Intangible Assets

The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired. These estimates are reviewed annually by the management. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

(₹ in crores)

4 Property, Plant and Equipment and Capital Work-In-Progress		As at 31 st March 2019	As at 31 st March 2018
Carrying Amounts			
• Freehold Land		53.30	53.27
• Buildings		182.60	178.67
• Plant and Machinery		371.41	367.53
• Vehicles		5.62	6.19
• Furniture and Fixtures		25.44	26.94
• Office Equipment		29.25	24.02
		667.62	656.62
Capital Work-In-Progress*		229.08	164.13
TOTAL		896.70	820.75

*Net of Impairment ₹ 5.92 crores (₹ Nil as at 31st March 2018)

	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL
Gross Carrying Amount							
Balance as at 1 st April 2017	52.77	241.59	928.29	19.30	70.99	96.18	1,409.12
Additions	0.50	8.97	56.13	0.18	2.60	6.74	75.12
Disposals/ Adjustments	-	(0.21)	(10.15)	(0.30)	(1.24)	(1.07)	(12.97)
Balance as at 31 st March 2018	53.27	250.35	974.27	19.18	72.35	101.85	1,471.27
Additions	0.03	12.19	77.24	0.65	2.88	14.45	107.44
Disposals/ Adjustments	-	(0.66)	(37.67)	(1.15)	(0.64)	(5.34)	(45.46)
Balance as at 31 st March 2019	53.30	261.88	1,013.84	18.68	74.59	110.96	1,533.25

Accumulated Depreciation and Impairment							
Balance as at 1 st April 2017	-	(64.59)	(550.78)	(12.10)	(41.96)	(71.03)	(740.46)
Eliminated on disposal of assets	-	0.08	7.98	0.29	1.14	1.02	10.51
Depreciation expense	-	(7.17)	(63.94)	(1.18)	(4.59)	(7.82)	(84.70)
Balance as at 31 st March 2018	-	(71.68)	(606.74)	(12.99)	(45.41)	(77.83)	(814.65)
Eliminated on disposal of assets	-	0.04	28.10	1.08	0.51	4.78	34.51
Depreciation expense	-	(7.64)	(63.79)	(1.15)	(4.25)	(8.66)	(85.49)
Balance as at 31 st March 2019	-	(79.28)	(642.43)	(13.06)	(49.15)	(81.71)	(865.63)

Net Carrying Amount							
Balance as at 1 st April 2017	52.77	177.00	377.51	7.20	29.03	25.15	668.66
Additions	0.50	8.97	56.13	0.18	2.60	6.74	75.12
Disposals/ Adjustments	-	(0.21)	(10.15)	(0.30)	(1.24)	(1.07)	(12.97)
Depreciation expense	-	(7.17)	(63.94)	(1.18)	(4.59)	(7.82)	(84.70)
Depreciation Eliminated on disposal of assets	-	0.08	7.98	0.29	1.14	1.02	10.51
Balance as at 31 st March 2018	53.27	178.67	367.53	6.19	26.94	24.02	656.62
Additions	0.03	12.19	77.24	0.65	2.88	14.45	107.44
Disposals/ Adjustments	-	(0.66)	(37.67)	(1.15)	(0.64)	(5.34)	(45.46)
Depreciation expense	-	(7.64)	(63.79)	(1.15)	(4.25)	(8.66)	(85.49)
Depreciation Eliminated on disposal of assets	-	0.04	28.10	1.08	0.51	4.78	34.51
Balance as at 31 st March 2019	53.30	182.60	371.41	5.62	25.44	29.25	667.62

Notes:

(₹ in crores)

a) Assets given under operating lease included in Note 4 above are as under:		
	As at 31 st March 2019	As at 31 st March 2018
Carrying Amounts		
• Freehold Land	13.79	13.79
• Buildings	21.27	20.25
TOTAL	35.06	34.04

	Freehold Land	Buildings	TOTAL
Gross Carrying Amount			
Balance as at 1 st April 2017	13.79	24.64	38.43
Additions	-	1.48	1.48
Balance as at 31 st March 2018	13.79	26.12	39.91
Additions	-	1.29	1.29
Disposals/ Adjustments	-	0.79	0.79
Balance as at 31st March 2019	13.79	28.20	41.99

Accumulated Depreciation and Impairment			
Balance as at 1 st April 2017	-	(5.01)	(5.01)
Depreciation expense	-	(0.86)	(0.86)
Balance as at 31 st March 2018	-	(5.87)	(5.87)
Disposals/ Adjustments	-	(0.10)	(0.10)
Depreciation expense	-	(0.96)	(0.96)
Balance as at 31st March 2019	-	(6.93)	(6.93)

Net Carrying Amount			
Balance as at 1 st April 2017	13.79	19.63	33.42
Additions	-	1.48	1.48
Depreciation expense	-	(0.86)	(0.86)
Balance as at 31 st March 2018	13.79	20.25	34.04
Additions	-	1.29	1.29
Disposals/ Adjustments	-	0.79	0.79
Depreciation expense	-	(0.96)	(0.96)
Amortisation eliminated on disposal of assets	-	(0.10)	(0.10)
Balance as at 31st March 2019	13.79	21.27	35.06

b) Buildings includes shares of co-operative societies of ₹ 0.01 crores (₹ 0.01 crores as at 31st March 2018)

5 Goodwill and Other Intangible Assets		As at 31 st March 2019	As at 31 st March 2018
Carrying Amounts			
• Goodwill		86.11	86.11
Total Goodwill (A)		86.11	86.11
Other Intangible Assets			
• Trademark		157.91	157.91
• Computer Software		12.90	11.28
• Copyrights		4.72	4.72
• Technical Knowhow Fees		20.55	22.10
• Non Compete Fees		0.85	1.33
Total Other Intangible Assets (B)		196.93	197.34
Total Intangible Assets (A)+(B)		283.04	283.45

	Goodwill	Trademark	Computer Software	Copyrights	Technical Knowhow Fees	Non Compete Fees	TOTAL
Gross Carrying Amount							
Balance as at 1 st April 2017	86.11	157.91	43.91	4.72	23.05	4.56	320.26
Additions	-	-	2.47	-	16.79	-	19.26
Disposals/ Adjustments	-	-	0.01	-	-	-	0.01
Balance as at 31st March 2018	86.11	157.91	46.39	4.72	39.84	4.56	339.53
Additions	-	-	6.64	-	1.28	-	7.92
Disposals/ Adjustments	-	-	0.07	-	-	-	0.07
Balance as at 31st March 2019	86.11	157.91	53.10	4.72	41.12	4.56	347.52

Accumulated Amortisation and Impairment							
Balance as at 1 st April 2017	-	-	(30.55)	-	(16.05)	(2.75)	(49.35)
Amortisation expense	-	-	(4.61)	-	(1.69)	(0.48)	(6.78)
Eliminated on disposal of assets	-	-	0.05	-	-	-	0.05
Balance as at 31st March 2018	-	-	(35.11)	-	(17.74)	(3.23)	(56.08)
Amortisation expense	-	-	(5.11)	-	(2.83)	(0.48)	(8.42)
Eliminated on disposal of assets	-	-	0.02	-	-	-	0.02
Balance as at 31st March 2019	-	-	(40.20)	-	(20.57)	(3.71)	(64.48)

Net Carrying Amount							
Balance as at 1 st April 2017	86.11	157.91	13.36	4.72	7.00	1.81	270.91
Additions	-	-	2.47	-	16.79	-	19.26
Disposals/ Adjustments	-	-	0.01	-	-	-	0.01
Amortisation expense	-	-	(4.61)	-	(1.69)	(0.48)	(6.78)
Amortisation Eliminated on disposal of assets	-	-	0.05	-	-	-	0.05
Balance as at 31st March 2018	86.11	157.91	11.28	4.72	22.10	1.33	283.45
Additions	-	-	6.64	-	1.28	-	7.92
Disposals/ Adjustments	-	-	0.07	-	-	-	0.07
Amortisation expense	-	-	(5.11)	-	(2.83)	(0.48)	(8.42)
Amortisation Eliminated on disposal of assets	-	-	0.02	-	-	-	0.02
Balance as at 31st March 2019	86.11	157.91	12.90	4.72	20.55	0.85	283.04

The Company has estimated the useful life for its copyrights and trademark as indefinite on the basis of renewal of legal rights and the management's intention to keep it perpetually

Goodwill, Copyrights and Trademark

Goodwill, copyrights and trademark in the books of the Company pertain to Consumer and Bazaar business of the Company.

At the end of each reporting period, the Company reviews carrying amount of goodwill, copyrights and trademark to determine whether there is any indication that goodwill, copyrights and trademark has suffered any impairment loss. Accordingly, recoverable amount of goodwill, copyrights and trademark is arrived basis projected cashflows from Consumer and Bazaar business.

Recoverable amount of goodwill, copyrights and trademark exceeds the carrying amount of goodwill, copyrights and trademark in the books as on 31st March 2019. Further there are no external indications of impairment of goodwill, copyrights and trademark. As a result, no impairment loss on goodwill, copyrights and trademark is required to be recognised.

Projected cashflows from Consumer and Bazaar business

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management for next year, estimates prepared for the next 4 years thereafter and a discount rate of 13.1% per annum (12.5% per annum as at 31st March 2018).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 8% per annum (9% per annum as at 31st March 2018) growth rate. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The key assumptions used in the value in use calculations for Consumer and Bazaar cash-generating unit are as follows:

Budgeted sales growth	Sales growth is assumed at 14.5% (CAGR) (13.8% as at 31 st March 2018), in line with current year projections. The values assigned to the assumption reflect past experience and are consistent with the managements' plans for focusing operations in these markets. The management believes that the planned sales growth per year for the next five years is reasonably achievable.
Raw materials price inflation	Forecast for Material cost growth CAGR higher by 1% (0.6% as at 31 st March 2018) vs. sales growth, considering impact of commodity cost inflation.
Other budgeted costs	Commercial spends (schemes and A&SP) have been continued at current year's % to sales. Other fixed costs are in line with the current year's growth.

6 Investments - Non-Current					
		As at 31st March 2019		As at 31st March 2018	
		Qty	₹ in crores	Qty	₹ in crores
Non-Current Investments					
A] Investment in Equity Instruments					
i) Quoted:					
(a) Investment in Associates (fully paid up) (at cost)					
Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd		74,51,540	1.18	74,51,540	1.18
TOTAL Quoted (i)			1.18		1.18
ii) Unquoted:					
(a) Investment in Subsidiaries (fully paid up) (at cost unless otherwise stated)					
• Equity Shares of USD 1 each of Pidilite International Pte Ltd		2,35,92,766	115.81	2,30,02,766	111.64
• Equity Shares of AED 1 each of Pidilite Middle East Ltd [Impairment in value of investments ₹ 65.92 crores (₹ 65.92 crores as at 31 st March 2018)]		9,11,63,000	139.70	8,83,79,492	134.39
• Equity Shares of BRL 1 each of Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda [Impairment in value of investments ₹ 110.20 crores (₹ 110.20 crores as at 31 st March 2018)]		7,43,02,867	175.04	6,94,60,776	165.69
• Equity Shares of USD 1 each of Pidilite USA Inc		1,47,80,000	64.77	1,47,80,000	64.77
• Equity Shares of EGP 100 each of Pidilite Industries Egypt SAE		7,396	0.54	7,396	0.54
• Equity Shares of BIRR 100 each of Pidilite Chemical PLC		1,24,076	3.34	1,24,076	3.34
• Equity Shares of ₹ 10 each of Fevicol Company Ltd		2,69,260	2.24	2,69,260	2.24
• Equity Shares of ₹ 10 each of Pagel Concrete Technologies Pvt Ltd [Impairment in value of investments ₹ 0.84 crores (₹ 0.84 crores as at 31 st March 2018)]		80,000	0.84	80,000	0.84
• Equity Shares of ₹ 10 each of Bhimad Commercial Company Pvt Ltd		10,000	0.02	10,000	0.02
• Equity Shares of ₹ 10 each of Madhumala Traders Pvt Ltd		10,000	0.02	10,000	0.02
• Equity Shares of ₹ 10 each of Building Envelope Systems India Ltd		50,10,000	8.88	50,10,000	8.88
• Equity Shares of ₹ 10 each of Nina Percept Pvt Ltd [(refer Note 52 (b))]		8,43,999	66.17	8,43,999	66.17
• Equity Shares of ₹ 10 each of ICA Pidilite Pvt Ltd		28,33,964	125.96	28,33,964	99.32
• Equity Shares of ₹ 10 each of Cipy Polyurethanes Pvt Ltd [refer Note 52 (c)]		65,816	139.01	65,816	130.85
• Equity contribution towards 100% Membership Interest in Pidilite Ventures LLC		1	7.41	-	-
Less: Impairment in value of Investments			(176.96)		(176.96)
TOTAL (a)			672.79		611.75
(b) Investment in other entity (fully paid up) (at FVTPL)					
• Equity Shares of ₹ 10 each of Pal Peugeot Ltd		1,21,300	0.12	1,21,300	0.12
Less: Impairment in value of Investment			(0.12)		(0.12)
TOTAL (b)			-		-
TOTAL Unquoted [(a)+(b)] (ii)			672.79		611.75
Total Investment in Equity Instruments [(i)+(ii)] [A]			673.97		612.93
B] Investment in Preference Shares (at FVTPL) (Quoted)					
• Non-Cumulative Perpetual Preference Shares of Kotak Mahindra Bank Ltd		3,00,00,000	15.00	-	-
Total [B]			15.00		-

	As at 31 st March 2019		As at 31 st March 2018	
	Qty	₹ in crores	Qty	₹ in crores
C] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	1,00,00,000	10.82	1,00,00,000	10.07
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	2,00,00,000	21.59	2,00,00,000	20.11
• Units of DSP BlackRock FMP S223-39M - Direct Growth	1,50,00,000	16.27	1,50,00,000	15.14
• Units of DSP BlackRock FMP S224-39M - Direct Growth	1,50,00,000	16.21	1,50,00,000	15.09
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	1,00,00,000	10.82	1,00,00,000	10.07
• Units of IDFC Fixed Term Plan Series 140 Direct Plan - Growth (1145 days)	1,50,00,000	16.25	1,50,00,000	15.14
• Units of Kotak FMP Series 219 - Direct Growth	1,50,00,000	16.29	1,50,00,000	15.13
• Units of ICICI FMP Series 83 1105 D Plan F - Direct Growth	50,00,000	5.42	-	-
• Units of IDFC Fixed Term Plan Series 149- Direct Plan Growth	1,50,00,000	16.17	-	-
• Units of Reliance FMP XXXVII Series 12 - Direct Growth	1,00,00,000	10.83	-	-
• Units of Kotak FMP Series 251 - 1265 days Direct Plan Growth	2,00,00,000	21.01	-	-
• Units of SBI FMP Series C33 1216 days - Direct Growth	2,00,00,000	20.66	-	-
• Units of SBI Debt Fund Series C49 1178 days - Direct Plan Growth	2,00,00,000	20.08	-	-
• Units of HDFC FMP 1182D Jan 2019 (1) - Direct Growth	2,00,00,000	20.54	-	-
• Units of HDFC FMP 1126D Mar 2019 (1) - Direct Growth	2,00,00,000	20.20	-	-
• Units of ICICI Prudential Short Term Fund - Growth	1,12,15,155	45.25	-	-
• Units of Axis Banking & PSU Debt fund - Direct Plan Growth	1,16,058	20.54	-	-
• Units of IDFC Banking and PSU Debt Fund - Direct Plan Growth	1,23,89,578	20.10	-	-
• Units of SBI Banking & PSU Debt Fund - Direct Plan Growth	95,378	20.47	-	-
Total [C]		349.52		100.75
Total [A+B+C]		1,038.49		713.68
Aggregate carrying value of quoted investments		16.18		1.18
Aggregate market value of quoted investments		75.10		74.48
Aggregate carrying value of unquoted investments		1,022.31		712.50
Aggregate amount of Impairment in value of investments		177.08		177.08

7 Investments - Current				
	As at 31 st March 2019		As at 31 st March 2018	
	Qty	₹ in crores	Qty	₹ in crores
Current Investments				
A] Investment in Debentures, Bonds & Market Instruments (at FVTPL) (Quoted)				
• Tax-free bonds of Housing and Urban Development Corporation Ltd	2,00,000	21.04	-	-
• Tax-free bonds of National Housing Bank	10,000	5.48	-	-
• Tax-free bonds of Indian Railway Finance Corporation 12 Feb 22	70,000	7.56	-	-
• Tax-free bonds of Indian Railway Finance Corporation 11 Jan 26	1,000	10.39	-	-
• Secured, redeemable, non-convertible debentures of Citicorp Finance (India) Ltd	2,500	26.59	-	-
• Secured, redeemable non-convertible debentures of HDB Financial services	250	30.38	-	-
TOTAL [A]		101.44		-

	As at 31 st March 2019		As at 31 st March 2018	
	Qty	₹ in crores	Qty	₹ in crores
B] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of Aditya Birla Sun Life Saving Fund - Growth-Regular Plan	-	-	27,39,323	93.66
• Units of UTI Treasury Adv Fund-Institutional Plan - Direct Growth Plan	-	-	2,28,954	55.26
• Units of Kotak Treasury Adv Fund - Direct Plan - Growth	-	-	3,63,21,092	102.54
• Units of DSP BR Low Duration Fund Dir Plan - G	-	-	4,85,61,619	61.88
• Units of HDFC Floating Rate IF-ST-Direct Option-WS-Growth Option	-	-	3,28,56,177	99.82
• Units of IDFC Ultra Short Term - Growth - Direct Plan	-	-	4,17,68,452	103.57
• Units of ICICI Prudential Short Term Fund - Growth	-	-	1,12,15,155	42.06
• Units of ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	-	-	1,31,84,101	32.63
• Units of ICICI Prudential Ultra Short Term - Direct Plan - Growth	-	-	4,33,00,226	79.17
• Units of IDFC Corporate Bond Fund - Direct Plan - Growth	4,81,11,596	61.87	4,81,11,596	57.59
• Units of HDFC Short Term Opportunity Fund - Dir Plan Growth Option	-	-	1,77,04,254	34.21
• Units of HDFC Medium Term Opportunity Fund - Dir Plan Growth Option	-	-	2,31,55,787	44.94
• Units of Reliance Banking & PSU Debt Fund - Direct Growth Plan	5,52,03,331	75.05	5,52,03,331	69.61
• Units of Aditya Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan	-	-	15,28,949	34.33
• Units of Aditya Birla Sun Life Short Term Fund - Growth - Direct Plan	-	-	64,44,650	43.06
• Units of SBI Short Term Debt Fund - Direct Plan - Growth	2,67,44,404	58.92	2,67,44,404	54.83
• Units of TATA Short Term Bond Fund - Direct Plan - Growth	-	-	1,30,70,486	43.83
• Units of Reliance Fixed Horizon Fund XXV-Series 28-Growth Plan	-	-	1,00,00,000	14.01
• Units of Kotak Floater Short Term - Direct Growth	-	-	17,557	5.01
• Units of ICICI Prudential Equity Arbitrage Fund - Direct Plan Dividend - DR	6,02,48,585	87.31	-	-
• Units of Kotak Equity Arbitrage Fund - Direct Plan Fortnightly Dividend	3,92,78,155	92.46	-	-
• Units of HDFC Overnight Fund - Direct Growth	1,68,854	47.66	-	-
• Units of SBI Overnight Fund - Direct Plan Growth	1,60,785	49.72	-	-
• Units of Kotak Savings Fund - Direct Plan Growth	3,63,21,092	110.97	-	-
• Units of Aditya Birla Sun Life Banking & PSU Debt Fund - Direct Growth	15,28,949	36.99	-	-
• Units of Aditya Birla Sun Life Corporate Bond Fund - Direct Plan Growth	64,44,650	46.49	-	-
• Units of Aditya Birla Sun Life Equity Arbitrage Fund - Direct Dvd reinvest	7,90,33,020	87.13	-	-
• Units of Reliance Arbitrage Fund - Direct Dvd reinvest	6,98,70,243	90.08	-	-
• Units of HDFC Short Term Debt Fund - Direct Plan Growth	1,77,04,254	36.88	-	-
• Units of HDFC Corporate Bond Fund - Direct Plan Growth	2,31,55,787	48.48	-	-
• Units of ICICI Prudential Bond Fund - Direct Plan Growth	1,31,84,101	34.82	-	-
• Units of ICICI Prudential Corporate Bond Fund - Direct Plan Growth	4,33,00,226	85.12	-	-
TOTAL [B]		1,049.95		1,072.01
TOTAL [A]+[B]		1,151.39		1,072.01
Aggregate carrying value of quoted investments		101.44		-
Aggregate market value of quoted investments		101.44		-
Aggregate carrying value of unquoted investments		1,049.95		1,072.01

(₹ in crores)

8 Trade Receivables		
	As at 31 st March 2019	As at 31 st March 2018
• Secured, Considered good	87.67	71.13
• Unsecured, Considered good	687.31	618.46
• Unsecured, Considered doubtful	36.82	32.64
• Unsecured which have Significant Increase in Credit Risk	-	-
• Unsecured, Credit Impaired	-	-
	811.80	722.23
Less: Allowance for expected credit loss	(36.82)	(32.64)
TOTAL	774.98	689.59

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivable days and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss	
	As at 31 st March 2019	As at 31 st March 2018
Within the credit period (in days)		
01-90	1.2%	1.2%
91-180	72.5%	50.8%
181-360	64.4%	62.9%
>360	81.9%	81.9%

Movement in expected credit loss allowance		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Balance at the beginning of the year	32.64	27.15
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	4.18	5.49
Balance at the end of the year	36.82	32.64

A formal credit policy has been framed and credit facilities are given to dealers within the framework of the credit policy. As per credit risk management mechanism, a policy for doubtful debt has been formulated and risk exposure related to receivables are identified based on criteria mentioned in the policy and provided for credit loss allowance.

Trade receivables includes receivables from Companies/ firms where directors are directors/ members/ partners (refer Note 43).

9 Loans - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
Unsecured, Considered good		
Loans and Advances to Employees & Others*	2.94	3.32
TOTAL	2.94	3.32

*Loans given for business purpose.

(₹ in crores)

10 Loans - Current		
	As at 31 st March 2019	As at 31 st March 2018
Loans and Advances to Related Parties* (refer Note 43)		
Unsecured, Considered good	4.71	2.65
Considered doubtful	0.33	0.33
	5.04	2.98
Less: Allowance for doubtful balances	(0.33)	(0.33)
	4.71	2.65
Loans and Advances to Employees & Others*	10.67	10.57
TOTAL	15.38	13.22

*Loans given for business purpose.

11 Other Financial Assets - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
Security Deposit	10.90	11.08
Fixed Deposit with Banks with original maturity of more than 12 months (Under lien)	-	0.06
Derivative Asset towards call option to buy subsidiary shares [refer Note 52(c)]	7.61	0.55
Other Receivables		
Unsecured, Considered good	-	-
Considered doubtful	1.74	1.74
	1.74	1.74
Less: Allowance for doubtful balances	(1.74)	(1.74)
	-	-
TOTAL	18.51	11.69

12 Other Financial Assets - Current		
	As at 31 st March 2019	As at 31 st March 2018
Security Deposit		
Unsecured, Considered good	5.58	3.24
Considered doubtful	0.45	0.49
	6.03	3.73
Less: Allowance for doubtful balances	(0.45)	(0.49)
	5.58	3.24
Derivative assets towards Foreign Exchange Forward Contracts	0.03	0.09
Other Receivables*	3.64	5.26
TOTAL	9.25	8.59

*Includes Windmill income and Insurance claim receivable.

(₹ in crores)

13 Cash and Cash Equivalents		
	As at 31 st March 2019	As at 31 st March 2018
Cash and Cash Equivalents		
Cash on Hand	0.13	0.11
Cheques on Hand	27.81	49.11
Balance with banks		
In Current Account	12.55	9.73
In EEFC Account	19.75	7.17
TOTAL	60.24	66.12
Cash and Cash Equivalents (as per Statement of Cash Flows)	60.24	66.12

14 Bank Balances other than Cash and Cash Equivalents above		
	As at 31 st March 2019	As at 31 st March 2018
Balance with banks		
In Current Account (balances with restriction on repatriation)	-	0.10
In Escrow Account	-	6.64
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	0.06	0.41
In Fixed Deposit Accounts with original maturity of more than 3 months but less than 12 months (refer Note a)	55.03	3.49
Earmarked Account		
Dividend Payment Bank Account	1.85	1.00
TOTAL	56.94	11.64
a. Includes Fixed Deposit under lien	2.55	2.49

15 Inventories (at lower of cost and net realisable value)		
	As at 31 st March 2019	As at 31 st March 2018
Raw Material and Packing Material	292.03	264.59
Work-in-Progress	78.20	58.86
Finished Goods	287.50	262.30
Stock-in-Trade (acquired for trading)	70.70	41.43
Stores and Spares	5.87	3.76
TOTAL	734.30	630.94
Goods-in-Transit included above		
Raw Material and Packing Material	30.21	37.74
Work-in-Progress	1.80	3.22
Finished Goods	39.41	40.07
Stock-in-Trade (acquired for trading)	8.40	3.85
TOTAL	79.82	84.88

- a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ **3,064.42** crores (₹ 2,537.93 crores for the year ended 31st March 2018)
- b. The cost of inventories recognised as an expense includes ₹ **0.27** crores in respect of write-downs of inventory to net realisable value (₹ 0.17 crores for the year ended 31st March 2018)
- c. The mode of valuation of inventories has been stated in Note 2.12

(₹ in crores)

16 Income Tax Asset (net) - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
Advance Payment of Taxes (net of provisions ₹ 1,471.78 crores) (net of provisions ₹ 1,336.94 crores as at 31 st March 2018)	98.53	62.27
TOTAL	98.53	62.27

17 Current Tax Asset (net)		
	As at 31 st March 2019	As at 31 st March 2018
Advance Payment of Taxes (net of provisions ₹ Nil) (net of provisions ₹ Nil as at 31 st March 2018)	-	23.66
TOTAL	-	23.66

18 Other Non-Current Assets		
	As at 31 st March 2019	As at 31 st March 2018
Unsecured, Considered good		
Capital Advances	19.41	8.91
Prepaid Expenses	40.29	41.41
Balance with Government Authorities*	22.75	18.93
TOTAL	82.45	69.25

*Includes amounts paid under protest against Sales Tax claims disputed by the Company (shown under contingent liabilities), Excise Duty rebates, GST refunds, etc.

19 Other Current Assets		
	As at 31 st March 2019	As at 31 st March 2018
Export Benefits receivable		
Unsecured, Considered good	11.58	12.71
Considered doubtful	0.20	-
	11.78	12.71
Less: Allowance for doubtful balances	(0.20)	-
	11.58	12.71
Balances with Government Authorities*		
Unsecured, Considered good	84.92	103.47
Considered doubtful	0.07	0.06
	84.99	103.53
Less: Allowance for doubtful balances	(0.07)	(0.06)
	84.92	103.47
Advances to vendors		
Unsecured, Considered good	22.89	23.72
Considered doubtful	0.01	0.01
	22.90	23.73
Less: Allowance for doubtful balances	(0.01)	(0.01)
	22.89	23.72
Prepaid Expenses	7.23	6.22
Prepaid Gratuity (net) (refer Note 44)	-	1.40
Others**	0.25	0.25
TOTAL	126.87	147.77

* Includes input tax credit, VAT/ GST receivable, etc.

** Includes Share Application Money

(₹ in crores)

		As at 31 st March 2019	As at 31 st March 2018
20	Equity Share Capital		
Authorised Capital:			
70,00,00,000	Equity Shares of ₹ 1 each	70.00	70.00
(70,00,00,000)	Equity Shares of ₹ 1 each as at 31 st March 2018)		
TOTAL		70.00	70.00
Issued, Subscribed and Paid up Capital:			
50,79,78,280	Equity Shares of ₹ 1 each, fully paid up	50.80	50.78
(50,78,10,330)	Equity Shares of ₹ 1 each as at 31 st March 2018)		
TOTAL		50.80	50.78

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	Number of Shares	₹ in crores
Balance as at 1st April 2017	51,26,82,730	51.27
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	1,06,000	0.01
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016*	21,600	0.00
Buy-back of Shares [refer Note 52 (a)]	(50,00,000)	(0.50)
Balance as at 31st March 2018	50,78,10,330	50.78
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	1,19,400	0.01
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016**	48,550	0.00
Balance as at 31st March 2019	50,79,78,280	50.80

* Issue of equity shares under Employee Stock Option Plan 2016 amounts to ₹ 21,600 during the year 2017-18.

** Issue of equity shares under Employee Stock Option Plan - 2016 amounts to ₹ 48,550 during the year 2018-19.

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 14th May 2019 declared a final dividend of ₹ 6.50 per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31st March 2019, the Company had paid Final Dividend of ₹ 6.00 per equity share of ₹ 1 each for the financial year 2017-18.

During the year ended 31st March 2018, the Company had paid Final Dividend of ₹ 4.75 per equity share of ₹ 1 each for the financial year 2016-17.

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

	As at 31 st March 2019		As at 31 st March 2018	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	5,27,62,286	10.39	5,27,62,286	10.39
Shri Narendrakumar Kalyanji Parekh	5,42,73,688	10.69	5,42,73,688	10.69
Shri Ajay Balvantray Parekh	4,74,33,489	9.34	4,74,33,489	9.34
Shri Sushilkumar Kalyanji Parekh	4,18,17,646	8.23	4,18,17,646	8.23
Devkalyan Sales Pvt Ltd	2,62,24,280	5.16	2,62,24,280	5.16

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 2019	As at 31 st March 2018
	Number of Shares	Number of Shares
Equity Shares		
Buy-back of Shares [refer Note 52 (a)]	50,00,000	50,00,000

e. Equity Shares reserved for issuance under Employee Stock Option Scheme/Plan:		
	As at 31 st March 2019	As at 31 st March 2018
	Number of Shares	Number of Shares
Equity Shares of ₹ 1 each under Employee Stock Option Scheme - 2012	34,200	34,200
Equity Shares of ₹ 1 each under Employee Stock Option Plan - 2016	41,14,100	43,99,400

(₹ in crores)

21 Other Equity		As at 31 st March 2019	As at 31 st March 2018
Capital Reserve		0.34	0.34
Securities Premium Reserve		10.01	-
Capital Redemption Reserve		0.50	0.50
Cash Subsidy Reserve		0.95	0.95
Share Options Outstanding Account		9.65	9.03
General Reserve		1,335.38	1,335.38
Retained Earnings		2,779.09	2,166.95
TOTAL		4,135.92	3,513.15

21.1 Capital Reserve		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		0.34	0.34
Add/ (Less): Additions/ (Deductions) during the year		-	-
Closing Balance		0.34	0.34

Capital Reserve represents excess of net assets acquired in past amalgamation. It is not available for the distribution to shareholders as dividend.

21.2 Securities Premium Reserve		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		-	66.36
Add: Premium on Shares issued against ESOP		10.01	7.21
Less: Amount paid on account of Buy-back of Shares [refer Note 52 (a)]		-	(73.57)
Closing Balance		10.01	-

Security Premium Account is created when shares are issued at premium. The Group may issue fully paid-up bonus shares to its members out of the Securities Premium Reserve Account, and Company can use this reserve for buy-back of shares. This reserve is utilised in accordance with the provisions of the Companies Act, 2013.

21.3 Capital Redemption Reserve		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		0.50	-
Add: Transferred from General Reserve on Buy-back of Shares [refer Note 52 (a)]		-	0.50
Closing Balance		0.50	0.50

The Company has recognised Capital Redemption Reserve on buy-back of equity shares from its General Reserve. The amount in Capital Redemption Reserve is equal to the nominal amount of equity shares bought back. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in crores)

21.4 Cash Subsidy Reserve		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		0.95	0.95
Add/ (Less): Additions/ (Deductions) during the year		-	-
Closing Balance		0.95	0.95

Cash Subsidy Reserve represents subsidies received from state government. It is not available for distribution as dividend to shareholders.

21.5 Share Options Outstanding Account		As at 31 st March 2019	As at 31 st March 2018
Employees Stock Options Outstanding Balance at the beginning of the year		12.54	15.84
Add: Options granted during the year		27.87	4.22
Less: Transferred to Securities Premium on Options exercised during the year		(10.01)	(7.21)
Less: Lapsed during the year		(1.02)	(0.31)
Closing Balance (A)		29.38	12.54
Deferred Employees Stock Options Cost Balance at the beginning of the year		(3.51)	(4.83)
Add: Options granted during the year		(27.87)	(4.22)
Add: Exercised during the year		1.64	0.74
Add: Amortised during the year		9.51	4.64
Add: Lapsed during the year		0.50	0.16
Closing Balance (B)		(19.73)	(3.51)
Closing Balance (A+B)		9.65	9.03

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 45.

21.6 General Reserve		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		1,335.38	1,764.70
Less: Transferred to Capital Redemption Reserve on Buy-back of Shares [refer Note 52(a)]		-	(0.50)
Less: Amount paid on account of Buy-back of Shares [refer Note 52(a)]		-	(425.93)
Less: Transaction cost related to Buy-back of Shares (net of tax) [refer Note 52(a)]		-	(2.89)
Closing Balance		1,335.38	1,335.38

General Reserve is created by a transfer from one component of equity to another and is not an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

21.7 Retained Earnings		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		2,166.95	1,504.72
Add: Profit for the year		979.44	955.19
Less: Payment of Dividend		(304.69)	(243.52)
Tax on Dividend paid		(59.63)	(49.57)
Other Comprehensive Income for the year (net of income tax)		(2.98)	0.13
Closing Balance		2,779.09	2,166.95

This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in crores)

22 Trade Payables		
	As at 31 st March 2019	As at 31 st March 2018
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer Note 49)	20.96	19.58
Total outstanding dues of creditors other than micro enterprises and small enterprises	428.19	408.58
TOTAL	449.15	428.16

23 Other Financial Liabilities - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
Employee related liabilities	0.82	1.21
Payables on purchase of assets	-	5.36
Derivative liability towards put option to buy subsidiary shares [refer Note 52(c)]	42.20	35.15
Others*	2.99	1.29
TOTAL	46.01	43.01

* Includes retention payable on capital goods

24 Other Financial Liabilities - Current		
	As at 31 st March 2019	As at 31 st March 2018
Unclaimed Dividend	1.85	1.00
Payables on purchase of assets	6.55	5.76
Trade/ Security Deposit received	109.89	94.76
Liabilities for expenses	289.51	263.31
Employee related liabilities	22.20	21.77
Derivative liabilities towards Foreign Exchange Forward Contracts	0.96	0.08
Others*	9.89	7.68
TOTAL	440.85	394.36

* Includes retention payable on capital goods

25 Provisions - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
Provision for Employee Benefits		
Compensated Absences	31.91	27.04
Anniversary Awards	1.03	1.27
Premature Death Pension Scheme	1.34	1.05
Total Disability Pension Scheme	0.27	0.21
TOTAL	34.55	29.57

(₹ in crores)

26 Provisions - Current		As at 31 st March 2019	As at 31 st March 2018
Provision for Employee Benefits			
Gratuity (net) (refer Note 44)		4.39	-
Compensated Absences		9.98	9.54
Anniversary Awards		0.18	0.20
Premature Death Pension Scheme		0.01	0.01
Total Disability Pension Scheme		0.04	0.03
TOTAL		14.60	9.78

27 Deferred Tax Liabilities (net)		As at 31 st March 2019	As at 31 st March 2018
Tax effect of items constituting Deferred Tax Assets (refer Note 47)		(28.26)	(30.17)
Tax effect of items constituting Deferred Tax Liabilities (refer Note 47)		141.23	133.07
TOTAL		112.97	102.90

28 Other Current Liabilities		As at 31 st March 2019	As at 31 st March 2018
Statutory remittances		43.72	31.68
Advance from customers		9.77	12.03
Other Liabilities		3.93	5.75
TOTAL		57.42	49.46

29 Current Tax Liabilities (net)		As at 31 st March 2019	As at 31 st March 2018
Provision for Tax (net of Advance Tax ₹ 678.22 crores) (net of Advance Tax ₹ 483.03 crores as at 31 st March 2018)		7.74	6.78
TOTAL		7.74	6.78

(₹ in crores)

30 Revenue from Operations	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Revenue From Operations*		
Sale of Products	6,048.18	5,445.67
TOTAL (A)	6,048.18	5,445.67
Other Operating Revenue		
Scrap Sales	12.93	10.73
Export Incentives	15.61	14.11
GST/ Excise Refund	8.60	16.50
Others	9.34	3.95
TOTAL (B)	46.48	45.29
Revenue from operations (A+B)	6,094.66	5,490.96

* The Company desegregated revenues from contracts with customers by customer type and by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors. For geography wise and customer wise breakup of revenue, refer Note 41.

Further, the Company derives its revenue from the transfer of goods at a point in time for its major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Contracted Price*	6,570.15	5,900.80
Reduction towards variable consideration components	521.97	455.13
Revenue Recognised*	6,048.18	5,445.67

The reduction towards variable consideration includes discounts, rebates, incentives, promotional couponing and schemes.

* Previous year includes excise duty of ₹ 136.56 crores.

(₹ in crores)

31 Other Income		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Interest on:		
Bank Deposit (at amortised cost)	2.02	0.27
Overdue Trade Receivables	0.56	0.65
Tax Free Bonds (at FVTPL)	2.03	-
Income Tax Refund	11.26	-
Others	0.44	0.78
Dividend on:		
Investments in Mutual Funds and Others (at FVTPL)	10.02	15.58
Long-term Investments in Associate (at cost)	2.16	1.34
Long-term Investments in Subsidiaries (at cost)	14.74	-
Other Non-Operating Income:		
Windmill Income	1.44	3.77
Profit on Sale/Transfer of Intangible Assets (refer Note 43)	33.41	-
Royalty & Technical Knowhow Income	3.51	2.81
Insurance claim received	0.59	0.72
Liabilities no longer required written back	16.21	14.13
Rental Income from Operating Leases	2.22	2.20
Net gain arising on financial assets designated as at FVTPL	87.64	90.36
Miscellaneous Income	3.26	3.88
TOTAL	191.51	136.49

32 Cost of Materials Consumed		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Inventory at the beginning of the year	264.59	198.86
Add: Purchases	2,791.09	2,337.01
	3,055.68	2,535.87
Less: Inventory at the end of the year	(292.03)	(264.59)
TOTAL	2,763.65	2,271.28

(₹ in crores)

33 Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Inventories at the end of the year		
Stock-in-Trade	70.70	41.43
Work-in-Progress	78.20	58.86
Finished Goods	287.50	262.30
(A)	436.40	362.59
Inventories at the beginning of the year		
Stock-in-Trade	41.43	34.52
Work-in-Progress	58.86	53.07
Finished Goods	262.30	266.52
(B)	362.59	354.11
TOTAL	(73.81)	(8.48)
34 Employee Benefits Expense		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Salaries and Wages	605.92	523.80
Contribution to Provident and Other Funds (refer Note 44)	29.92	26.35
Share-based payments to employees (net of recovery from subsidiaries)(refer Note 45)	10.45	5.14
Staff Welfare Expenses	17.25	15.57
TOTAL	663.54	570.86
35 Finance Costs		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Interest expense on:		
Bank Cash Credit Account	0.08	0.05
Dealer Deposits & others	7.06	6.01
TOTAL	7.14	6.06
36 Depreciation, Amortisation and Impairment Expense		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Depreciation on Property, Plant and Equipment (refer Note 4)	85.49	84.70
Amortisation of Other Intangible Assets (refer Note 5)	8.42	6.78
Impairment in value of Capital Work-in-Progress (refer Note 4)	5.92	-
TOTAL	99.83	91.48

(₹ in crores)

37 Other Expenses		For the year ended 31 st March 2019	For the year ended 31 st March 2018
Consumption of Stores and Spares		27.71	19.62
Clearing and Forwarding Charges		254.71	219.62
Power and Fuel		58.60	52.69
Contract Labour		51.24	47.13
Water Charges		3.13	2.91
Rent (refer Note 50)		34.28	30.83
Rates and Taxes		4.34	2.20
Insurance		3.39	3.17
License fees		0.75	0.80
Repairs:			
Buildings	9.13		8.98
Machinery	16.49		15.54
Others	8.94		12.87
		34.56	37.39
Directors' Fees		0.29	0.27
Advertisement and Publicity		215.67	193.84
Legal, Professional and Consultancy Fees		38.80	36.67
Communication Expenses		13.53	15.97
Printing and Stationery		5.90	4.89
Travelling and Conveyance Expenses		97.32	85.75
Bad Debts		4.02	3.10
Allowance for Doubtful Debts		4.18	5.49
Processing and Packing Charges		71.60	70.75
Sales Commission		4.86	6.45
Payments to Auditor (refer Note a)		1.16	1.05
Donations		0.85	0.33
Corporate Social Responsibility Expenses (refer Note 51)		23.50	22.03
Loss on disposal of Property, Plant and Equipment		2.18	0.73
Net Loss on Foreign Currency Transactions and Translation (refer Note 39)		6.32	1.48
Miscellaneous Expenses		111.90	88.12
TOTAL		1,074.79	953.28

a. Details of Payments to Auditor (net of Service Tax/ GST)		For the year ended 31 st March 2019	For the year ended 31 st March 2018
a) Auditors		0.90	0.83
b) Tax Matters		0.16	-
c) Other Services		0.09	0.20
d) Reimbursement of Expenses		0.01	0.02
TOTAL		1.16	1.05

(₹ in crores)

38 Contingent Liabilities and Commitments		As at 31st March 2019	As at 31st March 2018
A) Contingent liabilities not provided for:			
1. Claims against the Company not acknowledged as debts comprise:			
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	30.57	34.40
b)	Excise Duty and Service Tax claims disputed by the Company relating to issues of classifications	12.18	12.22
c)	Sales Tax (VAT, CST, Entry Tax and GST) claims disputed by the Company relating to issues of declaration forms and classifications	176.25	122.77
d)	Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, Open Access Charges, etc.)	3.22	2.63
2. a) Guarantees given by Banks on behalf of Government and others*		48.86	46.97
b) Guarantees given by Company on behalf of the Subsidiaries to Banks*			
	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	16.60	15.64
	Pidilite Bamco Ltd	2.97	2.80
	Pidilite MEA Chemicals LLC (Previously known as Jupiter Chemicals LLC)	37.67	35.49
	Pidilite Lanka Pvt Ltd	30.40	25.16
	Bamco Supply & Services Ltd	1.00	0.95
	Pidilite Industries Egypt SAE	-	2.61
* Guarantees given are for business purpose.			
Note: The Company, being the holding/ ultimate holding Company, will extend financial support to its subsidiaries as and when required.			
B) Commitments:			
a)	Estimated amount of contracts, net of advances, remaining to be executed for the acquisition of Property, Plant and Equipment and not provided for	68.20	33.77
b)	For other commitments, refer Note 46(E)(ii) for Financial instruments and Note 50 for operating leases.		
c)	The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Company has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis.		
39	The net amount of exchange differences debited to Statement of Profit and Loss	6.32	1.48

40 Disclosure as per Regulation 34(3) read with Schedule 5 of Listing Regulations with the Stock Exchanges

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

Name of the Company	As at 31 st March 2019			As at 31 st March 2018	
	Relationship	Amount Outstanding	Maximum Balance Outstanding during the year	Amount Outstanding	Maximum Balance Outstanding during the year
Pagel Concrete Technologies Pvt Ltd	Subsidiary	0.33	0.33	0.33	0.33

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 are fully provided.

41 Segment information

Business Segment: The Company has Consumer & Bazaar Products and Industrial Products as its reportable business segments based on customer type. Consumer & Bazaar products consists of mainly Adhesives, Sealants, Art Materials and Construction Chemicals. Industrial Products consists of Organic Pigment, Industrial Resins and Industrial Adhesives. Others largely comprises manufacture and sale of Speciality Acetates. Operating Segment disclosures are consistent with the information provided to and reviewed by the Managing Director (Chief Operating Decision Maker).

(₹ in crores)

Business Segments	Year 2018-19				Year 2017-18			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Revenue								
Segment Revenue	5,086.38	1,065.58	66.05	6,218.01	4,546.29	994.77	55.81	5,596.87
Less: Inter Segment Revenue (at cost plus fixed margin)	(6.28)	(115.40)	(1.67)	(123.35)	(3.49)	(102.42)	-	(105.91)
Net Revenue	5,080.10	950.18	64.38	6,094.66	4,542.80	892.35	55.81	5,490.96
Revenue based on geography								
India				5,487.85				4,958.92
Outside India				606.81				532.04
Segment Result	1,450.11	154.10	(8.98)	1,595.23	1,349.96	158.29	(1.94)	1,506.31
Unallocable Expenses				(274.98)				(206.96)
Unallocable Income				20.12				19.37
Operating Income				1,340.37				1,318.72
Finance Cost				(7.14)				(6.06)
Interest/ Dividend Income				43.22				18.62
Profit Before Tax				1,376.45				1,331.28
Tax Expense				(397.01)				(376.09)
Profit for the year				979.44				955.19
Other Comprehensive Income				(2.98)				0.13
Total Comprehensive Income				976.46				955.32
The above includes:								
Depreciation, Amortisation and Impairment (allocable)	46.74	17.02	2.81	66.57	48.32	14.55	1.65	64.52
Depreciation, Amortisation and Impairment (unallocable)				33.26				26.96
Capital Expenditure (including Capital Work-in-Progress) (allocable)	86.27	48.55	11.49	146.31	84.33	25.18	8.23	117.74
Capital Expenditure (unallocable)				39.92				14.22

There is no transaction with single external customer which amounts to 10% or more of the Company's revenue

Segment Assets & Liabilities	31 st March 2019				31 st March 2018			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Segment Assets	1,956.86	583.98	73.67	2,614.51	1,822.41	508.51	46.54	2,377.46
Unallocable Assets				2,735.50				2,250.49
Total Assets				5,350.01				4,627.95
India				5,217.92				4,489.91
Outside India				132.09				138.04
Segment Liabilities	741.96	216.03	10.99	968.98	727.27	163.22	5.92	896.41
Unallocable Liabilities				194.31				167.61
Total Liabilities				1,163.29				1,064.02
Other Information								
Capital Employed				4,186.72				3,563.93

All the Non-Current Assets of the Company are located in India

42 Earnings Per Share (EPS)

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

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Basic:		
Profit for the year (₹ in crores)	979.44	955.19
Weighted average number of equity shares in calculating basic EPS	50,78,95,621	50,78,58,798
Par value per share (₹)	1.00	1.00
Earning per share (Basic) (₹)	19.28	18.81
Diluted:		
Profit for the year (₹ in crores)	979.44	955.19
Weighted average number of equity shares in calculating basic EPS	50,78,95,621	50,78,58,798
Add: Effect of Employee Stock Options Scheme/ Plan	3,18,250	2,06,700
Weighted average number of equity shares in calculating diluted EPS	50,82,13,871	50,80,65,498
Par value per share (₹)	1.00	1.00
Earning per share (Diluted) (₹)	19.27	18.80

43 Related Party Disclosures

Related Party Disclosures as required by Ind-AS 24, "Related Party Disclosure" are given below:

(i) Relationships:		
a.	Nitin Enterprises	Subsidiary
b.	Fevicol Company Ltd	Subsidiary
c.	Bhimad Commercial Company Pvt Ltd	Subsidiary
d.	Madhumala Traders Pvt Ltd	Subsidiary
e.	Pagel Concrete Technologies Pvt Ltd	Subsidiary
f.	Building Envelope Systems India Ltd	Subsidiary
g.	Nina Percept Pvt Ltd (Formerly known as Nina Waterproofing Systems Private Limited) [refer Note 52 (b)]	Subsidiary
h.	Hybrid Coatings	Subsidiary
i.	Pidilite International Pte Ltd	Subsidiary
j.	Pidilite Middle East Ltd	Subsidiary
k.	Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	Subsidiary
l.	Pidilite USA Inc	Subsidiary
m.	Pidilite MEA Chemicals LLC (Previously known as Jupiter Chemicals LLC)	Subsidiary
n.	PT Pidilite Indonesia	Subsidiary
o.	Pidilite Speciality Chemicals Bangladesh Pvt Ltd	Subsidiary
p.	Pidilite Innovation Centre Pte Ltd	Subsidiary
q.	Pidilite Industries Egypt - SAE	Subsidiary
r.	Pidilite Bamco Ltd	Subsidiary
s.	Bamco Supply and Services Ltd	Subsidiary
t.	PIL Trading (Egypt) Company	Subsidiary
u.	Pidilite Industries Trading (Shanghai) Co Ltd	Subsidiary
v.	Pidilite Chemical PLC	Subsidiary
w.	Pidilite Lanka (Pvt) Ltd	Subsidiary
x.	ICA Pidilite Pvt Ltd	Subsidiary
y.	Nebula East Africa Pvt Ltd	Subsidiary
z.	Nina Lanka Construction Technologies (Pvt) Ltd	Subsidiary
aa.	Cipy Polyurethanes Pvt Ltd (w.e.f. 8 th February 2018)	Subsidiary
ab.	Building System Solution Trading LLC (upto 5 th March 2018)	Subsidiary
ac.	Pidilite Ventures LLC	Subsidiary
ad.	Pidilite East Africa Ltd (w.e.f. 12 th February 2019)	Subsidiary
ae.	Vinyl Chemicals (India) Ltd	Associate
af.	Plus Call Technical Services LLC	Substantial Interest in Voting Power (Joint Venture)
ag.	Parekh Marketing Ltd	Significant Influence of KMP
ah.	Pargro Investment Pvt Ltd	Significant Influence of KMP
(ii) Key Management Personnel (KMP):		
a.	Shri M B Parekh	Executive Chairman
b.	Shri Bharat Puri	Managing Director
c.	Shri A B Parekh	Whole Time Director
d.	Shri A N Parekh	Whole Time Director
e.	Shri Sabyasachi Patnaik	Whole Time Director
(iii) Close member of Key Management Personnel:		
a.	Smt Mala M Parekh	Wife of Executive Chairman

43 (iv) Transactions with Related Parties for the year ended 31st March 2019 are as follows:

(₹ in crores)

Nature of Transaction	For the year ended 31 st March 2019				For the year ended 31 st March 2018			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
a. Sales and Related Income								
Parekh Marketing Ltd	-	-	98.70	98.70	-	-	85.26	85.26
Pidilite MEA Chemicals LLC	47.86	-	-	47.86	47.69	-	-	47.69
Nina Percept Pvt Ltd	32.62	-	-	32.62	64.36	-	-	64.36
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	19.01	-	-	19.01	15.99	-	-	15.99
Pidilite Lanka (Pvt) Ltd	10.72	-	-	10.72	11.80	-	-	11.80
Pidilite Industries Egypt - SAE	5.52	-	-	5.52	3.43	-	-	3.43
Pidilite USA Inc	4.92	-	-	4.92	4.88	-	-	4.88
ICA Pidilite Pvt Ltd	1.89	-	-	1.89	-	-	-	-
PIL Trading (Egypt) Company	1.53	-	-	1.53	0.94	-	-	0.94
Pidilite Bamco Ltd	0.80	-	-	0.80	0.83	-	-	0.83
Pidilite Innovation Centre Pte Ltd	0.60	-	-	0.60	0.70	-	-	0.70
Sub-Total (a)	125.47	-	98.70	224.17	150.62	-	85.26	235.88
b. Royalty and Technical Knowhow Received								
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	1.83	-	-	1.83	1.52	-	-	1.52
Pidilite MEA Chemicals LLC	0.83	-	-	0.83	0.57	-	-	0.57
Pidilite Industries Egypt - SAE	0.58	-	-	0.58	0.51	-	-	0.51
Pidilite Bamco Ltd	0.16	-	-	0.16	0.13	-	-	0.13
Bamco Supply and Services Ltd	0.08	-	-	0.08	0.08	-	-	0.08
Nebula East Africa Pvt Ltd	0.04	-	-	0.04	-	-	-	-
Sub-Total (b)	3.52	-	-	3.52	2.81	-	-	2.81
c. Income from Services Rendered								
Nina Percept Pvt Ltd	3.68	-	-	3.68	-	-	-	-
ICA Pidilite Pvt Ltd	0.96	-	-	0.96	-	-	-	-
Pidilite Lanka (Pvt) Ltd	0.25	-	-	0.25	0.20	-	-	0.20
Pidilite MEA Chemicals LLC	0.23	-	-	0.23	0.23	-	-	0.23
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	0.21	-	-	0.21	0.18	-	-	0.18
Pidilite Bamco Ltd	0.16	-	-	0.16	0.16	-	-	0.16
Pidilite Industries Egypt - SAE	0.07	-	-	0.07	0.09	-	-	0.09
Hybrid Coatings	0.07	-	-	0.07	0.07	-	-	0.07
Building Envelope Systems India Ltd	0.07	-	-	0.07	0.07	-	-	0.07
Nitin Enterprises	0.04	-	-	0.04	0.34	-	-	0.34
Pidilite Innovation Centre Pte Ltd	0.02	-	-	0.02	0.02	-	-	0.02
Bamco Supply and Services Ltd*	0.00	-	-	0.00	0.00	-	-	0.00
Sub-Total (c)	5.76	-	-	5.76	1.36	-	-	1.36
d. Dividend Received								
Vinyl Chemicals (India) Ltd	-	2.16	-	2.16	-	1.34	-	1.34
Pidilite International Pte Ltd	9.77	-	-	9.77	-	-	-	-
Pidilite USA Inc	4.97	-	-	4.97	-	-	-	-
Sub-Total (d)	14.74	2.16	-	16.90	-	1.34	-	1.34

(₹ in crores)

Nature of Transaction	For the year ended 31 st March 2019				For the year ended 31 st March 2018			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
e. Purchase of Goods								
Vinyl Chemicals (India) Ltd	-	552.41	-	552.41	-	348.52	-	348.52
Nitin Enterprises	55.96	-	-	55.96	41.65	-	-	41.65
ICA Pidilite Pvt Ltd	45.58	-	-	45.58	-	-	-	-
Hybrid Coatings	2.35	-	-	2.35	15.11	-	-	15.11
Building Envelope Systems India Ltd	2.07	-	-	2.07	10.09	-	-	10.09
Sub-Total (e)	105.96	552.41	-	658.37	66.85	348.52	-	415.37
f. Royalty Paid								
Pidilite Innovation Centre Pte Ltd	2.37	-	-	2.37	2.14	-	-	2.14
Pidilite International Pte Ltd	-	-	-	-	0.04	-	-	0.04
Sub-Total (f)	2.37	-	-	2.37	2.18	-	-	2.18
g. Expense for services received								
Pidilite USA Inc	15.44	-	-	15.44	9.28	-	-	9.28
Pidilite Innovation Centre Pte Ltd	4.16	-	-	4.16	4.60	-	-	4.60
PT Pidilite Indonesia	0.71	-	-	0.71	0.43	-	-	0.43
Pidilite Industries Trading (Shanghai) Co Ltd	0.63	-	-	0.63	0.54	-	-	0.54
Pidilite Chemical PLC	0.14	-	-	0.14	0.26	-	-	0.26
Nina Percept Pvt Ltd	-	-	-	-	0.07	-	-	0.07
Sub-Total (g)	21.08	-	-	21.08	15.18	-	-	15.18
h. Investment in Share Capital								
ICA Pidilite Pvt Ltd	26.64	-	-	26.64	20.46	-	-	20.46
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	9.35	-	-	9.35	-	-	-	-
Pidilite Ventures LLC	7.41	-	-	7.41	-	-	-	-
Pidilite Middle East Ltd	5.31	-	-	5.31	16.54	-	-	16.54
Pidilite International Pte Ltd	4.16	-	-	4.16	11.10	-	-	11.10
Fevicol Company Ltd	-	-	-	-	0.57	-	-	0.57
Pidilite Industries Egypt - SAE	-	-	-	-	0.16	-	-	0.16
Pidilite Chemical PLC	-	-	-	-	1.48	-	-	1.48
Cipy Polyurethanes Pvt Ltd	8.16	-	-	8.16	96.25	-	-	96.25
Sub-Total (h)	61.03	-	-	61.03	146.56	-	-	146.56
i. Profit on Sale/Transfer of Intangible Assets								
ICA Pidilite Pvt Ltd	33.41	-	-	33.41	-	-	-	-
Sub-Total (i)	33.41	-	-	33.41	-	-	-	-
j. Rent Paid/ (Received)								
Smt Mala Parekh	-	-	0.78	0.78	-	-	0.73	0.73
Parekh Marketing Ltd	-	-	0.07	0.07	-	-	-	-
Pargro Investment Pvt Ltd	-	-	(0.06)	(0.06)	-	-	(0.07)	(0.07)
Sub-Total (j)	-	-	0.79	0.79	-	-	0.66	0.66
k. Reimbursement of expenses made								
Pidilite MEA Chemicals LLC	8.03	-	-	8.03	4.13	-	-	4.13
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	0.13	-	-	0.13	-	-	-	-
PIL Trading (Egypt) Company	0.06	-	-	0.06	-	-	-	-
Pidilite Innovation Centre Pte Ltd	0.04	-	-	0.04	0.06	-	-	0.06
ICA Pidilite Pvt Ltd	0.02	-	-	0.02	-	-	-	-
Pidilite Bamco Ltd	-	-	-	-	0.05	-	-	0.05
Sub-Total (k)	8.28	-	-	8.28	4.24	-	-	4.24

(₹ in crores)

Nature of Transaction	For the year ended 31 st March 2019				For the year ended 31 st March 2018			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
l	Reimbursement of expenses received							
Pidilite USA Inc	0.51	-	-	0.51	0.62	-	-	0.62
Pidilite MEA Chemicals LLC	0.50	-	-	0.50	0.16	-	-	0.16
ICA Pidilite Pvt Ltd	0.19	-	-	0.19	0.10	-	-	0.10
Pidilite Bamco Ltd	0.05	-	-	0.05	0.02	-	-	0.02
Pidilite Industries Egypt - SAE	-	-	-	-	0.02	-	-	0.02
Sub-Total (l)	1.25	-	-	1.25	0.92	-	-	0.92
m.	Compensation of Key Management Personnel of the Company:							
	Remuneration/ Commission to Directors:							
	(Short Term Employee Benefits)							
- Shri M B Parekh	-	-	3.98	3.98	-	-	3.88	3.88
- Shri Bharat Puri	-	-	26.45	26.45	-	-	21.18	21.18
- Shri A B Parekh	-	-	6.58	6.58	-	-	6.42	6.42
- Shri A N Parekh	-	-	5.57	5.57	-	-	5.41	5.41
- Shri Sabyasachi Patnaik	-	-	2.82	2.82	-	-	2.51	2.51
Sub-Total	-	-	45.40	45.40	-	-	39.40	39.40
	Share-based payments							
- Shri Bharat Puri	-	-	11.03	11.03	-	-	0.01	0.01
- Shri Sabyasachi Patnaik	-	-	0.37	0.37	-	-	-	-
Sub-Total	-	-	11.40	11.40	-	-	0.01	0.01
n.	Outstanding Balances:							
i	Trade Receivables (net)							
Parekh Marketing Ltd	-	-	19.05	19.05	-	-	15.04	15.04
Pidilite MEA Chemicals LLC	17.00	-	-	17.00	15.45	-	-	15.45
Nina Percept Pvt Ltd	18.71	-	-	18.71	33.41	-	-	33.41
Pidilite Industries Egypt - SAE	3.58	-	-	3.58	3.46	-	-	3.46
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	1.99	-	-	1.99	1.92	-	-	1.92
Pidilite USA Inc	0.94	-	-	0.94	-	-	-	-
Pidilite Lanka (Pvt) Ltd	1.53	-	-	1.53	6.68	-	-	6.68
Pidilite Bamco Ltd	0.26	-	-	0.26	-	-	-	-
Pidilite Innovation Centre Pte Ltd	-	-	-	-	0.28	-	-	0.28
PIL Trading (Egypt) Company	-	-	-	-	0.15	-	-	0.15
Pargo Investment Pvt Ltd	-	-	-	-	-	-	0.01	0.01
Sub-Total	44.01	-	19.05	63.06	61.35	-	15.05	76.40

(₹ in crores)

Nature of Transaction	For the year ended 31 st March 2019				For the year ended 31 st March 2018			
	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total	Subsidiary	Associate	KMP/ Significant Influence of KMP/Close member of KMP	Total
ii Loans and advances								
Pidilite Speciality Chemicals Bangladesh Pvt Ltd	1.92	-	-	1.92	1.69	-	-	1.69
Pidilite MEA Chemicals LLC	1.53	-	-	1.53	0.39	-	-	0.39
Pidilite Industries Egypt - SAE	0.45	-	-	0.45	0.18	-	-	0.18
Pidilite Lanka (Pvt) Ltd	0.37	-	-	0.37	0.20	-	-	0.20
Page1 Concrete Technologies Pvt Ltd	0.33	-	-	0.33	0.33	-	-	0.33
ICA Pidilite Pvt Ltd	0.29	-	-	0.29	0.10	-	-	0.10
Pidilite Bamco Ltd	0.09	-	-	0.09	0.03	-	-	0.03
Nebula East Africa Pvt.Ltd.	0.04	-	-	0.04	-	-	-	-
Bamco Supply and Services Ltd	0.02	-	-	0.02	0.02	-	-	0.02
Building Envelope Systems India Ltd	-	-	-	-	0.04	-	-	0.04
Sub-Total	5.04	-	-	5.04	2.98	-	-	2.98
iii Trade Payables (net)								
Vinyl Chemicals (India) Ltd	-	49.95	-	49.95	-	29.76	-	29.76
ICA Pidilite Pvt Ltd	6.51	-	-	6.51	-	-	-	-
Nitin Enterprises	1.50	-	-	1.50	0.34	-	-	0.34
Pidilite Industries Trading (Shanghai) Co Ltd	1.03	-	-	1.03	1.07	-	-	1.07
Pidilite USA Inc	-	-	-	-	0.04	-	-	0.04
Pidilite Innovation Centre Pte Ltd	0.29	-	-	0.29	-	-	-	-
Hybrid Coatings	0.39	-	-	0.39	0.85	-	-	0.85
Building Envelope Systems India Ltd	0.21	-	-	0.21	0.64	-	-	0.64
PIL Trading (Egypt) Company	0.04	-	-	0.04	-	-	-	-
PT Pidilite Indonesia	0.15	-	-	0.15	0.06	-	-	0.06
Pidilite Chemical PLC	0.03	-	-	0.03	0.03	-	-	0.03
Sub-Total	10.15	49.95	-	60.10	3.03	29.76	-	32.79
o. Corporate guarantee given to bank on behalf of								
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda	16.60	-	-	16.60	15.64	-	-	15.64
Pidilite Bamco Ltd	2.97	-	-	2.97	2.80	-	-	2.80
Pidilite MEA Chemicals LLC (Previously known as Jupiter Chemicals LLC)	37.67	-	-	37.67	35.49	-	-	35.49
Pidilite Lanka Pvt Ltd	30.40	-	-	30.40	25.16	-	-	25.16
Bamco Supply & Services Ltd	1.00	-	-	1.00	0.95	-	-	0.95
Pidilite Industries Egypt SAE	-	-	-	-	2.61	-	-	2.61
Sub-Total (o)	88.64	-	-	88.64	82.65	-	-	82.65

* Amount is ₹ 40,623 (₹ 37,562 for the year ended 31st March 2018)

All figures above are inclusive of GST (wherever applicable)

44 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
 - Labour Welfare Fund
- (d) National Pension Scheme

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

(₹ in crores)

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(i) Contribution to Provident Fund	14.23	11.79
(ii) Contribution to Employees' Superannuation Fund	0.84	0.88
(iii) Contribution to Employees' State Insurance Scheme	0.25	0.73
(iv) Contribution to Employees' Pension Scheme 1995	7.31	6.82
(v) Contribution to National Pension Scheme	1.88	1.34
TOTAL	24.51	21.56
(B) Defined Benefit Plans		
Gratuity		
(C) Other Long-Term Benefits		
(a) Compensated Absences		
(b) Anniversary Awards		
(c) Premature Death Pension Scheme		
(d) Total Disability Pension Scheme		

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

	Valuations as at	
	31 st March 2019	31 st March 2018
(i) Discount Rate (per annum)	7.40%	7.90%
(ii) Rate of increase in Compensation levels (per annum)	1 st 2 yrs - 8.50%, thereafter 6.50%	1 st 2 yrs - 8.50%, thereafter 6.50%
(iii) Expected Rate of Return on Assets	7.40%	7.90%
(iv) Attrition Rate	upto 5 yrs - 14%, 5 - 10 yrs - 8%, Above 10 yrs - 5%	upto 5 yrs - 17%, 5 - 10 yrs -10%, Above 10 yrs - 4%
(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.		

Gratuity fund asset is managed by Life Insurance Corporation of India and the Company has funding ratio of about 94% (i.e. asset over liability ratio of 94%) in the current year, and hence, there is no material risk that the Company would be unable to meet its Gratuity liability. Also as the fund is set up as a trust, the monies as a part of the trust will not flow back into the Company until the last employee of the trust is paid.

Note on other risks:

- Investment Risk** – The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.
- Interest Risk** – LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.
- Longevity Risk** – Since the gratuity payment happens at the retirement age of 60, longevity impact is very low at this age, hence this is a non-risk.
- Salary Risk** – The liability is calculated taking into account the salary increase, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

(₹ in crores)

	31 st March 2019	31 st March 2018
	Gratuity Funded	Gratuity Funded
(i) Changes in Present value of Obligation		
1 Present value of defined benefit obligation at the beginning of the year	62.72	57.35
2 Current Service Cost	5.52	4.95
3 Interest Cost	4.64	3.72
4 Actuarial (Gains)/ Loss		
Actuarial (gains)/ losses arising from changes in demographic assumption	0.40	(0.28)
Actuarial (gains)/ losses arising from changes in financial assumption	2.33	(1.69)
Actuarial (gains)/ losses arising from changes in experience adjustment	1.81	2.24
5 Past Service Cost	-	-
6 Benefits Paid	(3.14)	(3.57)
7 Present value of defined benefit obligation at the end of the year	74.28	62.72
(ii) Changes in Fair value of Plan Assets		
1 Fair value of plan assets at the beginning of the year	64.12	54.70
2 Expected Return on Plan Assets	4.74	3.88
3 Actuarial Gain/(Loss)	0.17	0.46
4 Employer's Contributions	4.00	8.65
5 Benefits Paid	(3.14)	(3.57)
6 Fair value of plan assets at the end of the year	69.89	64.12

(₹ in crores)

		31 st March 2019	31 st March 2018
		Gratuity Funded	Gratuity Funded
(iii)	Net Benefit (Asset)/Liability		
1	Defined benefit obligation	74.28	62.72
2	Fair value of plan assets	69.89	64.12
3	Net Benefit (Asset)/ Liability (refer Note 19 & 26)	4.39	(1.40)
(iv)	Expenses recognised in the Statement of Profit and Loss		
1	Current Service Cost	5.52	4.95
2	Interest cost on benefit obligation (net)	(0.11)	(0.16)
3	Total Expenses recognised in the Statement of Profit and Loss	5.41	4.79
(v)	Remeasurement Effects Recognised in Other Comprehensive Income for the year		
1	Actuarial (Gains)/ Loss		
	Actuarial (gains)/ losses arising from changes in demographic assumption	0.40	(0.28)
	Actuarial (gains)/ losses arising from changes in financial assumption	2.33	(1.69)
	Actuarial (gains)/ losses arising from changes in experience adjustment	1.81	2.24
2	Return on plan asset	(0.17)	(0.47)
3	Recognised in Other Comprehensive Income	4.37	(0.20)
(vi)	Actual return on plan assets	4.91	4.34

		For the year ended 31 st March 2019	For the year ended 31 st March 2018
(vii)	Sensitivity Analysis		
	Defined Benefit Obligation		
	Discount Rate		
a	Discount Rate - 100 basis points	79.42	66.99
b	Discount Rate + 100 basis points	69.78	58.96
	Salary Increase Rate		
a	Rate - 100 basis points	69.72	58.89
b	Rate + 100 basis points	79.39	66.99

Note on Sensitivity Analysis:

- 1 Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.
- 2 The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.
- 3 There is no change in the method from the previous period and the points/percentage by which the assumptions are stressed are same to that in the previous year.

		For the year ended 31 st March 2019	For the year ended 31 st March 2018
(viii)	Expected Future Cashflows		
	Year 1	14.36	8.09
	Year 2	6.08	10.79
	Year 3	7.45	5.15
	Year 4	8.02	6.08
	Year 5	7.08	6.79
	Year 6 to 10	31.89	25.60
(ix)	Average Expected Future Working Life (yrs)	10.24	9.50

45 Employee Stock Option Scheme**a) Details of Employee Share Options**

In the Annual General Meeting of the Company held on 24th July 2012, the shareholders approved the issue of 50,76,486 equity shares under the Scheme titled "Employee Stock Option Scheme 2012" (ESOS 2012). The Board approved Employees Stock Option Scheme covering 3,00,000 Stock Options, in terms of the regulations of the Securities and Exchange Board of India.

The ESOS 2012 allows the issue of Options to Eligible employees of the Company. Each Option comprises one underlying equity share. 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.

ESOP 2016 covering grant of 45,00,000 Options (including 2,50,000 Options to be granted to Eligible Employees/ Directors of the subsidiary Companies) was approved by the shareholders through Postal Ballot on 2nd April 2016. Each Option comprises one underlying equity share. 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 following share based payment arrangements were in existence during the current & prior years:

Option Series	Number	Grant date	Vesting date	Exercise price (₹)	Fair value (₹)
1 Granted on 27 th July 2015-ESOS 2012	1,00,000	27.07.2015	10.04.2017	1.00	521.11
	1,00,000	27.07.2015	10.04.2018	1.00	521.11
2 Granted on 29 th January 2016-ESOS 2012	14,400	29.01.2016	29.01.2017	1.00	532.20
	14,400	29.01.2016	29.01.2018	1.00	532.20
	2,500	29.01.2016	29.01.2018	1.00	525.01
	2,500	29.01.2016	29.01.2019	1.00	525.01
3 Granted on 29 th July 2016-ESOS 2012	6,000	29.07.2016	29.07.2017	1.00	722.31
	9,000	29.07.2016	29.07.2018	1.00	722.31
4 Granted on 29 th July 2016-ESOP 2016	23,600	29.07.2016	29.07.2017	1.00	730.61
	23,600	29.07.2016	29.07.2018	1.00	730.61
5 Granted on 9 th November 2016-ESOS 2012	1,500	09.11.2016	09.11.2017	1.00	661.86
	1,500	09.11.2016	09.11.2018	1.00	661.86
6 Granted on 8 th November 2017-ESOP 2016	28,750	08.11.2017	08.11.2018	1.00	734.15
	28,750	08.11.2017	08.11.2019	1.00	734.15
7 Granted on 11 th April 2018-ESOP 2016	4,150	11.04.2018	11.04.2019	1.00	976.94
	4,150	11.04.2018	11.04.2020	1.00	976.94
8 Granted on 30 th October 2018-ESOP 2016	1,33,200	30.10.2018	30.10.2019	1.00	931.19
	1,33,200	30.10.2018	30.10.2020	1.00	931.19
	1,500	30.10.2018	30.10.2019	1.00	924.50
	1,500	30.10.2018	30.10.2020	1.00	924.50
	2,000	30.10.2018	30.10.2021	1.00	924.50
	1,500	30.10.2018	01.02.2021	1.00	1127.85
9 Granted on 23 rd January 2019-ESOP 2016	3,000	23.01.2019	23.01.2022	1.00	1112.48
	3,000	23.01.2019	23.01.2023	1.00	1112.48
	4,000	23.01.2019	23.01.2024	1.00	1112.48
	1,500	23.01.2019	29.01.2021	1.00	1127.85
	1,500	23.01.2019	29.01.2022	1.00	1127.85
	1,500	23.01.2019	01.02.2021	1.00	1127.85
	1,500	23.01.2019	01.02.2022	1.00	1127.85

b) Fair value of share Options granted

The fair value of the stock Options has been estimated using Black-Scholes model which takes into account as of grant date the exercise price and expected life of the Option, the current market price of underlying stock and its expected volatility, expected dividends on stock and the risk free interest rate for the expected term of the Option.

Inputs into the model	Granted on 27 th July 2015-ESOS 2012	Granted on 29 th January 2016-ESOS 2012	Granted on 29 th July 2016-ESOS 2012	Granted on 29 th July 2016-ESOP 2016	Granted on 9 th November 2016-ESOS 2012	Granted on 8 th November 2017-ESOP 2016
Share price (on the date previous to grant date)	544.95	556.80	751.60	751.60	691.40	758.55
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	10.04.2017	29.01.2017	29.07.2017	29.07.2017	09.11.2017	08.11.2018
Dividend yield (%)	0.91	0.93	0.79	0.74	0.89	0.85
Option life (no. of years)	3.50	3.50	3.50	2.50	3.50	2.50
Risk free interest rate (%)	8.07	7.80	7.39	7.28	6.73	6.69
Expected volatility (%)	52.17	54.46	21.51	17.70	20.94	22.12
Date of vesting (2)	10.04.2018	29.01.2018	29.07.2018	29.07.2018	09.11.2018	08.11.2019
Dividend yield (%)	0.97	1.21	0.85	0.79	0.96	0.91
Option life (no. of years)	4.50	4.50	4.50	3.50	4.50	3.50
Risk free interest rate (%)	8.07	7.80	7.56	7.39	6.93	6.64
Expected volatility (%)	52.17	54.46	24.25	21.51	23.94	24.01
Date of vesting (3)	-	29.01.2019	-	-	-	-
Dividend yield (%)	-	1.27	-	-	-	-
Option life (no. of years)	-	5.50	-	-	-	-
Risk free interest rate (%)	-	7.80	-	-	-	-
Expected volatility (%)	-	54.46	-	-	-	-

Inputs into the model	Granted on 11 th April 2018-ESOP 2016	Granted on 30 th October 2018-ESOP 2016	Granted on 23 rd January 2019-ESOP 2016		
Share price (on the date previous to grant date)	1,000.15	961.55	1,152.80	1,152.80	1,152.80
Exercise price	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	11.04.2019	30.10.2019	23.01.2022	29.01.2021	01.02.2021
Dividend yield (%)	0.62	2.54	0.84	0.84	0.84
Option life (no. of years)	2.50	2.50	6.00	5.02	5.02
Risk free interest rate (%)	7.09	8.01	7.56	7.49	7.49
Expected volatility (%)	21.65	23.20	24.34	23.87	23.86
Date of vesting (2)	11.04.2020	30.10.2020	23.01.2023	29.01.2022	01.02.2022
Dividend yield (%)	0.66	3.62	0.84	0.84	0.84
Option life (no. of years)	3.50	3.50	7.00	6.02	6.03
Risk free interest rate (%)	7.28	8.02	7.58	7.56	7.56
Expected volatility (%)	23.59	23.24	24.37	24.32	24.30
Date of vesting (3)	-	30.10.2021	23.01.2024	-	-
Dividend yield (%)	-	4.82	0.84	-	-
Option life (no. of years)	-	4.50	8.00	-	-
Risk free interest rate (%)	-	8.15	7.65	-	-
Expected volatility (%)	-	24.34	24.40	-	-

c) Movements in Share Options during the year

Particulars	During the year ended 31 st March 2019		During the year ended 31 st March 2018	
	Options (No.s)	Weighted average exercise price per Option	Options (No.s)	Weighted average exercise price per Option
Option outstanding at the beginning of the year				
- ESOS 2012	1,19,400	₹ 1	2,30,400	₹ 1
- ESOP 2016	79,000	₹ 1	46,500	₹ 1
Granted during the year				
- ESOP 2016*	2,95,700	₹ 1	57,500	₹ 1
Vested during the year - ESOS 2012	1,10,500	₹ 1	1,14,900	₹ 1
Vested during the year - ESOP 2016**	47,200	₹ 1	22,950	₹ 1
Exercised during the year - ESOS 2012	1,19,400	₹ 1	1,06,000	₹ 1
Exercised during the year - ESOP 2016	48,550	₹ 1	21,600	₹ 1
Lapsed during the year***				
- ESOS 2012 (granted on 29 th January 2016)	-	₹ 1	5,000	₹ 1
- ESOP 2016 (granted on 29 th July 2016)	1,000	₹ 1	3,400	₹ 1
- ESOP 2016 (granted on 8 th November 2017)	3,500	₹ 1	-	₹ 1
- ESOP 2016 (granted on 11 th April 2018)	5,000	₹ 1	-	₹ 1
- ESOP 2016 (granted on 30 th October 2018)	900	₹ 1	-	₹ 1
Options outstanding at the end of the year				
- ESOS 2012	-	₹ 1	1,19,400	₹ 1
- ESOP 2016	3,15,750	₹ 1	79,000	₹ 1
Options available for grant				
- ESOS 2012	34,200	₹ 1	34,200	₹ 1
- ESOP 2016	41,14,100	₹ 1	43,99,400	₹ 1
The weighted average share price at the date of exercise for stock Options exercised during the year		₹ 1,239.18		₹ 926.11
Range of exercise price for Options outstanding at the end of the year		₹ 1		₹ 1

* Includes 2,200 (1,900 for the year ended 31st March 2018) Options granted to the Eligible Employees of the subsidiary Companies.

** Includes 1,950 Options (Nil for the year ended 31st March 2018) vested and exercised by Eligible Employees of the Subsidiary Companies.

*** Lapsed due to termination of employment with the Company.

46 Financial Instruments**(A) Capital Management**

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimum utilisation of the equity balance. The capital structure of the Company consists of only equity of the Company. The Company is not subject to any externally imposed capital requirements.

(B) Categories of financial instruments

(₹ in crores)

	As at 31 st March 2019	As at 31 st March 2018
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
Investments in Mutual Funds, Preference Shares, Debentures and Bonds	1,515.91	1,172.76
Derivative assets towards Foreign Exchange Forward Contracts	0.03	0.09
Derivative asset towards call option to buy subsidiary shares [refer Note 52 (c)]	7.61	0.55
Measured at amortised cost		
Trade Receivables	774.98	689.59
Cash and Cash Equivalents	60.24	66.12
Other Bank balances	56.94	11.64
Loans	18.32	16.54
Other Financial Assets	20.12	19.64
Total Financial Assets	2,454.15	1,976.93
Financial Liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative liabilities towards Foreign Exchange Forward Contracts	0.96	0.08
Derivative liability towards put option to buy subsidiary shares [refer Note 52(c)]	42.20	35.15
Measured at amortised cost (including trade payables)		
Trade Payables	449.15	428.16
Other Financial Liabilities	443.70	402.14
Total Financial Liabilities	936.01	865.53

(C) Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward contracts. Compliance with policies and exposure limits is a part of Internal Financial Controls. The Company does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes. The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

(D) Market risk

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates (see Note E below). The Company enters into foreign exchange forward contracts to manage its exposure to foreign currency risk of net imports.

(E) Foreign currency risk management

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Foreign Currency Exposure (in FC)		Foreign Currency Exposure (₹ in crores)	
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
Amounts recoverable/ (advance) in foreign currency on account of the following:				
EUR	14,88,215.92	16,56,806.25	11.56	13.31
USD	1,49,08,116.35	1,67,96,711.98	103.13	109.48
Amounts (payable)/ advance in foreign currency on account of the following:				
AED	41,460.00	(1,39,372.86)	0.08	(0.25)
AUD	1,820.00	1,820.00	0.01	0.01
BDT*	50,000.00	16,71,266.40	0.00	0.13
CHF	27,261.36	(11,000.00)	0.19	(0.08)
EGP	-	(1,74,341.79)	-	(0.06)
EUR	3,70,602.70	(17,79,109.08)	2.88	(14.30)
GBP	(4,75,406.00)	72,019.14	(4.30)	0.66
JPY	(60,58,500.00)	(43,80,000.00)	(0.38)	(0.27)
SGD	(89,517.00)	(18,599.29)	(0.46)	(0.09)
USD	(1,27,67,358.70)	(85,73,829.69)	(88.32)	(55.88)
ZAR	83,679.60	10,170.17	0.04	0.01

*BDT exposure is ₹ 41,110 as at 31st March 2019

(i) Foreign currency sensitivity analysis

The Company is mainly exposed to the USD, EUR and JPY. The following table demonstrates the sensitivity to a 2% increase or decrease in the USD, EUR and JPY against INR with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 2% represents management assessment of reasonably possible changes in foreign exchange rates.

	USD impact	
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Impact on profit or loss for the year (a)	0.30	1.07

	EUR impact	
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Impact on profit or loss for the year (b)	0.06	(0.02)

	JPY impact	
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Impact on profit or loss for the year (c)	(0.01)	(0.01)

- (a) This is mainly attributable to the exposure of outstanding USD receivables and payables at the end of the reporting period.
 (b) This is mainly attributable to the exposure of outstanding EUR receivables and payables at the end of the reporting period.
 (c) This is mainly attributable to the exposure of outstanding JPY payables at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(ii) Foreign exchange forward contracts

It is the policy of the Company to enter into foreign exchange forward contracts to cover foreign currency payments (net of receipts) in USD and EUR. The Company enters in to contracts with terms upto 90 days.

The Company's philosophy does not permit any speculative calls on the currency. It is driven by conservatism which guides that we follow conventional wisdom by use of Forward contracts in respect of Trade transactions.

Regulatory Requirements: The Company does alter its hedge strategy in relation to the prevailing regulatory framework and guidelines that may be issued by RBI, FEDAI or ISDA or other regulatory bodies from time to time.

Mode of taking Cover: Based on the outstanding details of import payable and export receivable (in weekly baskets) the net trade import exposure is arrived at (i.e. Imports – Exports = Net trade exposures).

The net trade import exposure arrived at is netted off with the outstanding forward cover as on date and with the surplus foreign currency balance available in EEFC A/Cs.

Forward cover is obtained from bank for each of the aggregated exposures and the trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

The following table details the foreign exchange forward contracts outstanding at the end of the reporting period

Outstanding contracts	Average exchange rates (₹)		Foreign Currency	
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
USD - Buy	67.18	64.99	1,03,54,128.00	71,09,797.00
EUR - Sell	78.98	74.77	1,84,546.50	1,96,665.10
Outstanding contracts	Nominal Amounts (₹ in crores)		Fair value assets/ (liabilities) (₹ in crores)	
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
USD - Buy	73.09	46.33	(0.93)	0.03
EUR - Sell*	1.44	1.58	(0.00)	(0.02)
TOTAL			(0.93)	0.01

*Fair Value Liability of EUR Sell is ₹ 25,849 as at 31st March 2019.

The line-items in the financial statements that include the above hedging instruments are "Other Financial Assets" of ₹ 0.96 crores (₹ 0.09 crores as at 31st March 2018) and "Other Financial Liabilities" of ₹ 0.03 crores (₹ 0.08 crores as at 31st March 2018). (refer Note 12 and 27 respectively)

At 31st March 2019, the aggregate amount of loss under foreign exchange forward contracts recognised in the Statement of Profit and Loss is ₹ 0.93 crores (gain of ₹ 0.01 crores as at 31st March 2018).

(F) Credit risk management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

The Company has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

(G) Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining adequate funds in Cash and Cash Equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

(i) Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative and derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company will be liable to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company will be liable to pay.

(₹ in crores)

	Less than 1 year	1-5 years	Total	Carrying Amount
As at 31st March 2019				
Non-interest bearing				
- Trade Payables	449.15	-	449.15	449.15
- Other Financial Liabilities	330.00	3.81	333.81	333.81
	779.15	3.81	782.96	782.96
Fixed interest rate instruments				
- Trade/ Security Deposit received	109.89	-	109.89	109.89
Derivative liabilities towards foreign exchange forward contracts	0.96	-	0.96	0.96
Derivative liability towards put option to buy subsidiary shares	-	42.20	42.20	42.20
Financial guarantee contracts	88.64	-	88.64	-
As at 31st March 2018				
Non-interest bearing				
- Trade Payables	428.16	-	428.16	428.16
- Other Financial Liabilities	299.52	7.86	307.38	307.38
	727.68	7.86	735.54	735.54
Fixed interest rate instruments				
- Trade/ Security Deposit received	94.76	-	94.76	94.76
Derivative liabilities towards foreign exchange forward contracts	0.08	-	0.08	0.08
Derivative liability towards put option to buy subsidiary shares	-	35.15	35.15	35.15
Financial guarantee contracts	82.65	-	82.65	-

(H) Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period.

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial Assets/ Financial Liabilities	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 31 st March 2019	As at 31 st March 2018		
1 Investment in Mutual Funds, Preference Shares, Debentures and Bonds	Various listed funds - aggregate fair value of ₹ 1,515.91 crores	Various listed funds - aggregate fair value of ₹ 1,172.76 crores	Level 1	Quoted bid prices in active market
2 Derivative asset and liability towards foreign currency forward contracts	Assets - ₹ 0.03 crores; and Liabilities - ₹ 0.96 crores	Assets - ₹ 0.03 crores; and Liabilities - ₹ 0.02 crores	Level 2	Mark to market values acquired from banks, with whom the Company contracts.
3 Derivative asset and liability towards call and put option to buy subsidiary shares	Assets - ₹ 7.61 crores; and Liabilities - ₹ 42.2 crores	Assets - ₹ 0.55 crores; and Liabilities - ₹ 35.15 crores	Level 2	Fair values of options using black scholes valuation model based on Independent Valuer's report

(ii) Financial instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(₹ in crores)

47 Taxes					
1 Deferred Tax					
		As at 31st March 2019	As at 31st March 2018		
Deferred Tax Assets		(28.26)	(30.17)		
Deferred Tax Liabilities		141.23	133.07		
TOTAL		112.97	102.90		
a 2018- 2019					
Deferred Tax (Assets)/ Liabilities in relation to:					
		Opening Balance	Recognised in Profit or loss	Recognised in Other Comprehensive Income	Closing balance
Property, Plant and Equipment		52.59	(0.64)	-	51.95
Intangible Assets		63.80	8.28	-	72.08
FVTPL Financial Assets		16.68	0.39	-	17.07
Provisions for VRS		(2.49)	2.61	-	0.12
Allowance for doubtful debts		(11.41)	(1.46)	-	(12.86)
Provision for Employee Benefits		(13.10)	(0.50)	(1.39)	(14.99)
Share issue and buy-back costs		(3.17)	2.77	-	(0.40)
TOTAL		102.90	11.45	(1.39)	112.97
b 2017- 2018					
Deferred Tax (Assets)/ Liabilities in relation to:					
Property, Plant and Equipment		52.05	0.54	-	52.59
Intangible Assets		53.99	9.81	-	63.80
FVTPL Financial Assets		5.32	11.36	-	16.68
Provisions for VRS		(2.96)	0.47	-	(2.49)
Allowance for doubtful debts		(9.40)	(2.01)	-	(11.41)
Provision for Employee Benefits		(11.51)	(1.66)	0.07	(13.10)
Share issue and buy-back costs		(3.86)	0.69	-	(3.17)
TOTAL		83.63	19.20	0.07	102.90

(₹ in crores)

2 Income Taxes relating to continuing operations			
a Income Tax recognised in profit or loss			
		As at 31 st March 2019	As at 31 st March 2018
Current Tax			
In respect of the current year		438.43	403.36
In respect of prior years		(52.87)	(46.47)
TOTAL		385.56	356.89
Deferred Tax			
In respect of the current year		11.45	19.20
TOTAL		11.45	19.20
Total Income Tax expense recognised in the current year relating to continuing operations		397.01	376.09

b The Income Tax expense for the year can be reconciled to the accounting profit as follows:			
		As at 31 st March 2019	As at 31 st March 2018
Profit Before Tax		1,376.45	1,331.28
Income Tax Rate (%)		34.94	34.61
Income Tax expense		480.99	460.73
Effect of income that is exempt from taxation		(6.49)	(5.79)
Effect of expenses that are not deductible in determining taxable profit		4.59	3.98
Effect of concessions (research and development and backward area deductions)		(17.05)	(28.59)
Effect of lower rate of tax		(17.72)	0.99
Others		5.56	(8.76)
TOTAL		449.88	422.56
Adjustments recognised in the current year in relation to the current tax for prior years		(52.87)	(46.47)
Income tax expense recognised in profit or loss		397.01	376.09

* The Tax rate used for the above reconciliation is the corporate tax rate of 34.944% (previous year 34.608%) payable by corporate entities in India on taxable profits under Indian Tax Law.

Income Tax recognised directly in equity			
		As at 31 st March 2019	As at 31 st March 2018
Current Tax:			
Buy-back Expenses		-	1.53
Total Income Tax recognised directly in equity		-	1.53

Income Tax recognised in Other Comprehensive Income			
		As at 31 st March 2019	As at 31 st March 2018
Tax arising on income and expenses recognised in Other Comprehensive Income:			
Re-measurement of Defined Benefit Obligation		1.39	(0.07)
Total Income Tax recognised in Other Comprehensive Income		1.39	(0.07)

(₹ in crores)

48 Research & Development Expenditure		
	For the year ended 31st March 2019	For the year ended 31st March 2018
Capital expenditure included in Property, Plant and Equipment	0.45	5.06
Revenue expenditure charged to Statement of Profit and Loss	64.09	50.80
TOTAL	64.54	55.86

49 Disclosures required under Section 22 of Micro, Small and Medium Enterprise Development Act, 2006		
	As at 31st March 2019	As at 31st March 2018
(i) Principal amount remaining unpaid to any SME supplier as at the end of the accounting year	20.96	19.58
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year*	0.00	-
(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	20.96	19.58

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.

* Interest component consists of ₹ 45,519 which will be paid subsequently

50 Operating Lease	
(a) Operating Lease payment recognised in Statement of Profit and Loss amounting to ₹ 34.28 crores (₹ 30.83 crores for the year ended 31 st March 2018)	
(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 vacate the asset or extend the term by giving notice in writing.	
The Company has entered into operating lease arrangements for certain facilities, which are cancellable in nature and maybe renewed for a further period on mutual agreement of the parties.	

51 Corporate Social Responsibility	
As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.	
(a) Gross amount required to be spent by the Company during the year is ₹ 23.12 crores (₹ 19.34 crores for the year ended 31 st March 2018)	

(b) Amount spent during the year on:

(₹ in crores)

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-
		(-)	(-)	(-)
(ii)	On purposes other than (i) above	23.50	-	23.50
		(22.03)	(-)	(22.03)

Figures in brackets() represent previous year

52 Other Information

- a) During previous year, the Company had completed buyback of 50,00,000 equity shares of ₹ 1/- each (representing 0.975% of total pre buy-back paid up equity capital of the Company) from the shareholders of the Company on a proportionate basis through the tender offer route at a price of ₹ 1,000 per equity share for an aggregate amount of ₹ 500 crores. Accordingly, the Company had extinguished 49,99,056 fully paid up equity shares of ₹ 1/- each (in dematerialized form) and 944 fully paid up equity shares of ₹ 1/- each (in physical form) as a result of the conclusion of buyback of 50,00,000 equity shares and final share capital of the Company (post extinguishment) was 50,78,10,330 shares ₹ 1/- each. The Company funded the buyback from its Securities Premium and General Reserve. In accordance with section 69 of the Companies Act, 2013, the Company created "Capital Redemption Reserve" of ₹ 0.50 crores equal to the nominal value of the shares bought back as an appropriation from General Reserve.
- b) During the year, Percept Waterproofing Services Limited (Percept) (80% Subsidiary of the Company) was merged with Nina Waterproofing Systems Pvt Ltd (Nina) (70% Subsidiary of the Company), pursuant to the Hon'ble National Company Law Tribunal, Mumbai Bench, order dated 11th January 2019, w.e.f. the Appointed date i.e. 1st April 2017 and consequently, Percept stands dissolved without winding up. Further, post the said merger, w.e.f. 27th March 2019, Nina is known as AEKAM Construction Specialities Private Limited (AEKAM) and w.e.f. 15th April 2019, AEKAM is known as Nina Percept Private Limited. Accordingly, the company's investment in Percept are merged with Nina Percept Private Limited and the Company holds 71.53% stake in the merged entity.
- c) During previous year, the Company acquired 70% stake in equity shares of CIPY Polyurethanes Pvt Ltd ("CIPY"), thereby making CIPY a subsidiary of the Company. CIPY is engaged in the business of manufacture and sale of floor coatings. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ 96.40 crores. During current year, an additional amount of ₹ 8.16 crores is paid as working capital adjustments. Pursuant to share purchase agreement, the Company has an option to purchase and the seller has an option to sell balance 30% of equity share capital of CIPY on or after expiry of 3 years from acquisition date i.e on or after 8th February 2021. Accordingly, derivative asset and derivative liability of ₹ 7.61 crores (refer Note 11) and ₹ 42.2 crores (refer Note 23) respectively has been recognised in this financial statement based on a valuation report obtained from an independent valuer.

53 Events after reporting period

There was no significant event after the end of the reporting period which require any adjustment or disclosure in the financial statement other than the proposed dividend of ₹ 6.5 per Equity Share of ₹ 1 each recommended by the Board of Directors at its meeting held on 14th May 2019. The proposed dividend is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

54 Approval of the financial statements

The financial statements are approved for issue by the Audit Committee and by the Board of Directors at their meeting held on 14th May 2019.

CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34(3) and Schedule V of the 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 complying with the best practices in Corporate Governance and aspires to reach higher standards while emphasising on the principles of integrity, transparency, customer orientation thereby creating a sustainable culture and long term value for all its stakeholders.

The Company has complied in all material respects with all applicable mandatory requirements of the Listing Regulations.

2. Board of Directors

During the financial year 2018-19, eight Board Meetings were held on 11th April 2018, 24th May 2018, 1st August 2018, 30th August 2018, 30th October 2018, 6th December 2018#, 23rd January 2019 and 20th February 2019.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013 read with the Rules issued thereunder. The Independent Directors constitute 50% of the Board's strength. The details of composition of the Board, category, attendance of Directors at the Board Meetings and previous Annual General Meeting (49thAGM), number of other Directorships and Committee positions as on 31st March 2019 are given below:

Sr. No.	Name	DIN	Category	No. of Board Meetings attended @	Attendance at 49 th 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)	8	Yes	9	1	-
2.	Shri N K Parekh (Vice Chairman)	00111518	NED (P)	8	Yes	10	1	-
3.	Shri Bharat Puri (Managing Director)	02173566	ED	8	Yes	2	-	-
4.	Shri A B Parekh (Whole Time Director)	00035317	ED (P)	8	Yes	14	-	-
5.	Shri A N Parekh (Whole Time Director)	00111366	ED (P)	7	Yes	11	1	-
6.	Shri Sabyaschi Patnaik (Whole Time Director)	07183784	ED	8	Yes	-	-	-
7.	Shri B S Mehta	00035019	NED (I)	7	Yes	6	4	1
8.	Shri Sanjeev Aga	00022065	NED (I)	6	Yes	6	2	1
9.	Shri Uday Khanna	00079129	NED (I)	8	Yes	6	3	3
10.	Smt Meera Shankar	06374957	NED (I)	6	Yes	3	2	-
11.	Shri Vinod Kumar Dasari	00345657	NED (I)	6	Yes	4	-	-
12.	Shri Piyush Pandey*	00114673	NED (I)	6	Yes	5	1	-

Notes:

The meeting was held on 6th December 2018 and continued till 9th December 2018.

@ Including participation by video conference.

* Appointed as an Additional (Independent) Director w.e.f. 11th April 2018 by the Board of Directors and appointed as an Independent Director for 5 years at the 49th AGM held on 30th August 2018.

** 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.

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

The Company provides teleconference/Video Conference facilities to Directors to participate in the meetings.

Names of listed entity wherein Directors are holding position of Directorship & the category of Directorship as on 31st March 2019:

Name of Director	Name of the Listed company	Category of Directorship
Shri M B Parekh	Vinyl Chemicals (India) Limited	Managing Director and Chairperson
	Excel Industries Limited	Non-Executive - Independent Director
Shri N K Parekh	Vinyl Chemicals (India) Limited	Non-Executive - Non Independent Director
Shri Bharat Puri	-	-
Shri A B Parekh	-	-
Shri A N Parekh	-	-
Shri Sabyaschi Patnaik	-	-
Shri B S Mehta	Procter & Gamble Hygiene and Health Care Limited	Non-Executive - Independent Director
	Century Enka Limited	Non-Executive - Independent Director
	Gillette India Limited	Non-Executive - Independent Director - Chairperson
	Sasken Technologies Limited	Non-Executive - Independent Director
	Atul Limited	Non-Executive - Independent Director
Shri Sanjeev Aga	UFO Moviez India Limited	Non-Executive - Independent Director - Chairperson
	Mahindra Holidays & Resorts India Limited	Non-Executive - Independent Director
	Larsen & Toubro Infotech Limited	Non-Executive - Independent Director
	Larsen And Toubro Limited	Non-Executive - Independent Director
Shri Uday Khanna	Bata India Ltd	Non-Executive - Independent Director - Chairperson
	Castrol India Limited	Non-Executive - Independent Director
	Pfizer Limited	Non-Executive - Independent Director
	Kotak Mahindra Bank Limited	Non-Executive - Independent Director
Smt Meera Shankar	ITC Limited	Non-Executive - Independent Director
	Adani Transmission Limited	Non-Executive - Independent Director
	Hexaware Technologies Limited	Non-Executive - Independent Director
Shri Vinod Kumar Dasari	Ashok Leyland Limited*	Executive Director
Shri Piyush Pandey	D. B. Corp Limited	Non-Executive - Independent Director

* Shri Vinod Kumar Dasari was holding the office of CEO & Managing Director until 31st March 2019.

Shri M B Parekh and Shri A B Parekh are related to each other. Shri A N Parekh and Shri N K Parekh are related to each other. The Chairman is not related to the Managing Director, as per the definition of 'relative' defined under the Companies Act, 2013. The Chairman of the Company is a Promoter Director and has been serving as a Director of the Company since 1972. He has guided the Company through decades of diversification and growth. He is primarily responsible for ensuring that the Board provides effective governance to the Company.

The Managing Director of the Company is responsible for executing all corporate strategy and planning in consultation with the Board and other matters of the management.

The number of shares held by Non-Executive Directors as on 31st March 2019:

Shri B S Mehta – 24,716, Shri Sanjeev Aga – 798, Shri Uday Khanna – 5,000, Smt Meera Shankar – Nil; Shri Vinod Kumar Dasari – Nil, Shri Piyush Pandey - Nil and Shri N K Parekh (Promoter) – 54,273,688.

The familiarization programme for Independent Directors in terms of provisions of Listing Regulations is uploaded on the website of the Company: www.pidilite.com. The Independent Directors were updated with the strategic and operational details of the respective divisions of the Company.

Skills/expertise/competencies identified by the Board of Directors

The core skills/expertise/competencies available with the Board and taken into consideration while nominating any candidate to serve on the Board are:

1.	Sales and Marketing	4.	Legal and Regulatory Matters
2.	Business and Senior Management	5.	Finance, Account and Risk Management
3.	Leadership and Governance	6.	Relevant Technologies

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 7th December 2018.

This is to confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

3. Audit Committee

The composition of the Audit Committee, its powers and terms of reference are in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. All the recommendations made by the Audit Committee during the year under review were accepted by the Board.

During the financial year 2018-19, five meetings of the Audit Committee were held on 11th April 2018, 23rd May 2018, 1st August 2018, 29th October 2018 (transacted certain business and then adjourned to 30th October 2018) and 23rd January 2019.

Details of composition of the Audit 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 M B Parekh	Member	ED (P)	5
3	Shri Uday Khanna	Member	NED (I)	5
4	Shri Sanjeev Aga*	Member	NED (I)	4

*Shri Sanjeev Aga was appointed as member of Audit Committee at the Board Meeting held on 11th April 2018.

Shri Bharat Puri, Managing Director is a permanent invitee, ex-officio.

The Company Secretary is the Secretary of the Audit Committee. The Chief Financial Officer, Vice President – Domestic Accounts, Statutory Auditors and Internal Auditors are invited to attend the meetings. The Cost Auditor is invited as and when required.

The Chairman of the Audit Committee was present at the 49th AGM held on 30th August 2018.

4. Nomination and Remuneration Committee (NRC)

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

The terms of reference of NRC consists of making recommendation to the Board all remuneration payable to Directors and Senior Management and making policy relating thereto, 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.

During the financial year 2018-19, five meetings of the NRC were held on 11th April 2018, 24th May 2018, 30th October 2018, 23rd January 2019 and 20th February 2019.

Details of composition of the NRC 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 N.K Parekh	Member	NED (P)	5
3	Shri Sanjeev Aga*	Member	NED (I)	3

Shri B S Mehta was appointed as the Chairman of NRC w.e.f. 1st August 2018.

*Shri Sanjeev Aga was appointed as member of NRC at the Board Meeting held on 11th April 2018.

Shri Rahul Kumar Sinha, President- HR, acts as the Secretary of the NRC.

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

The Committee has formulated Remuneration Policy for Directors, Key Managerial Personnel and senior management personnel and is available on the Company's website viz. www.pidilite.com. The Remuneration Policy is directed towards time commitment and responsibilities of the Directors and senior management, desirability of performance-based remuneration and salaries paid by comparable companies.

The criteria for performance evaluation of Directors, Board etc. cover the areas relevant to the functioning of Independent Directors such as preparation, participation, conduct and effectiveness. The Board evaluation for financial year 2018-19 was completed and summary of findings and recommendations were discussed by the Directors.

A. Remuneration of Directors

Details of Executive Directors' remuneration for the financial year 2018-19 are given below:

(₹ in crores)

Sr. No.	Name	Salary *	Commission Payable	Variable Pay (Provision)	Perquisites and other allowances	Total	Tenure (No. of years)
1	Shri M B Parekh (Executive Chairman)	1.78	0	0	1.95	3.73	5 years from 01.08.2018
2	Shri Bharat Puri (Managing Director)	5.52	3.48	2.81	13.01	24.82	5 years from 10.04.2015
3	Shri A B Parekh (Whole Time Director)	0.75	4.87	0	0.85	6.47	5 years from 01.08.2018
4	Shri A N Parekh (Whole Time Director)	0.66	4.17	0	0.62	5.45	5 years from 01.07.2015
5	Shri Sabyaschi Patnaik (Whole Time Director)	0.62	0	0.33	1.79	2.74	3 years from 19.05.2018

* Includes House Rent Allowance

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.

Details of Stock options:

Sr. No.	Name of the Director	Vesting date	No. of options#	Exercise period
1	Shri Bharat Puri	10.04.2018	1,00,000*	Within 5 years from the date of vesting
		30.10.2019	1,10,000	Within 3 years from the date of vesting
		30.10.2020	1,10,000	
2	Shri Sabyaschi Patnaik	29.01.2018	200*	Within 5 years from the date of vesting
		29.07.2018	1,600*	Within 3 years from the date of vesting
		08.11.2018	1,500*	
		30.10.2019	1,150	
		08.11.2019	1,500	
		30.10.2020	1,150	

The Stock options are issued at the face value.

* Vested and exercised

B. Service contracts, notice period, severance fees

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 (as per agreement). No severance fee is payable to the Executive Directors on termination of employment.

C. 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 2019 are as under:

Sr. No.	Name	Sitting fees (₹)	Commission Payable (₹)	Total (₹)
1	Shri B S Mehta	5,40,000	20,00,000	25,40,000
2	Shri Sanjeev Aga	4,62,000	20,00,000	24,62,000
3	Shri Uday Khanna	4,20,000	20,00,000	24,20,000
4	Smt.Meera Shankar	2,40,000	20,00,000	22,40,000
5	Shri Vinod Kumar Dasari	1,80,000	20,00,000	21,80,000
6	Shri N K Parekh	8,40,000	20,00,000	28,40,000
7	Shri Piyush Pandey	1,80,000	19,39,726*	21,19,726

* Commission payable to Shri Piyush Pandey is on a proportionate basis

The Non-Executive Directors did not have pecuniary relationships or transactions vis-à-vis the Company. The Company regularly obtains services from Ogilvy & Mather Pvt. Ltd., in which Shri Piyush Pandey, Independent Director of the Company, is a Whole Time Director. 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 30th August 2018, the aggregate commission paid to the Non-Executive Directors does not exceed 1% per annum of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013. The commission is determined by the Board of Directors considering the time spent in attending Board meetings, Committee meetings and advice given to the Company as experienced/expert persons, whenever approached.

5. Stakeholders Relationship Committee

The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Regulation 20 of the Listing Regulations. During the financial year 2018-19, fifteen meetings of the Share Transfer Committee were held and 1 meeting of Stakeholders Relationship Committee was held on 9th January 2019 which was attended by all the members of the Committee namely Shri N K Parekh, Shri Sanjeev Aga and Shri A B Parekh.

Details of composition of the Stakeholders Relationship Committee 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 is empowered 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. The status of investor grievances and share transfers is reported to the Board on periodic basis.

Smt. Savithri Parekh, Company Secretary was the Compliance Officer upto 9th October 2018. Thereafter, Smt. Manisha Shetty, Additional Company Secretary and Shri Puneet Bansal, Company Secretary, are the Compliance Officers 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 1016 of which only 7 were in the nature of complaints. All the complaints were resolved to the satisfaction of shareholders. 5 requests for transfers and 17 requests for dematerialization of shares were pending as on 31st March 2019. These pending requests lodged in the last week of March 2019 have been subsequently processed and completed.

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 appointed Shri A. N. Parekh, Whole Time Director and Smt. Savithri Parekh, Company Secretary (resigned w.e.f. 10th October 2018) as the Compliance Officers. Smt. Manisha Shetty, Additional Company Secretary was appointed as Compliance Officer w.e.f. 9th October 2018 and Shri Puneet Bansal, Company Secretary has also been appointed as the Compliance Officer w.e.f. 20th February 2019.

6. Risk Management Committee

In compliance with the provisions of Regulation 21 of Listing Regulations and the Companies Act, 2013, the Risk Management Committee has been constituted under Chairmanship of Shri B S Mehta with Shri Uday Khanna, Shri A N Parekh, Shri Sabyaschi Patnaik, Shri A D Ubhaykar, Shri Sanjay Bahadur as members. The Risk Management Committee has been renamed as the Risk Management Oversight Committee. During the year, one meeting of the Committee was held on 20th February, 2019. Shri P Ganesh, Chief Financial Officer (resigned w.e.f. 25th May 2019), acted as the Secretary to the Committee.

The Company also has a Management Risk Committee, also known as the Risk Identification and Mitigation Committee (RIMC). 4 meetings of the RIMC were held during the financial year 2018-19.

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 two times during the financial year 2018-19 i.e. on 24th May 2018 and 22nd January 2019. The constitution of the CSR Committee along with the details of the meetings attended during the financial year 2018-2019 is detailed below:

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

Members elect Chairman of the Committee at each meeting. The Company Secretary acts as Secretary to the Committee.

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

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

The details of the CSR initiatives of the Company form part of the Social & Community Service Initiatives Report and Annexure to the Directors' Report. The CSR Policy has been placed on the website of the Company: www.pidilite.com

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	Details of special resolution passed at the AGM
2017-18	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	30 th August 2018 at 11.00 a.m.	<ul style="list-style-type: none"> Re-appointment of Shri M B Parekh as the Whole Time Director designated as Executive Chairman for a period of 5 years
2016-17	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	31 st August 2017 at 11.00 a.m.	<ul style="list-style-type: none"> Adoption of new Articles of Association of the Company.
2015-16	Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai-400 021.	2 nd September 2016 at 11.00 a.m.	<ul style="list-style-type: none"> Approval for continuation of appointment of Shri M B Parekh as a Whole Time Director designated as Executive Chairman of the Company on attaining the age of 70 years.

The above mentioned Special Resolutions were passed with requisite majority.

Postal Ballot

During the financial year 2018-19, pursuant to Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company passed the following Special Resolutions by postal ballot:

Sr. No.	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	Approval for continuation of directorship of Shri N K Parekh, Non-Executive Director.	42,71,43,324	99.77	9,76,754	0.23	5,941	0*	20 th March 2019
2	Approval for continuation of directorship of Shri B S Mehta, Non-Executive Independent Director.	41,41,32,864	97.04	1,26,10,679	2.96	6,966	0*	20 th March 2019

* Negligible

Shri M M Sheth of M/s. 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 as covered under Section 110 of the Companies Act, 2013, at the ensuing 50th 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 e-mail 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 required 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 required 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 person authorized by the Chairman, 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 person authorized by the Chairman. The results are also displayed at the registered office and corporate 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 extract of standalone and consolidated results are normally published in The Economic Times and Maharashtra Times and are displayed on the website of the Company: www.pidilite.com
- Official news releases and presentations made to Institutional Investors or to Analysts and transcripts of meeting with the Analysts are posted on the Company's website.
- The Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other regulations issued by the SEBI.

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

During the financial year 2018-19 :

- 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 Regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.
- The Company has complied with all the requirements of corporate governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- 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.
- Policy for determining 'material' subsidiary is uploaded on the website of the Company: www.pidilite.com
- Company's Policy on Related Party Transactions is uploaded on the website of the Company: www.pidilite.com
- The Company has not made preferential allotment or qualified institutional placement.

- There were no instances wherein the Board had not accepted recommendations made by any committee of the Board.
- Total fees of ₹ 1.33 crores for financial year 2018-19, for all services, was paid by the Company and its subsidiaries, on a consolidated basis to the statutory auditor of the Company and all entities in the network firm/network entity of which the statutory auditor is a part.

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

The details of Equity shares in Unclaimed Suspense Account under Regulation 39 and Schedule VI of Listing Regulations 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	89	62,060
No. of shareholder's request received for transfer of shares during the year	4	8,000
No. of shareholders to whom shares transferred during the year	4	8,000
No. of shareholders and shares transferred to IEPF A/C	37	10,441
No. of shareholders and outstanding shares at the end of the year	48	43,619

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, Shri M B Parekh, is the 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 2019 do not contain any modified audit opinion.
- Shri Bharat Puri is the Managing Director and Chief Executive Officer of the Company. He is not related to any Director, Key Managerial Personnel or their relatives of the Company.
- The Internal Auditor reports directly to the Audit Committee.

14. Information relating to Directors

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

15. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013 during the financial year 2018-19

- Number of complaints filed during the financial year: Nil
- Number of complaints disposed of during the financial year: Nil
- Number of complaints pending as on end of the financial year: Nil

16. Certificate from Company Secretary in Practice:

A certificate from Shri M M Sheth of M/s. M M Sheth & Co., Company Secretary in Practice has been received stating that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

17. Declaration by the Managing Director 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 2019.'

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members of
M/s. Pidilite Industries Limited

CIN: L24100MH1969PLC014336
Nominal Capital: ₹ 70 crores

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 2019 as per the provisions of Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). 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 review of procedure and implementation thereof. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance for the financial year ended 31st March 2019 as stipulated in the Listing Regulations.

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.

Date: 14th May 2019
Mumbai

For M M SHETH & CO.
Company Secretaries

M M SHETH
Proprietor
FCS. 1455, CP. 729

CERTIFICATE

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of
M/s. Pidilite Industries Limited

I have examined the relevant records of Pidilite Industries Limited having CIN: L24100MH1969PLC014336 (hereinafter referred to as 'the Company') and I hereby certify that none of the Directors on the Board of the Company as on 31st March 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Date: 14th May 2019
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:

Tuesday, 6th August 2019 at 3.00 p.m.

Venue:

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

Financial Year: 1st April 2018 to 31st March 2019

Date of Book Closure:

31st July 2019 to 6th August 2019 (both days inclusive-only in case of shares held in physical form).

Dividend Payment:

Credit/dispatch of dividend warrants will commence from 8th August 2019, 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 2018-19 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 - 400 001.	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 2018-19 at NSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2018	1,099.00	918.45
May 2018	1,195.40	1,041.50
June 2018	1,154.70	1,019.15
July 2018	1,137.00	1,029.00
August 2018	1,188.00	1,081.55
September 2018	1,178.80	1,025.10
October 2018	1,050.00	895.00
November 2018	1,194.80	955.00
December 2018	1,211.45	1,087.05
January 2019	1,178.75	1,072.15
February 2019	1,167.90	1,046.20
March 2019	1,250.00	1,112.20

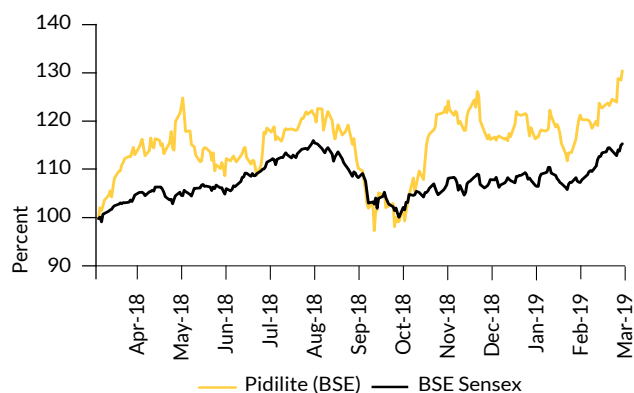
Share prices during the financial year 2018-19 at BSE for one equity share of ₹ 1/- each were as under:

Month	Share Price (₹)	
	High	Low
April 2018	1,099.00	918.50
May 2018	1,194.00	1,051.00
June 2018	1,164.35	1,013.00
July 2018	1,137.30	1,025.10
August 2018	1,194.80	1,082.90
September 2018	1,178.15	1,026.45
October 2018	1,055.00	898.00
November 2018	1,194.00	955.00
December 2018	1,209.40	1,087.90
January 2019	1,175.65	1,069.20
February 2019	1,183.00	1,048.85
March 2019	1,248.85	1,113.40

Stock Performance

Base is considered to be 100 as on 1st April 2018

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



Registrar & 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 2019

No. of Equity Shares held	No. of Shareholders	%	No. of Shares	%
Up to 5000	1,12,563	97.87	2,18,93,380	4.31
5001 – 10000	1,532	1.33	1,14,60,793	2.26
10001– 20000	387	0.34	55,60,009	1.10
20001 – 30000	103	0.09	25,59,608	0.50
30001 – 40000	71	0.06	25,27,420	0.50
40001 – 50000	49	0.04	22,01,026	0.43
50001 – 100000	100	0.09	72,33,063	1.42
100001 and above	203	0.18	45,45,42,981	89.48
Total	1,15,008	100.00	50,79,78,280	100.00
No. of Shareholders and shares in physical mode	1,046	0.91	18,14,761	0.36
No. of beneficial owners & shares in electronic mode	1,13,962	99.09	50,61,63,519	99.64
Total	1,15,008	100.00	50,79,78,280	100.00

Dematerialisation of shares & liquidity

As on 31st March 2019, 99.64% 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.

Transfer of unclaimed dividend & shares to the Investor Education and Protection Fund

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), all unpaid or unclaimed dividends and shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more have been transferred by the Company to the Investor Education and Protection Fund (IEPF) Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining transfer of the shares.

During the year under review, the Company had sent individual notices and also advertised in the newspapers seeking action from the shareholders who have not claimed their dividends for seven consecutive years or more. Accordingly, the Company has transferred to IEPF following unpaid or unclaimed dividends and corresponding shares as under:

Particulars	Amount of dividend (₹)	No. of shares
Final Dividend for the Financial Year 2010-11	10,78,545	75,276

The Company has uploaded the above mentioned details on its website: www.pidilite.com and also on the website of the IEPF Authority (www.iepf.gov.in).

The voting rights on the shares transferred to IEPF Authority shall remain frozen till the rightful owner claims the shares from the IEPF Authority.

Shareholders/claimants whose shares, unclaimed dividend, have been transferred to the IEPF Demat Account or the Fund, as the case may be, need to apply by making an application to the IEPF Authority in Form IEPF-5 (available on <http://www.iepf.gov.in>).

Plant Locations

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

Credit Ratings

The Company has not issued any debt instruments and does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad during the financial year ended 31st March 2019. The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are A1+ and AAA

respectively. There was no revision in the said ratings during the year under review.

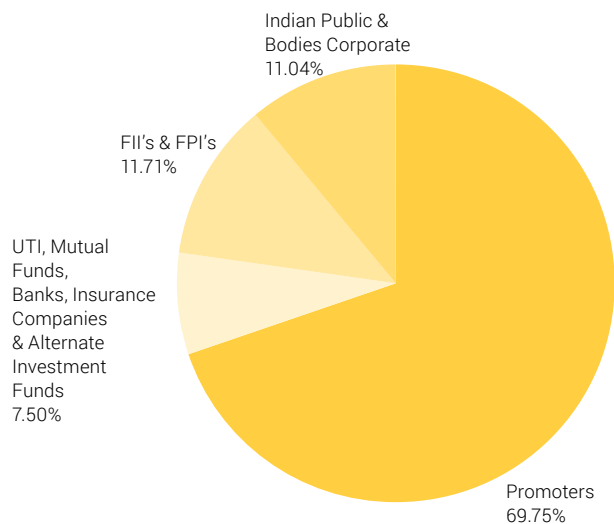
Commodity price risk / Foreign Exchange Risk and Hedging Activities

Certain key raw materials and packing materials used by the Company are derivatives of commodities such as crude oil, paper, aluminium etc. Any material price fluctuation in such commodities can impact the margins of the Company till the impact is appropriately factored in the pricing of Company's products. The Company does not undertake commodity hedging activities.

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with the policies of the Company.

Exposure to commodity and commodity risks faced by the Company throughout the year is Nil.

Shareholding Pattern as on 31st March 2019



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

Corporate Secretarial/Investors' Assistance Department

The Company's Secretarial Department headed by Shri Puneet Bansal, Company Secretary, is situated at the Corporate Office mentioned above. Shareholders/Investors may contact Shri. Puneet Bansal or Smt. 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 2019.

Employee Stock Options

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pidilite Industries Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate and share of loss in its joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements/ financial information of subsidiaries and an associate referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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 the sub-paragraph (a) of the

Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Revenue recognition (refer Note 2.6 and 32 of the Consolidated Financial Statements)	Principal audit procedures performed
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing of design and operative effectiveness of controls, automated as well as manual, around dispatches and deliveries, inventory verifications and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, Business Responsibility Report, Corporate Governance and Information for Shareholder, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and an associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or

our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and an associate is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associate and joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

The respective Boards of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and of its joint venture.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements/ financial information of 27 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 1,237.61 crores as at 31st March 2019, total revenues of ₹ 914.25 crores and net cash outflows amounting to ₹ 34.88 crores 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 ₹ 3.60 crores for the year ended 31st March 2019, as considered in the consolidated financial statements, in respect of an associate, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.
- (b) The consolidated financial statements also include the Group's share of net loss of ₹ NIL for the year ended 31st March 2019, as considered in the consolidated financial statements, in respect of a joint venture, whose financial information have not been audited by us. This financial information is 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 joint venture, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements above 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 information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements/ financial information of the subsidiaries and associate referred to in the Other Matters section above, we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our

- knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate.
 - ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and associate company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

B. P. Shroff

Partner

(Membership No. 034382)

Place: **Mumbai**

Date: 14th May 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PIDILITE INDUSTRIES LIMITED FOR THE YEAR ENDED 31ST MARCH 2019

(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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of Pidilite Industries Limited (hereinafter referred to as "Parent") and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India and where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, 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 was 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 and associate company, 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 Parent, its subsidiary companies and its associate company, which are companies incorporated in India and where such reporting under Section 143(3) of the Companies Act, 2013 is applicable.

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 based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India and where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, 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 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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 and where such reporting under Section 143(3) of the Companies Act, 2013 is applicable, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

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

Place: **Mumbai**
Date: 14th May 2019

CONSOLIDATED STATEMENT OF BALANCE SHEET

as at 31st March 2019

(₹ in crores)

Particulars	Note No.	As at 31 st March 2019	As at 31 st March 2018
ASSETS			
1 Non-Current Assets			
(a) Property, Plant and Equipment	4	913.32	802.59
(b) Capital Work-In-Progress	4	242.13	227.73
(c) Goodwill	5	184.99	177.42
(d) Other Intangible Assets	5	349.30	362.18
(e) Investments accounted for using equity method	6	24.43	25.03
(f) Financial Assets			
(i) Investments	7	371.87	105.99
(ii) Loans	10	3.06	5.91
(iii) Other Financial Assets	12	41.74	38.81
(g) Income Tax Assets (net)	17	102.06	64.82
(h) Deferred Tax Assets (net)	53	10.72	5.86
(i) Other Non-Current Assets	19	88.89	79.34
Total Non-Current Assets		2,332.51	1,895.68
2 Current Assets			
(a) Inventories	16	934.45	804.33
(b) Financial Assets			
(i) Investments	8	1,151.40	1,114.92
(ii) Trade Receivables	9	1,056.01	938.13
(iii) Cash and Cash Equivalents	14	128.12	149.34
(iv) Bank balances other than (iii) above	15	62.31	14.24
(v) Loans	11	12.12	11.85
(vi) Other Financial Assets	13	71.61	65.49
(c) Current Tax Assets (net)	18	2.62	28.64
(d) Other Current Assets	20	163.36	175.49
(e) Assets held for Sale		-	6.35
Total Current Assets		3,582.00	3,308.78
TOTAL ASSETS		5,914.51	5,204.46
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	21	50.80	50.78
(b) Other Equity	22	4,097.29	3,523.26
Equity attributable to owners of the Company		4,148.09	3,574.04
Non-Controlling Interests	41(b)	207.15	175.01
Total Equity		4,355.24	3,749.05
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	8.51	7.11
(ii) Other Financial Liabilities	26	85.98	91.24
(b) Provisions	29	43.93	38.17
(c) Deferred Tax Liabilities (net)	53	120.14	110.66
Total Non-Current Liabilities		258.56	247.18
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	102.54	115.44
(ii) Trade Payables	25		
- Total Outstanding Dues of Micro Enterprise and Small Enterprises		31.55	22.33
- Total Outstanding Dues of Creditors other than Micro Enterprise and Small Enterprises		549.09	521.48
(iii) Other Financial Liabilities	27	497.22	443.12
(b) Other Current Liabilities	28	89.55	79.09
(c) Provisions	30	19.79	13.07
(d) Current Tax Liabilities (net)	31	10.97	13.70
Total Current Liabilities		1,300.71	1,208.23
TOTAL LIABILITIES		1,559.27	1,455.41
TOTAL EQUITY AND LIABILITIES		5,914.51	5,204.46

See accompanying notes to the consolidated financial statements 1 to 59

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B. P. SHROFF
Partner

BHARAT PURI
Managing Director
DIN: 02173566
P GANESH
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended 31st March 2019

(₹ in crores)

Particulars	Note No.	For the year ended 31 st March 2019	For the year ended 31 st March 2018
INCOME			
Revenue from Operations	32	7,078.74	6,218.76
Other Income	33	146.64	148.41
Total Income		7,225.38	6,367.17
EXPENSES			
Cost of Materials Consumed	34	3,265.51	2,565.02
Purchases of Stock-in-Trade		396.28	318.86
Changes in inventories of Finished Goods Work-in-Progress and Stock-in-Trade	35	(75.21)	3.77
Excise Duty on sale of goods		-	140.35
Employee Benefits Expense	36	836.66	712.40
Finance Costs	37	26.07	15.54
Depreciation, Amortisation and Impairment Expense	38	132.74	119.88
Other Expenses	39	1,287.29	1,137.14
Total Expenses		5,869.34	5,012.96
Profit before share of profit/ (loss) of Associate and Joint Venture, Exceptional Items and Tax		1,356.04	1,354.21
Share of Profit in Associate (net of tax)	41(a)	3.60	4.75
Share of Profit/ (Loss) in Joint Venture (net of tax)	41(a)	-	(0.16)
Total share of profit/ (loss) of Associate and Joint Venture		3.60	4.59
Profit before Exceptional Items and Tax		1,359.64	1,358.80
Exceptional Items	40	18.02	-
Profit before Tax		1,341.62	1,358.80
Tax Expense			
Current Tax	53	406.58	374.08
Deferred Tax	53	6.65	18.63
Net Tax Expense		413.23	392.71
Profit for the year		928.39	966.09
Attributable to:			
Shareholders of the Company		924.91	962.35
Non-Controlling Interest	41(b)	3.48	3.74
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		(6.29)	(0.02)
Income tax relating to items that will not be reclassified to profit or loss		1.83	-
Items that will be reclassified to profit or loss			
Exchange difference on translation of foreign operation		7.23	(1.52)
Total Other Comprehensive Profit/ (Loss)		2.77	(1.54)
Attributable to:			
Shareholders of the Company		2.82	(1.70)
Non-Controlling Interest	41(b)	(0.05)	0.16
Total Comprehensive Income for the year		931.16	964.55
Attributable to:			
Shareholders of the Company		927.73	960.65
Non-Controlling Interest		3.43	3.90
Earnings Per Equity Share:			
Basic (₹)	45	18.21	18.95
Diluted (₹)		18.20	18.94
See accompanying notes to the consolidated financial statements	1 to 59		

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B. P. SHROFF
Partner

BHARAT PURI
Managing Director
DIN: 02173566
P GANESH
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May 2019

STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March 2019

(₹ in crores)

a. Equity Share Capital		Amount
Balance as at 1st April 2017		51.27
Changes in equity share capital during the year		
• Buy-back of Shares [refer Note 56(a)]		(0.50)
• Issue of equity shares under Employee Stock Option Scheme-2012 (refer Note 48)		0.01
• Issue of equity shares under Employee Stock Option Plan-2016* (refer Note 48)		0.00
Balance as at 31st March 2018		50.78
Changes in equity share capital during the year		
• Issue of equity shares under Employee Stock Option Scheme-2012 (refer Note 48)		0.01
• Issue of equity shares under Employee Stock Option Plan 2016** (refer Note 48)		0.00
Balance as at 31st March 2019		50.80

* Issue of equity shares under Employee Stock Option Plan - 2016 amounts to ₹ 21,600 during the year 2017-18.

**Issue of equity shares under Employee Stock Option Plan - 2016 amounts to ₹ 48,550 during the year 2018-19.

(₹ in crores)

b. Other Equity	Reserves and Surplus										Equity attributable to owners of the Company	Non-Controlling interest	TOTAL EQUITY
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Cash Subsidy Reserve	Legal Reserve	State Investment Reserve	Share Options Outstanding Account	Foreign Currency Translation Reserve	General Reserve	Retained Earnings			
Balance as at 1st April 2017	0.34	66.36	-	0.95	0.24	0.15	11.01	9.02	1,764.70	1,566.87	3,419.64	127.32	3,546.96
Profit for the year	-	-	-	-	-	-	-	-	-	962.35	962.35	3.74	966.09
Addition of Foreign Currency Translation Reserve during the year	-	-	-	-	-	-	-	(1.71)	-	-	(1.71)	0.19	(1.52)
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	-	-	-	0.01	0.01	(0.03)	(0.02)
Payment of dividends (including tax thereon)	-	-	-	-	-	-	-	-	-	(293.09)	(293.09)	-	(293.09)
Transferred to Capital Redemption Reserve for Buy-back of Shares [refer Note 56 (a)]	-	-	0.50	-	-	-	-	-	(0.50)	-	-	-	-
Gross Obligation towards acquisition (refer Note 52)	-	-	-	-	-	-	-	-	-	(66.78)	(66.78)	-	(66.78)
Buy-back of Shares [refer Note 56 (a)]*	-	(73.57)	-	-	-	-	-	-	(425.93)	-	(499.50)	-	(499.50)
Transaction cost related to Buy-back of Shares [refer Note 56 (a)]	-	-	-	-	-	-	-	-	(2.89)	-	(2.89)	-	(2.89)
Non-Controlling interest on acquisition of subsidiary/ Issue of share capital in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	43.79	43.79
Recognition of share-based payments (refer Note 48)	-	7.21	-	-	-	-	(1.98)	-	-	-	5.23	-	5.23

(₹ in crores)

	Reserves and Surplus										Equity attributable to owners of the Company	Non-Controlling interest	TOTAL EQUITY	
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	Cash Subsidy Reserve	Legal Reserve	State Investment Reserve	Share Options Outstanding Account	Foreign Currency Translation Reserve	General Reserve	Retained Earnings				
Transferred to Securities Premium on Options exercised during the year	-	7.21	-	-	-	-	(7.21)	-	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-	0.74	-	-	-	0.74	-	0.74	
Amortised during the year	-	-	-	-	-	-	4.64	-	-	-	4.64	-	4.64	
Lapsed during the year	-	-	-	-	-	-	(0.15)	-	-	-	(0.15)	-	(0.15)	
Balance as at 31st March 2018	0.34	-	0.50	0.95	0.24	0.15	9.03	7.31	1,335.38	2,169.36	3,523.26	175.01	3,698.27	
Profit for the year	-	-	-	-	-	-	-	-	-	924.91	924.91	3.48	928.39	
Addition of Foreign Currency Translation Reserve during the year	-	-	-	-	-	-	-	7.05	-	-	7.05	0.18	7.23	
Other Comprehensive Income for the year, net of income tax	-	-	-	-	-	-	-	-	-	(4.24)	(4.24)	(0.23)	(4.47)	
Payment of dividends (including tax thereon)	-	-	-	-	-	-	-	-	-	(364.32)	(364.32)	-	(364.32)	
Non-Controlling interest on acquisition of subsidiary/ Issue of share capital in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	28.71	28.71	
Recognition of share-based payments (refer Note 48)	-	10.01	-	-	-	-	0.62	-	-	-	10.63	-	10.63	
Transferred to Securities Premium on Options exercised during the year	-	10.01	-	-	-	-	(10.01)	-	-	-	-	-	-	
Exercised during the year	-	-	-	-	-	-	1.64	-	-	-	1.64	-	1.64	
Amortised during the year	-	-	-	-	-	-	9.51	-	-	-	9.51	-	9.51	
Lapsed during the year	-	-	-	-	-	-	(0.52)	-	-	-	(0.52)	-	(0.52)	
Balance as at 31st March 2019	0.34	10.01	0.50	0.95	0.24	0.15	9.65	14.36	1,335.38	2,725.71	4,097.29	207.15	4,304.44	

* Net of Tax

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B. P. SHROFF
Partner

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2019

(₹ in crores)

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
A Cash Flows From Operating Activities		
Profit before tax for the year	1,341.62	1,358.80
Adjustments for:		
Share of profit from Associate	(3.60)	(4.75)
Share of Loss from Joint Venture	-	0.16
Finance costs recognised in Statement of Profit and Loss	26.07	15.54
Interest income recognised in Statement of Profit and Loss	(20.60)	(7.44)
Dividend income recognised in Statement of Profit and Loss	(10.02)	(15.58)
Dividend from Associate	2.43	1.34
Provision for diminution in value of Investments	18.02	-
Loss/ (Gain) on disposal of Property, Plant and Equipment	1.71	(6.53)
Net gain arising on financial assets designated at FVTPL	(88.09)	(92.42)
Allowance for Doubtful Debts	9.78	23.37
Depreciation, Amortisation and Impairment Expense	132.74	119.88
Net Foreign Exchange Loss	6.26	0.28
Provision for Employee Benefits	5.91	0.93
Provision/ Write back of Warranties and Others	0.28	2.58
Expense recognised in respect of Equity-Settled Share-Based Payments	10.64	5.24
Operating profits before Working Capital changes	1,433.15	1,401.40
Movements in Working Capital:		
(Increase)/ Decrease in Operating Assets		
Trade Receivables	(127.02)	(148.30)
Inventories	(135.56)	(63.73)
Non-Current Loans	2.85	2.64
Current Loans	(0.27)	1.43
Non-Current Financial Assets	(3.94)	(0.18)
Other Current Financial Assets	(6.05)	(16.17)
Other Non-Current Non Financial Assets	(3.02)	4.11
Other Current Non Financial Assets	12.13	(79.91)
(Decrease)/ Increase in Operating Liabilities		
Trade Payables	30.70	129.71
Other Current Financial Liabilities	50.07	16.25
Other Non-Current Financial Liabilities	(9.45)	(8.30)
Other Current Non Financial Liabilities	10.46	(14.92)
Cash generated from Operations	1,254.05	1,224.03
Taxes paid (net of refunds)	(409.27)	(427.60)
Net Cash generated from Operating Activities [A]	844.78	796.43
B Cash Flows from Investing Activities		
Payments for purchase of Property, Plant and Equipment & Other Intangible Assets	(262.52)	(176.83)
Proceeds from disposal of Property, Plant and Equipment, Other Intangible Assets & Capital Work-In-Progress	8.77	0.83
Amount paid against business combinations (refer Note 52)	-	(96.40)
Payments to purchase Investments	(2,310.50)	(2,168.78)
Proceeds from sale of Investments	2,078.81	2,458.36
(Increase)/ Decrease in Bank Deposits	(53.14)	5.63
Decrease/ (Increase) in Other Bank Balances	6.08	(6.57)
Interest received	9.34	7.44
Dividend received	10.02	15.58
Net cash generated from/ (used in) Investing Activities [B]	(513.14)	39.26

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31st March 2019

(₹ in crores)

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
C		
Cash Flows from Financing Activities		
Proceeds from issue of Equity Instruments of the Company	0.01	0.01
Payment for Buy-back of Equity Shares	-	(500.00)
Payment for Buy-back Expenses	-	(4.43)
Net decrease in Current Borrowings	(10.22)	(4.35)
Net increase in Non-Current Borrowings	1.07	3.92
Proceeds from Share Capital issued to Minority	28.71	23.64
Dividend paid on Equity Shares (including tax thereon)	(363.45)	(293.00)
Interest paid	(16.68)	(15.54)
Net Cash (used in)/ generated from Financing Activities [C]	(360.56)	(789.75)
Net (Decrease)/ Increase in Cash and Cash Equivalents [A+B+C]	(28.92)	45.94
Acquisition through business combination (refer Note 52)	10.65	-
Cash and Cash Equivalents at the beginning of the year (refer Note 14)	91.49	55.37
Bank Unrealised Gain	0.05	0.88
Cash and Cash Equivalents at the beginning of the year	102.19	56.25
Acquisition through business combination (refer Note 52)	-	10.65
Cash and Cash Equivalents at the end of the year (refer Note 14)	72.94	91.49
Bank Unrealised Gain	0.33	0.05
Cash and Cash Equivalents at the end of the year	73.27	102.19
Net (Decrease)/ Increase in Cash and Cash Equivalents	(28.92)	45.94

Notes:

a) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS 7) - Statement of Cash Flows.

b) Reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities:

(₹ in crores)

Particulars	As at 31 st March 2018	Cash Flows	Acquisitions through business combinations (refer Note 52)	Non-Cash Changes	As at 31 st March 2019
				Current/ Non-Current Classification	
Borrowings - Non-Current	7.11	1.40	-	-	8.51
Borrowings - Current	57.59	(10.22)	-	-	47.37
Other Financial Liabilities					
- Current portion of Non-Current Borrowings	2.02	(0.33)	-	-	1.69

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

B. P. SHROFF
Partner

BHARAT PURI
Managing Director
DIN: 02173566

P GANESH
Chief Financial Officer

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

M B PAREKH
Executive Chairman
DIN: 00180955

PUNEET BANSAL
Company Secretary

Place: Mumbai
Date: 14th May 2019

Place: Mumbai
Date: 14th May 2019

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Corporate information

Pidilite Industries Limited (the Company/ Parent), together with its subsidiaries are pioneers 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).

The address of its registered office is Regent Chambers, 7th Floor, Jamnalal Bajaj Marg, 208, Nariman Point, Mumbai 400 021. The address of principal place of business is Ramkrishna Mandir Road, Off Mathuradas Vasanji Road, Andheri (E), Mumbai 400 059.

2 Significant Accounting Policies

2.1 Basis of accounting and preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013('Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

The financial statements have been prepared under the historical cost convention except for the following items –

- a. Certain Financial Assets/ Liabilities (including derivative instruments) – at Fair value
- b. Employee Stock Options - at Fair value

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except otherwise indicated.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of Pidilite Industries Limited (the "Parent") and its subsidiaries (together referred to as "Group") and Group's share of profit/ loss in its Associate and Joint Venture as at 31st March 2019. Control exists when the Group has:

- power over the investee;
- exposure or rights, to variable returns from its involvement with the investee; and
- ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Generally, there is a presumption that a majority of voting rights result in control. When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed off during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Group ceases to control the subsidiary.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity. Any investment retained is measured at fair value. Any resultant gain or loss is recognised in the Consolidated Statement of Profit and Loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent, i.e., year ended on 31st March 2019.

The consolidated financial statements have been prepared on following basis:

- a) The financial statements of the Parent and its subsidiaries 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 Ind AS 110 "consolidated financial statements". Further, the carrying amount of the Parent's investments in each subsidiary and the Parent's portion of equity of each subsidiary are eliminated on consolidation.
- b) The consolidated financial statements include the share of profit/ loss of an Associate Company and Joint Venture which have been accounted for using equity method as per Ind AS 28 "Investment in Associates and Joint Ventures". The investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss (the loss being restricted to the cost of investment) of the investee after the acquisition date.
- c) Profit or loss and each component of Other Comprehensive Income (the 'OCI') are attributed to the equity holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- d) 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.
- e) Minority Interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit/ loss for the year and each component of Other Comprehensive Income of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- f) The difference between the cost of investments in the associate and the share of net assets at the time of acquisition of shares in the associate is identified in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- g) Goodwill arising on consolidation is not amortised but tested for impairment.

2.3 Business Combination

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of acquiree. Acquisition-related costs are recognised in Consolidated Statement of Profit and Loss as incurred.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as a part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding changes against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. Contingent consideration that is classified as an asset or a liability is subsequently (after the measurement period) remeasured at subsequent reporting dates with the corresponding gain or loss being recognised in Consolidated Statement of Profit and Loss.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Retained earnings appearing in the financial statements of the transferor, is aggregated with the corresponding balance appearing in the financial statements of the transferee. Identity of the reserves appearing in the financial statement of the transferor is preserved and appears in the financial statements of the transferee in the same form. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

2.4 Goodwill

Goodwill is measured as the excess of the consideration transferred over the net of acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

The Group's policy for goodwill arising on business combination or acquisition of an associate and a Joint Venture is described at Note 2.5.

2.5 Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

An investment in an associate or a Joint Venture is accounted for using the equity method from the date on which the investee becomes an associate or a Joint Venture.

Under the equity method, an investment in an associate or a Joint Venture is initially recognised in the Consolidated Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and Other Comprehensive Income of the associate or Joint Venture. Distributions received from an associate or a Joint Venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a Joint Venture exceeds the Group's interest in that associate or Joint Venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or Joint Venture); the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or Joint Venture.

On acquisition of the investment in an associate or a Joint Venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve.

After application of the equity method of accounting, the Group determines whether there is any objective evidence of the impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or Joint Venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or Joint Venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate or a Joint Venture of the Group, profits and losses resulting from the transactions with the associate or Joint Venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or Joint Venture that are not related to the Group.

2.6 Revenue Recognition

The Company adopted Ind AS 115 Revenue from Contracts with Customers, using the modified retrospective method of adoption with the date of initial application of 1st April 2018.

The company elected to apply this standard to all the contracts as at 1st April 2018. The effect of adoption of Ind AS 115 on the balance sheet and retained earnings is not material.

The company recognises revenue from sale of goods and services, based on the terms of contract and as per the business practise; the company determines transaction price considering the amount it expects to be entitled in exchange of transferring promised goods or services to the customer. Revenue is recognised when it is realized or is realizable and has been earned after the deduction of variable components such as discounts, rebates, incentives, promotional couponing and schemes. The company estimates the amount of variable components based on historical, current and forecast information available and either expected value method or most likely method, as appropriate and records a corresponding liability in other payables; the actual amounts may be different from such estimates. These differences, which have historically not been significant, are recognised as a change in management estimate in a subsequent period.

2.6.1.a Sale of goods

Revenue is recognised when control of the products being sold has been transferred to a customer and when there are no longer any unfulfilled obligations to the customer. This is generally on delivery to the customer but depending on individual customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. This is considered the appropriate point where the performance obligations in our contracts are satisfied and the Company no longer has control over the inventory. Sales include excise duty upto 30th June 2017 but exclude GST. Advance received from customer before transfer of control of goods to the customer is recognised as contract liability.

2.6.1.b Sale of Services

Revenue from sale of services includes fixed price contracts and time and material contracts and is recognised as sale, as and when the related services are performed and certified by the client. Services performed and not certified by the client, are recognised as sales and are recorded as uncertified revenue and unbilled revenue. Incomplete services are recorded at cost as work-in-progress.

The company accounts for provision of warranty in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.6.2 Dividend, Interest income and Royalty

Dividend income from investments is recognised when the Group's right to receive dividend is established.

Interest income from a financial asset is recognised on a time basis, by reference to the principal outstanding using the effective interest method provided it is probable that the economic benefits associated with the interest will flow to the Group and the amount of interest can be measured reliably. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement or underlying arrangement in case of sales provided that it is probable that the economic benefits associated with the royalty shall flow to the Group and the amount of royalty can be measured reliably. Claims/ Insurance Claim etc. are accounted for when no significant uncertainties are attached to their eventual receipt. The Group's policy for recognition of revenue (rental income) from operating leases is described in Note 2.7.1.

2.7 Leasing

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.7.1 Group as Lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increase, such increases are recognised in the year in which such benefits accrue.

Amounts due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated over accounting periods so as to reflect constant periodic rate of return of the Group's net investment outstanding in respect of the leases.

2.7.2 Group as Lessee

In case of assets under a finance lease, such assets are initially capitalised at the lower of fair value and the present value of the minimum lease payments. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Subsequent to initial recognition, the assets are accounted in accordance with the accounting policy applicable to similar owned assets.

Payments made under operating leases are recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.8 Foreign Currencies

The functional currency of the Parent and its Indian Subsidiaries is the Indian Rupee, whereas the functional currency of Foreign Subsidiaries is the currency of their countries of domicile. In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items (including financial assets and liabilities) denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains or losses arising from these translations are recognised in the Consolidated Statement of Profit and Loss. For the purposes of presenting these consolidated financial statements, the assets and liabilities

of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period.

2.9 Share-based payment transactions of the Group

Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

2.10.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.10.3 Current and Deferred Tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

2.11 Property, Plant and Equipment

2.11.1 Property, Plant and Equipment acquired separately

Freehold Land is stated at cost and not depreciated.

Buildings, plant and machinery, vehicles, furniture and office equipments are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Consolidated Statement of Profit and Loss.

2.11.2 Capital Work-In-Progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2.11.3 Depreciation

Depreciation is recognised so as to write off the cost of assets (other than Freehold Land and Capital Work-In-Progress) less their residual values over their useful lives, using the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

For certain items of Property, Plant and Equipment, the Company depreciates over estimated useful life which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013 which is based upon technical assessment made by technical expert and management estimate. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are

likely to be used. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Type of Asset	Useful Life
Buildings	20-60 years
Leasehold Improvements	5-20 years
Plant and Machinery	5-25 years
Vehicles	4-10 years
Furniture and Fixtures	5-10 years
Office Equipment	3-10 years

2.12 Intangible Assets

2.12.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

2.12.2 Intangible assets acquired in a business combination

Intangible assets other than goodwill acquired in a business combination are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, such intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.12.3 Internally generated Intangible Assets – Research and Development Expenditure

Expenditure on research activities is recognised in Consolidated Statement of Profit and Loss in the period in which it is incurred. An internally generated intangible asset arising from development is recognised if and only if it meets the recognition criteria of intangible assets. The amount initially recognised is the sum total of expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no intangible asset can be recognised, development expenditure is recognised in Consolidated Statement of Profit and Loss in the period in which it is incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

2.12.4 Useful lives of Intangible Assets

Estimated useful lives of the Intangible Assets are as follows:

Type of Asset	Useful Life
Computer Software	5-10 years
Technical Knowhow	10-15 years
Non-Compete Fees	10-15 years
Copyrights	Indefinite Life
Trademark	10 years-Indefinite Life

2.13 Impairment of Tangible and Intangible Assets other than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually at the cash-generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Recoverable amount is the higher of fair value less costs of disposal and value in use.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in Consolidated Statement of Profit and Loss.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value.

Cost of inventories is determined on weighted average. Cost for this purpose includes cost of direct materials, direct labour, excise duty and appropriate share of overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unserviceable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

2.15 Provisions (other than Employee Benefits)

A provision is recognised when as a result of past event, the Group has a present legal or constructive obligation that can be reliably estimated, and, it is probable that an outflow of economic benefit will be required to settle the obligation.

Provisions (excluding retirement benefits) are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are not recognised but disclosed in the Notes to the consolidated financial statements.

2.16 Financial Instruments

2.16.1 Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

At initial recognition, financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value Through Profit and Loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit and Loss are recognised in Consolidated Statement of Profit and Loss.

2.16.2 Subsequent measurement of Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Debt instruments that meet conditions based on purpose of holding assets and contractual terms of instrument are subsequently measured at amortised cost using effective interest method. All other financial assets are measured at fair value. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit and Loss. Interest income is recognised in Consolidated Statement of Profit and Loss and is included in the "Other income" line item.

2.16.3 Impairment of Financial Assets

The Group recognises loss allowance using expected credit loss model financial assets which are not measured at Fair Value Through Profit and Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at original effective rate of interest.

For Trade receivables, the Group measures loss allowance at an amount equal to lifetime expected credit losses. The Group computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

2.16.4 Financial Liabilities and Equity Instruments

2.16.4.1 Classification of debt or equity

Debt or equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

2.16.4.2 Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds, net of direct issue costs.

2.16.4.3 Financial Liabilities

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method.

2.16.5 Derecognition of Financial Assets and Liabilities

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Group transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

The Group derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expires.

2.16.6 Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to hedge its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at their fair value and changes at the end of each reporting period. The resulting gain or loss is recognised in Consolidated Statement of Profit and Loss immediately.

2.17 Cash Flow Statement

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

Cash and Cash Equivalents for the purpose of cash flow statement comprise of cash at bank, cash in hand and short- term deposits with an original maturity of three months or less, as reduced by bank overdrafts.

2.18 Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/ loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding allocation of 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 respectively".

2.19 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.

2.19.1 Defined Contribution Plans

The Group's contribution to Provident Fund, Superannuation Fund, National Pension Scheme 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.

2.19.2 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. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest) is reflected in the Consolidated Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected in retained earnings and is not reclassified to profit or loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

2.19.3 Short-Term and Other Long-Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.20 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

2.21 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1st April 2019:

2.21.1 Ind AS - 116 Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Effective date for application of this standard is annual period beginning on or after April 1, 2019. The Company is evaluating the effect of this standard on the standalone financial statements.

2.21.2 Ind AS - 12 Income Tax

- a) On 30th March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments, which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April 2019. The Group will adopt the standard on 1st April 2019 and is evaluating the effect of this amendment.

- b) On 30th March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events

Effective date for application of this amendment is annual period beginning on or after 1st April 2019. The Group is evaluating the effect of this amendment on the standalone financial statements.

2.21.3 Ind AS 19 – Employee Benefits

On 30th March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1st April 2019. The Group is currently evaluating the effect of this amendment on the standalone financial statements.

3. Critical Accounting Judgements and key sources of Estimation Uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical Judgments

3.1.1 Classification of Plus Call Technical Services LLC as a Joint Venture

Plus Call Technical Services LLC is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the LLC itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Plus Call Technical Services LLC is classified as Joint Venture of the Group.

3.1.2 Classification of entities as Subsidiaries wherein Group has ownership interest and voting rights of 50% or less

Pidilite MEA Chemicals LLC, Bamco Supply and Services Ltd, ICA Pidilite Pvt Ltd and Building System Solution Trading LLC (upto 5th March 2018) are subsidiaries of the Group even though the Group has ownership interest and voting rights of 50% or less in the subsidiaries respectively. However, based on the relevant facts and circumstances, control and management of these entities lie with the Group. The Group has the power to direct the relevant activities of these entities and therefore controls these entities.

3.2 Key accounting, judgements, assumptions and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

3.2.1 Impairment of Goodwill and Other Intangible Assets

Goodwill and Other Intangible Assets (i.e. trademark and copyrights) are tested for impairment on an annual basis. Recoverable amount of cash-generating units is determined based on higher of value-in-use and fair value less cost to sell. The impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which the intangibles are monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

3.2.2 Business Combinations and Intangible Assets

Business combinations are accounted for using Ind AS 103, "Business Combinations". Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

3.2.3 Employee related provisions

The costs of long-term and short-term employee benefits are estimated using assumptions by the management. These assumptions include rate of increase in compensation levels, discount rates, expected rate of return on assets and attrition rates (disclosed in Note 50).

3.2.4 Income taxes

Significant judgements are involved in estimating budgeted profits for the calculation of advance tax and deferred tax, and determining provision for income taxes and uncertain tax positions (disclosed in Note 53)

3.2.5 Property, Plant and Equipment and Other Intangible Assets

The useful lives and residual values of Group's assets are determined by the management at the time the asset is acquired. These estimates are reviewed annually by the management. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

4 Property, Plant and Equipment and Capital Work-In-Progress								
							As at 31 st March 2019	As at 31 st March 2018
Carrying Amounts								
• Freehold Land						85.28	84.39	
• Buildings						289.55	232.32	
• Plant and Machinery						467.01	417.66	
• Vehicles						7.83	8.76	
• Furniture and Fixtures						31.71	32.46	
• Office Equipment						31.94	27.00	
						913.32	802.59	
Capital Work-In-Progress*						242.13	227.73	
TOTAL						1,155.45	1,030.32	
*Net of Impairment ₹ 5.92 crores (₹ NIL as at 31 st March 2018).								
	Freehold Land	Buildings	Plant and Machinery	Vehicles	Furniture and Fixtures	Office Equipment	TOTAL	
Gross Carrying Amount								
Balance as at 1 st April 2017	71.29	306.23	1,029.03	23.34	79.76	104.18	1,613.83	
Additions	13.50	9.77	65.20	0.64	4.23	7.72	101.06	
Acquisitions through business combinations (refer Note 52)	-	5.72	9.56	1.62	0.89	1.55	19.34	
Disposals/ Adjustments	-	(0.21)	(11.49)	(0.71)	(5.91)	(1.05)	(19.37)	
Foreign Currency Translation	(0.40)	(0.17)	(2.62)	0.17	5.50	(2.15)	0.33	
Balance as at 31st March 2018	84.39	321.34	1,089.68	25.06	84.47	110.25	1,715.19	
Additions	0.03	67.96	134.03	1.02	5.12	16.15	224.31	
Disposals/ Adjustments	-	(0.68)	(38.40)	(1.39)	(1.01)	(5.66)	(47.14)	
Foreign Currency Translation	0.86	2.77	1.97	0.17	0.43	(0.70)	5.50	
Balance as at 31st March 2019	85.28	391.39	1,187.28	24.86	89.01	120.04	1,897.86	
Accumulated Depreciation and Impairment								
Balance as at 1 st April 2017	-	(78.48)	(610.11)	(14.32)	(45.70)	(76.10)	(824.71)	
Eliminated on disposal of assets	-	0.08	9.26	0.67	5.50	1.10	16.61	
Acquisitions through business combinations (refer Note 52)	-	(1.03)	(1.36)	(0.76)	(0.60)	(1.37)	(5.12)	
Depreciation expense	-	(10.33)	(72.40)	(1.79)	(5.61)	(8.71)	(98.84)	
Foreign Currency Translation	-	0.74	2.59	(0.10)	(5.60)	1.83	(0.54)	
Balance as at 31st March 2018	-	(89.02)	(672.02)	(16.30)	(52.01)	(83.25)	(912.60)	
Eliminated on disposal of assets	-	0.06	28.75	1.32	0.66	5.08	35.87	
Depreciation expense	-	(12.11)	(76.31)	(1.94)	(5.69)	(9.74)	(105.79)	
Foreign Currency Translation	-	(0.77)	(0.69)	(0.11)	(0.26)	(0.19)	(2.02)	
Balance as at 31st March 2019	-	(101.84)	(720.27)	(17.03)	(57.30)	(88.10)	(984.54)	
Net Carrying Amount								
Balance as at 1 st April 2017	71.29	227.75	418.92	9.02	34.06	28.08	789.12	
Additions	13.50	9.77	65.20	0.64	4.23	7.72	101.06	
Acquisitions through business combinations (refer Note 52)	-	5.72	9.56	1.62	0.89	1.55	19.34	
Disposals/ Adjustments	-	(0.21)	(11.49)	(0.71)	(5.91)	(1.05)	(19.37)	
Depreciation expense	-	(10.33)	(72.40)	(1.79)	(5.61)	(8.71)	(98.84)	
Acquisitions (Depreciation) through business combinations (refer Note 52)	-	(1.03)	(1.36)	(0.76)	(0.60)	(1.37)	(5.12)	
Depreciation Eliminated on disposal of assets	-	0.08	9.26	0.67	5.50	1.10	16.61	
Foreign Currency Translation	(0.40)	0.57	(0.03)	0.07	(0.10)	(0.32)	(0.21)	
Balance as at 31st March 2018	84.39	232.32	417.66	8.76	32.46	27.00	802.59	
Additions	0.03	67.96	134.03	1.02	5.12	16.15	224.31	
Disposals/ Adjustments	-	(0.68)	(38.40)	(1.39)	(1.01)	(5.66)	(47.14)	
Depreciation expense	-	(12.11)	(76.31)	(1.94)	(5.69)	(9.74)	(105.79)	
Depreciation Eliminated on disposal of assets	-	0.06	28.75	1.32	0.66	5.08	35.87	
Foreign Currency Translation	0.86	2.00	1.28	0.06	0.17	(0.89)	3.48	
Balance as at 31st March 2019	85.28	289.55	467.01	7.83	31.71	31.94	913.32	

Notes:

(₹ in crores)

a) Assets given under operating lease included in Note 4 above are as under:		
	As at 31 st March 2019	As at 31 st March 2018
Carrying Amounts		
• Freehold Land	13.79	13.79
• Buildings	21.27	20.25
TOTAL	35.06	34.04

	Freehold Land	Buildings	TOTAL
Gross Carrying Amount			
Balance as at 1 st April 2017	13.79	24.64	38.43
Additions	-	1.48	1.48
Balance as at 31 st March 2018	13.79	26.12	39.91
Additions	-	1.29	1.29
Disposals/ Adjustments	-	0.79	0.79
Balance as at 31 st March 2019	13.79	28.20	41.99

Accumulated Depreciation and Impairment			
Balance as at 1 st April 2017	-	(5.01)	(5.01)
Depreciation expense	-	(0.86)	(0.86)
Balance as at 31 st March 2018	-	(5.87)	(5.87)
Eliminated on disposal of assets	-	(0.10)	(0.10)
Depreciation expense	-	(0.96)	(0.96)
Balance as at 31 st March 2019	-	(6.93)	(6.93)

Net Carrying Amount			
Balance as at 1 st April 2017	13.79	19.63	33.42
Additions	-	1.48	1.48
Depreciation expense	-	(0.86)	(0.86)
Balance as at 31 st March 2018	13.79	20.25	34.04
Additions	-	1.29	1.29
Disposals/ Adjustments	-	0.79	0.79
Depreciation expense	-	(0.96)	(0.96)
Depreciation Eliminated on disposal of assets	-	(0.10)	(0.10)
Balance as at 31 st March 2019	13.79	21.27	35.06

b) Buildings includes shares of co-operative societies of ₹ 0.01 crores (₹ 0.01 crores as at 31st March 2018)

(₹ in crores)

c) Assets taken under finance lease included in Note 4 above are as under:		
	As at 31 st March 2019	As at 31 st March 2018
Carrying Amounts		
• Office Equipment	-	0.01
TOTAL	-	0.01
	Office Equipment	TOTAL
Gross Carrying Amount		
Balance as at 1 st April 2017	0.05	0.05
Balance as at 31 st March 2018	0.05	0.05
Additions/ Disposals/ Adjustments	-	-
Balance as at 31 st March 2019	0.05	0.05
Accumulated Depreciation and Impairment		
Balance as at 1 st April 2017	(0.01)	(0.01)
Depreciation expense	(0.03)	(0.03)
Balance as at 31 st March 2018	(0.04)	(0.04)
Depreciation expense	(0.01)	(0.01)
Balance as at 31 st March 2019	(0.05)	(0.05)
Net Carrying Amount		
Balance as at 1 st April 2017	0.04	0.04
Depreciation expense	(0.03)	(0.03)
Balance as at 31 st March 2018	0.01	0.01
Depreciation expense	(0.01)	(0.01)
Balance as at 31 st March 2019	-	-
5 Goodwill and Other Intangible Assets		
	As at 31 st March 2019	As at 31 st March 2018
Carrying Amounts		
• Goodwill on Consolidation	81.10	72.52
• Goodwill (acquired separately)	103.89	104.90
Total Goodwill (A)	184.99	177.42
Other Intangible Assets		
• Trademark	242.66	243.11
• Computer Software	15.71	14.14
• Copyrights	4.72	4.72
• Technical Knowhow Fees	44.64	49.70
• Commercial Knowhow Fees	40.02	48.45
• Non Compete Fees	1.55	2.06
Total Other Intangible Assets (B)	349.30	362.18
Total Intangible Assets (A+B)	534.29	539.60

(₹ in crores)

	Goodwill	Trade-mark	Computer Software	Copy-rights	Technical Knowhow Fees	Commercial Knowhow Fees	Non Compete Fees	Intangible assets under development	TOTAL
Gross Carrying Amount									
Balance as at 1 st April 2017	133.83	246.26	47.41	4.72	54.27	59.94	6.17	0.29	552.89
Additions	-	-	4.77	-	16.79	-	-	-	21.56
Acquisitions through business combinations (refer Note 52)	49.44	19.29	-	-	-	-	-	-	68.73
Disposals/ Adjustments	(5.57)	(20.15)	(0.16)	-	-	-	(0.06)	(0.28)	(26.22)
Foreign Currency Translation	(0.28)	6.12	(1.65)	-	3.07	0.01	0.40	(0.01)	7.66
Balance as at 31st March 2018	177.42	251.52	50.37	4.72	74.13	59.95	6.51	-	624.62
Additions	8.58	0.02	7.29	-	1.33	0.02	-	-	17.24
Disposals/ Adjustments	-	-	0.10	-	-	-	-	-	0.10
Foreign Currency Translation	(1.01)	(0.67)	(0.08)	-	(0.18)	-	(1.10)	-	(3.04)
Balance as at 31st March 2019	184.99	250.87	57.68	4.72	75.28	59.97	5.41	-	638.92
Accumulated Amortisation and Impairment									
Balance as at 1 st April 2017	-	(4.68)	(33.46)	-	(19.21)	(5.50)	(3.91)	-	(66.76)
Eliminated on disposal of assets	-	10.65	0.05	-	-	-	-	-	10.70
Amortisation expense	-	(4.53)	(4.87)	-	(5.12)	(5.99)	(0.53)	-	(21.04)
Foreign Currency Translation	-	(9.85)	2.05	-	(0.10)	(0.01)	(0.01)	-	(7.92)
Balance as at 31st March 2018	-	(8.41)	(36.23)	-	(24.43)	(11.50)	(4.45)	-	(85.02)
Eliminated on disposal of assets	-	-	(0.01)	-	-	-	-	-	(0.01)
Amortisation expense	-	(0.01)	(5.78)	-	(6.26)	(8.45)	(0.53)	-	(21.03)
Foreign Currency Translation	-	0.21	0.05	-	0.05	-	1.12	-	1.43
Balance as at 31st March 2019	-	(8.21)	(41.97)	-	(30.64)	(19.95)	(3.86)	-	(104.63)
Net Carrying Amount									
Balance as at 1 st April 2017	133.83	241.58	13.95	4.72	35.06	54.44	2.26	0.29	486.13
Additions	-	-	4.77	-	16.79	-	-	-	21.56
Acquisitions through business combinations (refer Note 52)	49.44	19.29	-	-	-	-	-	-	68.73
Disposals/ Adjustments	(5.57)	(20.15)	(0.16)	-	-	-	(0.06)	(0.28)	(26.22)
Amortisation expense	-	(4.53)	(4.87)	-	(5.12)	(5.99)	(0.53)	-	(21.04)
Amortisation Eliminated on disposal of assets	-	10.65	0.05	-	-	-	-	-	10.70
Foreign Currency Translation	(0.28)	(3.73)	0.40	-	2.97	-	0.39	(0.01)	(0.26)
Balance as at 31st March 2018	177.42	243.11	14.14	4.72	49.70	48.45	2.06	-	539.60
Additions	8.58	0.02	7.29	-	1.33	0.02	-	-	17.24
Disposals/ Adjustments	-	-	0.10	-	-	-	-	-	0.10
Amortisation expense	-	(0.01)	(5.78)	-	(6.26)	(8.45)	(0.53)	-	(21.03)
Amortisation Eliminated on disposal of assets	-	-	(0.01)	-	-	-	-	-	(0.01)
Foreign Currency Translation	(1.01)	(0.46)	(0.03)	-	(0.13)	-	0.02	-	(1.61)
Balance as at 31st March 2019	184.99	242.66	15.71	4.72	44.64	40.02	1.55	-	534.29

The Company has estimated the useful life for some of its Copyrights & Trademark as indefinite on the basis of renewal of legal rights and the management's intention to keep it perpetually.

(₹ in crores)

	As at 31 st March 2019	As at 31 st March 2018
Goodwill on Consolidation		
● Cipy Polyurethanes Pvt Ltd (CIPY) (refer Note 52)	57.62	49.44
● Pidilite Bamco Ltd (Bamco)	21.57	21.19
● Bhimad Commercial Co Pvt Ltd (Bhimad)	0.01	0.01
● Madhumala Traders Pvt Ltd (Madhumala)	0.01	0.01
● Pidilite Industries Egypt SAE (PIE)	1.89	1.87
Total (A)	81.10	72.52
Goodwill acquired separately*		
● Pidilite Industries Limited	86.11	86.11
● Nitin Enterprises (Nitin)	0.23	0.23
● Building Envelope Systems India Ltd (BESI)	0.55	0.55
● Nina Percept Pvt Ltd (Nina Percept)	5.13	5.13
● ICA Pidilite Pvt Ltd (ICA)	2.08	2.08
● Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec)	9.30	10.34
● Pidilite USA Inc (PUSA)	0.49	0.46
Total (B)	103.89	104.90
Total Goodwill (A+B)	184.99	177.42

*Goodwill acquired in business combination is allocated, at acquisition date, to the cash-generating units that are expected to benefit from that business combination.

Goodwill, Copyrights and Trademark

Goodwill, copyrights and trademark in the books of the Group pertains mainly to Consumer and Bazaar business (majorly consists of Consumer and Bazaar business of Parent). At the end of each reporting period, the Group reviews carrying amount of goodwill, copyrights and trademark to determine whether there is any indication that goodwill, copyrights and trademark has suffered any impairment loss. Accordingly, recoverable amount of goodwill, copyrights and trademark is arrived basis projected cashflows from Consumer and Bazaar business. Recoverable amount of goodwill, copyrights and trademark exceeds the carrying amount of goodwill, copyrights and trademark in the books as on 31st March 2019. Further there are no external indications of impairment of goodwill, copyrights and trademark. As a result, no impairment loss on goodwill, copyrights and trademark is required to be recognised.

Projected cashflows from Consumer and Bazaar business (relates to Parent which represents significant portion of goodwill)

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the management for next year, estimates prepared for the next 4 years thereafter and a discount rate of 13.1% per annum (12.5% per annum as at 31st March 2018).

Cash flow projections during the budget period are based on the same expected gross margins and raw materials price inflation throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 8% per annum (9% per annum as at 31st March 2018) growth rate. The management believes that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The key assumptions used in the value in use calculations for Consumer and Bazaar cash-generating unit are as follows:

Budgeted sales growth	Sales growth is assumed at 14.5% (CAGR) (13.8% as at 31 st March 2018), in line with current year projections. The values assigned to the assumption reflect past experience and are consistent with the managements' plans for focusing operations in these markets. The management believes that the planned sales growth per year for the next five years is reasonably achievable.
Raw materials price inflation	Forecast for material cost growth CAGR higher by 1% (0.6% as at 31 st March 2018) vs. sales growth, considering impact of commodity cost inflation.
Other budgeted costs	Commercial spends (schemes and A&SP) have been continued at current year's % to sales. Other fixed costs are in line with the current year's growth.

6 Investments accounted for using equity method				
	As at 31 st March 2019		As at 31 st March 2018	
	Qty	₹ in crores	Qty	₹ in crores
Carrying amount determined using the Equity method of accounting				
A] Investment in Equity Instruments (Quoted)				
Investment in Associates (fully paid up)				
• Equity Shares of ₹ 1 each of Vinyl Chemicals (India) Ltd	74,51,540	1.18	74,51,540	1.18
Add: Share in accumulated Profits/ Reserves		23.25		22.08
Total [A]		24.43		23.26
B] Investment in Joint Venture (fully paid up) (Unquoted)				
• Equity Shares of AED 1000 each of Plus Call Technical Services LLC	57	0.21	57	0.21
Add: Share in accumulated Profits/ Reserves		1.56		1.56
		1.77		1.77
Less: Impairment in value of Investments*		(1.77)		-
Total [B]		-		1.77
TOTAL [(A)+(B)]		24.43		25.03
*During the year, Group has recognised impairment amounting to ₹ 1.77 crores for investment made in Joint Venture and ₹ 4.36 crores for the loan given to Joint Venture (refer Note 40).				
• Aggregate carrying value of quoted investments		24.43		23.26
• Aggregate market value of quoted investments		60.10		74.48
• Aggregate carrying value of unquoted investments		-		1.77
• Aggregate amount of Impairment in value of investments		1.77		-

7 Investments - Non-Current				
	As at 31 st March 2019		As at 31 st March 2018	
	Qty	₹ in crores	Qty	₹ in crores
A] Investment in Equity Instruments (fully paid up) (at FVTPL) (Unquoted)				
Equity Shares of ₹ 10 each of Pal Peugeot Ltd	1,21,300	0.12	1,21,300	0.12
Less: Impairment in value of Investments		(0.12)		(0.12)
Total [A]		-		-
B] Investment in Preference Shares (at FVTPL) (Quoted)				
Non-Cumulative Perpetual Preference Shares of Kotak Mahindra Bank Ltd	3,00,00,000	15.00	-	-
Total [B]		15.00		-
C] Investment in Promissory Note (at amortised cost) (Unquoted)				
Convertible Promissory Note of Optmed Inc*	1	5.20	1	4.89
Less: Impairment in value of Investments		(1.31)		-
Total [C]		3.89		4.89
D] Investment in Promissory Note (at FVTPL) (Unquoted)				
Convertible Promissory Note of Clare Inc**	1	3.46	-	-
Total [D]		3.46		-
E] Other Investments (Unquoted)				
Deposits (at amortised cost)				
Infrastructure Leasing & Financials Services Limited		-		0.35
Total [E]		-		0.35

Notes forming part of the consolidated financial statements

	As at 31 st March 2019		As at 31 st March 2018	
	Qty	₹ in crores	Qty	₹ in crores
F] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of Aditya Birla Sun Life FTP-Series PJ (1135 days) - Direct Growth	1,00,00,000	10.82	1,00,00,000	10.07
• Units of Aditya Birla Sun Life FTP-Series PK (1132 days) - Direct Growth	2,00,00,000	21.59	2,00,00,000	20.11
• Units of DSP BlackRock FMP S223-39M - Direct Growth	1,50,00,000	16.27	1,50,00,000	15.14
• Units of DSP BlackRock FMP S224-39M - Direct Growth	1,50,00,000	16.21	1,50,00,000	15.09
• Units of HDFC FMP 1143D March 2018 (1) - Direct Growth - S39	1,00,00,000	10.82	1,00,00,000	10.07
• Units of IDFC Fixed Term Plan Series 140 Direct Plan - Growth (1145 days)	1,50,00,000	16.25	1,50,00,000	15.14
• Units of Kotak FMP Series 219 - Direct Growth	1,50,00,000	16.29	1,50,00,000	15.13
• Units of ICICI FMP Series 83 1105 D Plan F - Direct Growth	50,00,000	5.42	-	-
• Units of IDFC Fixed Term Plan Series 149- Direct Plan Growth	1,50,00,000	16.17	-	-
• Units of Reliance FMP XXXVII Series 12 - Direct Growth	1,00,00,000	10.83	-	-
• Units of Kotak FMP Series 251 - 1265 days Direct Plan Growth	2,00,00,000	21.01	-	-
• Units of SBI FMP Series C33 1216 days - Direct Growth	2,00,00,000	20.66	-	-
• Units of SBI Debt Fund Series C49 1178 days - Direct Plan Growth	2,00,00,000	20.08	-	-
• Units of HDFC FMP 1182D Jan 2019 (1) - Direct Growth	2,00,00,000	20.54	-	-
• Units of HDFC FMP 1126D Mar 2019 (1) - Direct Growth	2,00,00,000	20.20	-	-
• Units of ICICI Prudential Short Term Fund - Growth	1,12,15,155	45.25	-	-
• Units of Axis Banking & PSU Debt fund - Direct Plan Growth	1,16,058	20.54	-	-
• Units of IDFC Banking and PSU Debt Fund - Direct Plan Growth	1,23,89,578	20.10	-	-
• Units of SBI Banking & PSU Debt Fund - Direct Plan Growth	95,378	20.47	-	-
Total [F]		349.52		100.75
Total [A+B+C+D+E+F]		371.87		105.99
• Aggregate carrying value of quoted investments		15.00		-
• Aggregate market value of quoted investments		15.00		-
• Aggregate carrying value of unquoted investments		356.87		101.10
• Aggregate amount of Impairment in value of investments		1.43		0.12

*The Group invested in convertible promissory note of Optmed Inc, the conversion of which is subject to various covenants and an option to convert at the sole discretion of the Group upon certain future event. Management has considered and valued this investment as a 'debt instrument' and believes that the valuation of the option can be done only after the occurrence of the specific future event. During the year, Group has recognised impairment amounting to ₹ 1.31 crores (refer Note 40) and has written off the accrued interest receivable on the promissory notes amounting to ₹ 1.10 crores.

** During the year, the Group has invested in convertible promissory note which contains an embedded derivative in the form of an equity conversion option upon qualifying conditions. The Group has elected the option to measure the hybrid instrument at fair value in its entirety with changes in fair value recognised in Profit and Loss.

8 Investments - Current				
	As at 31 st March 2019		As at 31 st March 2018	
	Qty	₹ in crores	Qty	₹ in crores
A] Investment in Debentures, Bonds & Market Instruments (at FVTPL) (Quoted)				
• Tax-free bonds of Housing and Urban Development Corporation Ltd	2,00,000	21.04	-	-
• Tax-free bonds of National Housing Bank	10,000	5.48	-	-
• Tax-free bonds of Indian Railway Finance Corporation 12 Feb 22	70,000	7.56	-	-
• Tax-free bonds of Indian Railway Finance Corporation 11 Jan 26	1,000	10.39	-	-
• Secured, redeemable, non-convertible debentures of Citicorp Finance (India) Ltd	2,500	26.59	-	-
• Secured, redeemable, non-convertible debentures of HDB Financial services	250	30.38	-	-
Total [A]		101.44		-

Notes forming part of the consolidated financial statements

	As at 31 st March 2019		As at 31 st March 2018	
	Qty	₹ in crores	Qty	₹ in crores
B] Investment in Mutual Funds (at FVTPL) (Unquoted)				
• Units of Aditya Birla Sun Life Saving Fund - Growth-Regular Plan	-	-	27,39,323	93.66
• Units of UTI Treasury Adv Fund-Institutional Plan - Direct Growth Plan	-	-	2,28,954	55.26
• Units of Kotak Treasury Adv Fund - Direct Plan - Growth	-	-	3,63,21,092	102.54
• Units of DSP BR Low Duration Fund Dir Plan - G	-	-	4,85,61,619	61.88
• Units of HDFC Floating Rate IF-ST-Direct Option-WS-Growth Option	-	-	3,28,56,177	99.82
• Units of IDFC Ultra Short Term - Growth - Direct Plan	-	-	4,17,68,452	103.57
• Units of ICICI Prudential Short Term Fund - Growth	-	-	1,12,15,155	42.06
• Units of ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	-	-	1,31,84,101	32.63
• Units of ICICI Prudential Ultra Short Term - Direct Plan - Growth	-	-	4,33,00,226	79.17
• Units of IDFC Corporate Bond Fund - Direct Plan - Growth	4,81,11,596	61.87	4,81,11,596	57.59
• Units of HDFC Short Term Opportunity Fund - Dir Plan Growth Option	-	-	1,77,04,254	34.21
• Units of HDFC Medium Term Opportunity Fund - Dir Plan Growth Option	-	-	2,31,55,787	44.94
• Units of Reliance Banking & PSU Debt Fund - Direct Growth Plan	5,52,03,331	75.04	5,52,03,331	69.61
• Units of Aditya Birla Sun Life Treasury Optimizer Plan - Growth - Direct Plan	-	-	15,28,949	34.33
• Units of Aditya Birla Sun Life Short Term Fund - Growth - Direct Plan	-	-	64,44,650	43.06
• Units of SBI Short Term Debt Fund - Direct Plan - Growth	2,67,44,404	58.92	2,67,44,404	54.83
• Units of TATA Short Term Bond Fund - Direct Plan - Growth	-	-	1,30,70,486	43.83
• Units of Reliance Fixed Horizon Fund XXV-Series28-Growth Plan	-	-	1,00,00,000	14.01
• Units of Kotak Floater Short Term - Direct Growth	-	-	17,557	5.01
• Units of ICICI Prudential Liquid Plan- Direct Growth	657	0.02	7,21,703	18.56
• Units of ICICI Prudential Flexible Income Plan- Direct Growth	-	-	3,13,744	10.51
• Units of ICICI Prudential Equity Arbitrage Fund - Direct Plan Dividend - DR	6,02,48,585	87.31	-	-
• Units of Kotak Equity Arbitrage Fund - Direct Plan Fortnightly Dividend	3,92,78,155	92.46	-	-
• Units of HDFC Overnight Fund - Direct Growth	1,68,854	47.66	-	-
• Units of SBI Overnight Fund - Direct Plan Growth	1,60,785	49.72	-	-
• Units of Kotak Savings Fund - Direct Plan Growth	3,63,21,092	110.97	-	-
• Units of Aditya Birla Sun Life Banking & PSU Debt Fund - Direct Growth	15,28,949	36.99	-	-
• Units of Aditya Birla Sun Life Corporate Bond Fund - Direct Plan Growth	64,44,650	46.49	-	-
• Units of Aditya Birla Sun Life Equity Arbitrage Fund - Direct Dvd reinvt	7,90,33,020	87.13	-	-
• Units of Reliance Arbitrage Fund - Direct Dvd reinvt	6,98,70,243	90.08	-	-
• Units of HDFC Short Term Debt Fund - Direct Plan Growth	1,77,04,254	36.88	-	-
• Units of HDFC Corporate Bond Fund - Direct Plan Growth	2,31,55,787	48.48	-	-
• Units of ICICI Prudential Bond Fund - Direct Plan Growth	1,31,84,101	34.82	-	-
• Units of ICICI Prudential Corporate Bond Fund - Direct Plan Growth	4,33,00,226	85.12	-	-
TOTAL [B]		1,049.96		1,101.08
C] Other Investments				
Deposits (at amortised cost)				
• IL & FS Financial Services Limited		1.55		2.06
• Infrastructure Leasing & Financial Services Limited		7.25		11.78
		8.80		13.84
Less: Impairment in value of Investments*		(8.80)		-
TOTAL [C]		-		13.84
TOTAL [A+B+C]		1,151.40		1,114.92
• Aggregate carrying value of quoted investments		101.44		-
• Aggregate market value of quoted investments		101.44		-
• Aggregate carrying value of unquoted investments		1,049.96		1,114.92
• Aggregate amount of Impairment in value of investments		8.80		-

*During the year, the Group has recognised impairment amounting to ₹ 8.80 crores and has written off the accrued interest receivable on the deposits amounting to ₹ 1.78 crores (refer Note 40).

(₹ in crores)

9 Trade Receivables		
	As at 31 st March 2019	As at 31 st March 2018
• Secured, Considered good	87.67	71.13
• Unsecured, Considered good	968.34	867.00
• Unsecured, Considered doubtful	68.44	58.66
• Unsecured which have Significant Increase in Credit Risk	-	-
• Unsecured, Credit Impaired	-	-
	1,124.45	996.79
Less: Allowance for expected credit loss	(68.44)	(58.66)
TOTAL	1,056.01	938.13

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the receivables days and the rates vary with the business of Parent and each Subsidiary.

Trade receivables includes receivables from Companies/firms where directors are directors/members/partners (refer Note 46).

Movement in expected credit loss allowance		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Balance at the beginning of the year	58.66	35.87
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	9.78	22.79
Balance at the end of the year	68.44	58.66

A formal credit policy has been framed and credit facilities are given to dealers within framework of credit policy. As per credit risk management mechanism, a policy for doubtful debt has been formulated and risk exposure related to receivable are identified based on criteria mentioned in policy and provided for credit loss allowance.

10 Loans - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
Unsecured, Considered good		
Loans and Advances to Employees & Others *	3.06	3.43
Loans to Joint Venture *	4.36	2.48
Less: Impairment in value of loan **	(4.36)	-
	-	2.48
TOTAL	3.06	5.91

* Loans given for business purpose.

** During the year, Group has recognised impairment amounting to ₹ 4.36 crores for the loan given to Joint Venture and ₹ 1.77 crores for investment made in Joint Venture (refer Note 40).

11 Loans - Current		
	As at 31 st March 2019	As at 31 st March 2018
Unsecured, Considered good		
Loans and Advances to Employees & Others*	12.12	11.85
TOTAL	12.12	11.85

*Loans given for business purpose.

(₹ in crores)

12 Other Financial Assets - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
Security Deposit	16.74	15.22
Fixed Deposits with Banks with original maturity of more than 12 months*	3.52	4.53
Retention Money Receivable	21.47	19.04
Other Receivables		
Unsecured, Considered good	0.01	0.02
Considered doubtful	1.74	1.74
	1.75	1.76
Less: Allowance for doubtful balances	(1.74)	(1.74)
	0.01	0.02
TOTAL	41.74	38.81
* Includes Fixed Deposit under lien	-	0.06

13 Other Financial Assets - Current		
	As at 31 st March 2019	As at 31 st March 2018
Security Deposit		
Unsecured, Considered good	8.19	5.43
Considered doubtful	0.45	0.49
	8.64	5.92
Less: Allowance for doubtful balances	(0.45)	(0.49)
	8.19	5.43
Derivative assets towards foreign exchange forward contracts	0.03	0.12
Retention Money Receivable		
Unsecured, Considered good	13.64	13.46
Considered doubtful	0.51	0.58
	14.15	14.04
Less: Allowance for doubtful balances	(0.51)	(0.58)
	13.64	13.46
Uncertified Revenue from Works Contract	45.03	37.50
Other Receivables*	4.72	8.98
TOTAL	71.61	65.49
* Includes Windmill income and Insurance claim receivable.		

14 Cash and Cash Equivalents		
	As at 31 st March 2019	As at 31 st March 2018
Cash and Cash Equivalents		
Cash on Hand	0.29	0.28
Cheques on Hand	27.82	49.79
Balance with banks		
In Current Account	71.70	89.96
In EEFC Account	20.00	7.74
In Fixed Deposit Accounts with original maturity of 3 months or less	8.31	1.57
TOTAL	128.12	149.34
Cash and Cash Equivalents (as above)	128.12	149.34
Cash Credits and Bank Overdrafts (refer Note 24)	(55.18)	(57.85)
Cash and Cash equivalents (as per Statement of Cash Flows)	72.94	91.49

(₹ in crores)

15 Bank Balances other than Cash and Cash Equivalents above		
	As at 31 st March 2019	As at 31 st March 2018
Balance with banks		
In Current Account (Balances with restriction on repatriation)	-	0.34
In Escrow Account	0.04	6.64
Other Bank Balance		
In Fixed Deposit Accounts with original maturity of more than 12 months (refer Note a)	0.29	0.42
In Fixed Deposit Accounts with original maturity of more than 3 months but less than 12 months (refer Note a)	60.13	5.84
Earmarked Account		
Dividend Payment Bank Account	1.85	1.00
TOTAL	62.31	14.24
a. Includes Fixed Deposit under lien	2.57	2.49

16 Inventories (at lower of cost and net realisable value)		
	As at 31 st March 2019	As at 31 st March 2018
Raw Material and Packing Material	404.72	351.63
Work-in-Progress	84.02	66.84
Finished Goods	321.24	291.38
Stock-in-Trade (acquired for trading)	118.63	90.46
Stores and Spares	5.84	4.02
TOTAL	934.45	804.33
Goods-in-Transit included above		
Raw Material and Packing Material	43.99	47.22
Work-in-Progress	1.80	3.22
Finished Goods	43.90	43.81
Stock-in-Trade (acquired for trading)	6.28	2.52
TOTAL	95.97	96.77
a. The cost of inventories recognised as an expense during the year in respect of continuing operations was ₹ 3,586.58 crores (₹ 2,887.65 crores for the year ended 31 st March 2018).		
b. The cost of inventories recognised as an expense includes ₹ 0.27 crores in respect of write-downs of inventory to net realisable value (₹ 0.17 crores for the year ended 31 st March 2018).		
c. The mode of valuation of inventories has been stated in Note 2.14.		

17 Income Tax Assets (net) - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
Advance Payment of Taxes (net of provisions)	102.06	64.82
TOTAL	102.06	64.82

(₹ in crores)

18 Current Tax Assets (net)			
		As at 31 st March 2019	As at 31 st March 2018
Advance Payment of Taxes (net of provisions)		2.62	28.64
TOTAL		2.62	28.64

19 Other Non-Current Assets			
		As at 31 st March 2019	As at 31 st March 2018
Unsecured, Considered good			
Capital Advances		19.93	13.40
Prepaid Expenses		41.53	42.63
Balance with Government Authorities*		27.43	23.31
TOTAL		88.89	79.34

* Includes amounts paid under protest against Sales Tax claims disputed by the Company (shown under contingent liabilities), Excise Duty rebates, GST refunds, etc.

20 Other Current Assets			
		As at 31 st March 2019	As at 31 st March 2018
Export Benefits receivable			
Unsecured, Considered good		11.63	12.73
Considered doubtful		0.20	-
		11.83	12.73
Less: Allowance for doubtful balances		(0.20)	-
		11.63	12.73
Balance with Government Authorities*			
Unsecured, Considered good		111.77	117.41
Considered doubtful		0.07	0.06
		111.84	117.47
Less: Allowance for doubtful balances		(0.07)	(0.06)
		111.77	117.41
Advances to Vendors			
Unsecured, Considered good		26.86	32.82
Considered doubtful		0.10	0.10
		26.96	32.92
Less: Allowance for doubtful balances		(0.10)	(0.10)
		26.86	32.82
Prepaid Expenses		13.10	11.13
Prepaid Gratuity (net) (refer Note 50)		-	1.40
TOTAL		163.36	175.49

* Includes input tax credit, VAT, Service Tax/ GST receivable, etc.

(₹ in crores)

	As at 31 st March 2019	As at 31 st March 2018
21 Equity Share Capital		
Authorised Capital:		
70,00,00,000 Equity Shares of ₹ 1 each	70.00	70.00
(70,00,00,000 Equity Shares of ₹ 1 each as at 31 st March 2018)		
TOTAL	70.00	70.00
Issued, Subscribed and Paid-up Capital:		
50,79,78,280 Equity Shares of ₹ 1 each, fully paid up	50.80	50.78
(50,78,10,330 Equity Shares of ₹ 1 each as at 31 st March 2018)		
TOTAL	50.80	50.78

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

	Number of Shares	₹ in crores
Balance as at 1st April 2017	51,26,82,730	51.27
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	1,06,000	0.01
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016*	21,600	0.00
Buy-back of Shares [refer Note 56 (a)]	(50,00,000)	(0.50)
Balance as at 31st March 2018	50,78,10,330	50.78
Shares issued during the year on exercise of options under Employee Stock Option Scheme - 2012	1,19,400	0.01
Shares issued during the year on exercise of options under Employee Stock Option Plan - 2016**	48,550	0.00
Balance as at 31st March 2019	50,79,78,280	50.80

* Issue of equity shares under Employee Stock Option Plan-2016 amounts to ₹ 21,600 during the year 2017-18.

** Issue of equity shares under Employee Stock Option Plan-2016 amounts to ₹ 48,550 during the year 2018-19.

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 14th May 2019 declared a final dividend of ₹ 6.50 per equity share of ₹ 1 each, subject to approval of the shareholders at the ensuing Annual General Meeting.

During the year ended 31st March 2019, the Company had paid Final Dividend of ₹ 6.00 per equity share of ₹ 1 each for the financial year 2017-18.

During the year ended 31st March 2018, the Company had paid Final Dividend of ₹ 4.75 per equity share of ₹ 1 each for the financial year 2016-17.

c. Details of shareholders holding more than 5% shares in the Company:				
	As at 31 st March 2019		As at 31 st March 2018	
	Number of Shares held	% of Holding	Number of Shares held	% of Holding
Shri Madhukar Balvantray Parekh	5,27,62,286	10.39	5,27,62,286	10.39
Shri Narendrakumar Kalyanji Parekh	5,42,73,688	10.69	5,42,73,688	10.69
Shri Ajay Balvantray Parekh	4,74,33,489	9.34	4,74,33,489	9.34
Shri Sushilkumar Kalyanji Parekh	4,18,17,646	8.23	4,18,17,646	8.23
Devkalyan Sales Pvt Ltd	2,62,24,280	5.16	2,62,24,280	5.16

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 2019	As at 31 st March 2018
	Number of Shares	Number of Shares
Equity Shares		
Buy-back of Shares [refer Note 56 (a)]	50,00,000	50,00,000

e. Equity Shares reserved for issuance under Employee Stock Option Scheme/Plan:		
	As at 31 st March 2019	As at 31 st March 2018
	Number of Shares	Number of Shares
Equity Shares of ₹ 1 each under Employee Stock Option Scheme-2012	34,200	34,200
Equity Shares of ₹ 1 each under Employee Stock Option Plan-2016	41,14,100	43,99,400

(₹ in crores)

22 Other Equity	As at 31 st March 2019	As at 31 st March 2018
Capital Reserve	0.34	0.34
Securities Premium Reserve	10.01	-
Capital Redemption Reserve	0.50	0.50
Cash Subsidy Reserve	0.95	0.95
Legal Reserve	0.24	0.24
State Investment Reserve	0.15	0.15
Share Options Outstanding Account	9.65	9.03
Foreign Currency Translation Reserve	14.36	7.31
General Reserve	1,335.38	1,335.38
Retained Earnings	2,725.71	2,169.36
TOTAL	4,097.29	3,523.26

22.1 Capital Reserve	As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year	0.34	0.34
Add/ (Less): Additions/ (Deductions) during the year	-	-
Closing Balance	0.34	0.34

Capital Reserve represents excess of net assets acquired in past amalgamation. It is not available for the distribution to shareholders as dividend.

22.2 Securities Premium Reserve	As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year	-	66.36
Add: Premium on Shares issued against ESOP	10.01	7.21
Less: Amount paid on account of Buy-back of Shares [refer Note 56 (a)]	-	(73.57)
Closing Balance	10.01	-

Security Premium Account is created when shares are issued at premium. The Group may issue fully paid-up bonus shares to its members out of the Securities Premium Reserve Account, and Company can use this reserve for buy-back of shares.

22.3 Capital Redemption Reserve	As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year	0.50	-
Add: Transferred from General Reserve on Buy-back of Shares [refer Note 56 (a)]	-	0.50
Closing Balance	0.50	0.50

The Group has recognised Capital Redemption Reserve on buy-back of equity shares from its General Reserve. The amount in Capital Redemption Reserve is equal to the nominal amount of equity shares bought back. The reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in crores)

22.4 Cash Subsidy Reserve		
	As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year	0.95	0.95
Add/ (Less): Additions/ (Deductions) during the year	-	-
Closing Balance	0.95	0.95

Cash Subsidy Reserve represents subsidies received from state governments. It is not available for the distribution to shareholders as dividend.

22.5 Legal Reserve		
	As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year	0.24	0.24
Add/ (Less): Additions/ (Deductions) during the year	-	-
Closing Balance	0.24	0.24

According to Thai Civil and Commercial Code, the Company is required to set aside to a statutory reserve an amount equal to at least five percent of its net profit each time the Company pays out a dividend, until such reserve reaches ten percent of its registered share capital. The statutory reserve cannot be used for dividend payment. At present, the statutory reserve has fully been set aside.

22.6 State Investment Reserve		
	As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year	0.15	0.15
Add/ (Less): Additions/ (Deductions) during the year	-	-
Closing Balance	0.15	0.15

State Investment Reserve represents subsidies received by Hybrid Coatings from state government for capital investment. It is not available for the distribution to shareholders as dividend.

22.7 Share Options Outstanding Account		
	As at 31 st March 2019	As at 31 st March 2018
Employees Stock Options Outstanding		
Balance at the beginning of the year	12.54	15.84
Add: Options granted during the year	27.87	4.22
Less: Transferred to Securities Premium on Options exercised during the year	(10.01)	(7.21)
Less: Lapsed during the year	(1.02)	(0.31)
Closing Balance (A)	29.38	12.54
Deferred Employees Stock Options Cost		
Balance at the beginning of the year	(3.51)	(4.83)
Less: Options granted during the year	(27.87)	(4.22)
Add: Exercised during the year	1.64	0.74
Add: Amortised during the year	9.51	4.64
Add: Lapsed during the year	0.50	0.16
Closing Balance (B)	(19.73)	(3.51)
Closing Balance (A+B)	9.65	9.03

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in Note 48.

(₹ in crores)

22.8 Foreign Currency Translation Reserve		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		7.31	9.02
Less: Exchange difference arising on translatory foreign operations		7.05	(1.71)
Closing Balance		14.36	7.31

Foreign Currency Translation Reserve arises as a result of translating the financial statement items from the functional currency into the Group's presentational currency i.e. Indian Rupee.

22.9 General Reserve		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		1,335.38	1,764.70
Less: Transferred to Capital Redemption Reserve on Buy-back of Shares [refer Note 56 (a)]		-	(0.50)
Less: Amount paid on account of Buy-back of Shares [refer Note 56 (a)]		-	(425.93)
Less: Transaction cost related to Buy-back of Shares (net of tax) [refer Note 56 (a)]		-	(2.89)
Closing Balance		1,335.38	1,335.38

General Reserve is created by a transfer from one component of equity to another and is not an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

22.10 Retained Earnings		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		2,169.36	1,566.87
Add: Profit for the year		924.91	962.35
Add/ (Less): Other Comprehensive Income for the year, net of income tax		(4.24)	0.01
Less: Payment of Dividend		(304.69)	(243.52)
Less: Tax on Dividend		(59.63)	(49.57)
Less: Gross obligation towards acquisition		-	(66.78)
Closing Balance		2,725.71	2,169.36

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering requirements of the Companies Act, 2013.

23 Borrowings - Non-Current		As at 31 st March 2019	As at 31 st March 2018
Unsecured- Term Loan from Bank		8.51	7.11
TOTAL		8.51	7.11

Unsecured term loan from bank for an international subsidiary carries an interest rate of SLIBOR+0.80% p.a., AWPLR - 0.50% p.a. (SLIBOR+0.80% p.a., AWPLR - 1.40% p.a. as at 31st March 2018) and for domestic subsidiaries carries interest rate of 12.00% p.a. as at 31st March 2018. The maturity date for international subsidiaries varies from December 2020 to October 2024 which is repayable in 16 quarterly instalments.

(₹ in crores)

24 Borrowings - Current		As at 31 st March 2019	As at 31 st March 2018
Secured - at amortised cost			
1)	Loans repayable on demand from banks		
	i) Working Capital Demand Loan	27.44	25.79
	ii) Cash Credit	4.42	8.62
	iii) Bank Overdraft	18.93	16.73
2)	Short Term Loans from Banks - Buyer's Credit	-	8.54
3)	Amount due on Factoring	10.43	4.48
Unsecured - at amortised cost			
1)	Loans repayable on demand from banks		
	i) Working Capital Demand Loan	9.49	18.61
	ii) Bank Overdraft	31.83	32.50
2)	Amount due on Factoring	-	0.17
TOTAL		102.54	115.44

Secured

- 1) i) Secured working capital demand loan for domestic subsidiaries carries interest rate of 9.10% - 9.35% p.a. (8.50% - 9.90% p.a. as at 31st March 2018) and for international subsidiaries at 4.44% p.a. (4.13% p.a. as at 31st March 2018). The group working capital demand loan is secured by receivables, inventories, outstanding monies and other assets.
- ii) Secured cash credit facility interest rate for domestic subsidiaries is 9.65% p.a. (10.10% - 11.50% p.a. as at 31st March 2018) and secured against hypothecation of inventory and receivables.
- iii) Secured bank overdraft for domestic subsidiaries carries interest rate of 9.60% to 9.80% p.a. (9.30% - 9.40% p.a. as at 31st March 2018) and for international subsidiaries at AWPLR + 0.35% p.a. (AWPLR + 0.35% p.a. as at 31st March 2018). It is secured by way of charge on receivables and inventory.
- 2) Secured buyer's credit facility for domestic subsidiaries carries interest rate of 2.50% - 9.40% p.a. as at 31st March 2018. The maturity period varies from 3-6 months. These are secured by first charge by way of hypothecation of the Company's entire stock of materials, such other moveables including book-debts, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank, ranking pari passu with other participating banks.
- 3) Secured amount due on factoring for domestic subsidiaries carries interest rate (including factoring cost) of 11.00% to 11.75% p.a. (11.75% p.a. as at 31st March 2018). It is secured by a charge against certain trade receivables.

Unsecured

- 1) i) Unsecured working capital demand loan of international subsidiaries carries interest rate of 9.94% p.a. (9.94% p.a. as at 31st March 2018).
- ii) Unsecured bank overdraft for international subsidiaries carries interest rate of EIBOR + 1.85% p.a. (EIBOR + 1.85% p.a. as at 31st March 2018).
- 2) Unsecured amount due on factoring for international subsidiaries carries interest rate of 13.20% p.a. as at 31st March 2018.

(₹ in crores)

25 Trade Payables		As at 31 st March 2019	As at 31 st March 2018
Trade Payables			
Total outstanding dues of micro enterprise and small enterprises		31.55	22.33
Total outstanding dues of creditors other than micro enterprise and small enterprises		549.09	521.48
TOTAL		580.64	543.81

(₹ in crores)

26 Other Financial Liabilities - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
BTA payable (refer Note 44)	2.89	2.42
Contingent consideration payable	-	11.23
Payable on purchase of assets	3.11	8.31
Gross obligation towards acquisition (refer Note 52)	76.17	66.78
Retention money payable	2.99	1.29
Employees related liabilities	0.82	1.21
TOTAL	85.98	91.24
27 Other Financial Liabilities - Current		
	As at 31 st March 2019	As at 31 st March 2018
Unclaimed Dividend	1.85	1.00
BTA payable (refer Note 44)	0.46	2.40
Contingent consideration payable (refer Note 44)	7.81	3.68
Payable on purchase of assets	9.60	6.11
Trade/ Security Deposit received	109.96	95.01
Liabilities for expenses	320.01	293.39
Derivative liabilities towards foreign exchange forward contracts	1.27	0.08
Current portion of non-current borrowings (refer Note 23)	1.69	2.02
Retention money payable	11.41	9.08
Employees related liabilities	33.16	30.35
TOTAL	497.22	443.12
28 Other Current Liabilities		
	As at 31 st March 2019	As at 31 st March 2018
Statutory remittances	57.10	42.06
Advance from customers	27.69	31.28
Other liabilities	4.76	5.75
TOTAL	89.55	79.09
29 Provisions - Non-Current		
	As at 31 st March 2019	As at 31 st March 2018
Provision for Employee Benefits		
Gratuity (net) (refer Note 50)	3.70	2.20
Compensated Absences	32.71	27.43
Anniversary Awards	1.03	1.27
Premature Death Pension Scheme	1.34	1.05
Total Disability Pension Scheme	0.27	0.21
Other Retirement Benefits	3.91	2.96
Provision for warranty expenses (refer Note 55)	-	0.53
Others (refer Note 55)	0.97	2.52
TOTAL	43.93	38.17

(₹ in crores)

30 Provisions - Current		
	As at 31 st March 2019	As at 31 st March 2018
Provision for Employee Benefits		
Gratuity (net) (refer Note 50)	4.79	0.58
Compensated Absences	12.27	11.21
Anniversary Awards	0.18	0.20
Premature Death Pension Scheme	0.01	0.01
Total Disability Pension Scheme	0.04	0.03
Other Retirement Benefits	1.23	0.83
Provision for warranty expenses (refer Note 55)	1.27	0.21
TOTAL	19.79	13.07

31 Current Tax Liabilities (net)		
	As at 31 st March 2019	As at 31 st March 2018
Provision for Tax (net of Advance Tax)	10.97	13.70
TOTAL	10.97	13.70

32 Revenue from Operations		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Revenue from Operations*		
Sale of Products	6,714.18	5,942.26
Sale of Services	320.62	230.49
TOTAL (A)	7,034.80	6,172.75
Other Operating Revenue		
Scrap Sales	13.65	11.19
Export Incentives	15.67	14.12
GST Refund	8.60	16.75
Others	6.02	3.95
TOTAL (B)	43.94	46.01
TOTAL (A+B)	7,078.74	6,218.76

* The Group disaggregated revenues from contracts with customers by customer type and by geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors. For geographically and customerwise breakup of revenue, refer Note 47.

Further, the Group derives its revenue from the transfer of goods at a point in time for its major service lines. This is consistent with the revenue information that is disclosed for each reportable segment under Ind AS 108.

Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Contracted Price*	7,636.75	6,693.99
Reduction towards variable consideration components	601.95	521.24
Revenue Recognised*	7,034.80	6,172.75

The reduction towards variable consideration includes discounts, rebates, incentives, promotional couponing and schemes.

*Previous year includes Excise Duty of ₹ 140.35 crores.

(₹ in crores)

33 Other Income		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Interest on:		
Bank Deposit (at amortised cost)	2.75	0.68
Overdue Trade Receivables	0.56	0.65
Tax Free Bonds (at FVTPL)	2.03	-
Income Tax Refund	11.26	-
Others	4.00	6.11
Dividend on:		
Investments in Mutual Funds and Others (at FVTPL)	10.02	15.58
Other Non-Operating Income:		
Windmill Income	1.44	3.77
Insurance claim received	0.59	0.72
Liabilities no longer required written back	16.21	14.15
Rental Income from Operating Leases	2.25	2.21
Net gain arising on financial assets designated as at FVTPL	88.09	92.42
Profit on Sale of Assets (net)	0.72	6.53
Miscellaneous Income	6.72	5.59
TOTAL	146.64	148.41
34 Cost of Materials Consumed		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Inventory at the beginning of the year	351.63	273.72
Add: Purchases	3,318.60	2,631.26
Add: Acquisitions through business combinations (refer Note 52)	-	11.67
	3,670.23	2,916.65
Less: Inventory at the end of the year	404.72	351.63
TOTAL	3,265.51	2,565.02
35 Change in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Inventories at the end of the year		
Stock-in-Trade	118.63	90.46
Work-in-Progress	84.02	66.84
Finished Goods	321.24	291.38
Total (A)	523.89	448.68
Acquisitions through business combinations (refer Note 52)		
Work-in-Progress	-	5.28
Finished Goods	-	3.57
Total (B)	-	8.85
Inventories at the beginning of the year		
Stock-in-Trade	90.46	90.47
Work-in-Progress	66.84	56.43
Finished Goods	291.38	296.70
Total (C)	448.68	443.60
TOTAL (C+B-A)	(75.21)	3.77

(₹ in crores)

36 Employee Benefits Expense		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Salaries and Wages	758.34	647.07
Contribution to Provident and Other Funds (refer Note 50)	42.46	37.29
Share-based Payments to Employees (refer Note 48)	10.65	5.23
Staff Welfare Expenses	25.21	22.81
TOTAL	836.66	712.40

37 Finance Costs		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Interest expense on:		
Borrowings	7.50	7.86
Unwinding of Liabilities (refer Note 52 and 44)	11.04	1.40
Dealer Deposits & others	7.53	6.28
TOTAL	26.07	15.54

38 Depreciation, Amortisation and Impairment Expense		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Depreciation on Property, Plant and Equipment (refer Note 4)	105.79	98.84
Amortisation of Other Intangible Assets (refer Note 5)	21.03	21.04
Impairment in value of Capital Work-in-Progress (refer Note 4)	5.92	-
TOTAL	132.74	119.88

(₹ in crores)

39 Other Expenses			For the year ended 31 st March 2019	For the year ended 31 st March 2018
	Consumption of Stores and Spares		29.63	21.31
	Clearing, Forwarding and Octroi Duty		279.61	240.86
	Power and Fuel		63.06	56.09
	Contract Labour		53.72	47.15
	Water Charges		3.37	3.07
	Rent (refer Note 54)		48.95	43.55
	Rates and Taxes		5.72	4.47
	Insurance		6.01	5.40
	License Fees		0.99	0.80
	Repairs:			
	Buildings	9.55		9.23
	Machinery	19.77		17.60
	Others	10.30		14.13
			39.62	40.96
	Directors' Fees		0.47	0.48
	Advertisement and Publicity		229.89	212.69
	Legal, Professional and Consultancy Fees		46.89	42.68
	Communication Expenses		16.57	19.09
	Printing and Stationery		8.65	7.34
	Travelling and Conveyance Expenses		111.64	97.71
	Bad Debts		5.01	2.09
	Provision for Doubtful Debts		9.78	22.79
	Processing and Packing Charges		77.51	74.98
	Sales Commission		12.06	14.70
	Payments to Auditor (refer Note a)		2.19	2.02
	Donations		0.91	0.37
	Corporate Social Responsibility Expenses		24.14	22.24
	Loss on Fixed Assets Sold/ Discarded (net)		2.43	-
	Net Loss on Foreign Currency Transactions and Translation		7.96	3.67
	Miscellaneous Expenses		200.51	150.63
	TOTAL		1,287.29	1,137.14
a. Details of Payments to Auditor (net of Service Tax/ GST)				
	a) Auditor		1.75	1.55
	b) Tax Matters		0.16	-
	c) Other Services		0.27	0.43
	d) Reimbursement of Expenses		0.01	0.04
	TOTAL		2.19	2.02
40 Exceptional Items				
	Provision for Diminution/ Impairment in value of Investment (including loan given to Joint Venture)		18.02	-
	TOTAL		18.02	-

41 a) Associates and Joint Ventures					
A. (i) Details of Associate					
Name of Associate	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Group		
			As at 31 st March 2019	As at 31 st March 2018	
Vinyl Chemicals (India) Ltd	Trading in chemicals	India	40.64%	40.64%	
					(₹ in crores)
(ii) Financial information in respect of Associate					
Particulars			For the year ended 31 st March 2019	For the year ended 31 st March 2018	
Group's share of profit			3.60	4.75	
Group's share of Other Comprehensive Income			-	-	
Group's share of Total Comprehensive Income			3.60	4.75	
(iii) Reconciliation with carrying amount of investment					
Particulars			As at 31 st March 2019	As at 31 st March 2018	
Net assets of the Associate excluding dividend adjustment			57.20	54.33	
Share in accumulated Profits/ Reserves (%)			40.64%	40.64%	
Share in accumulated Profits/ Reserves			23.25	22.08	
Investment in Equity Share Capital			1.18	1.18	
Total Investment			24.43	23.26	
B. (i) Details of Joint Venture					
Name of Joint Venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest/ voting rights held by the Group		
			As at 31 st March 2019	As at 31 st March 2018	
Plus Call Technical Services LLC	Flooring, tiling, painting, concrete work and related contracting activities	United Arab Emirates	40.00%	40.00%	
					(₹ in crores)
(ii) Financial information in respect of Joint Venture					
Particulars			For the year ended 31 st March 2019	For the year ended 31 st March 2018	
Group's share of profit/ (loss)			-	(0.16)	
Group's share of Other Comprehensive Income			-	-	
Group's share of Total Comprehensive Income			-	(0.16)	

(₹ in crores)

41 b) Non-Controlling Interest			
		As at 31 st March 2019	As at 31 st March 2018
Balance at the beginning of the year		175.01	127.32
Share of Profit for the year		3.48	3.74
Share of Other Comprehensive Income for the year		(0.05)	0.16
Non-Controlling Interests arising on the acquisition of:			
Cipy Polyurethanes Pvt Ltd		-	20.15
Additional non-controlling interests arising on increase in capital of:			
Pidilite Lanka (Pvt) Ltd		2.11	2.84
ICA Pidilite Pvt Ltd		26.60	20.80
TOTAL		207.15	175.01

Non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiaries	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	
		As at 31 st March 2019	As at 31 st March 2018
Nina Percept Pvt Ltd [refer Note 56(b)]	India	28%	30%
ICA Pidilite Pvt Ltd	India	50%	50%
Cipy Polyurethanes Pvt Ltd	India	30%	30%
Building Envelope Systems India Pvt Ltd	India	40%	40%
Bamco Supply and Services Ltd	Thailand	49%	49%

(₹ in crores)

Name of subsidiaries	Profit/ (Loss) allocated to non-controlling interests		Other Comprehensive Income		Accumulated non-controlling interest	
	For the year ended 31 st March 2019	For the year ended 31 st March 2018	For the year ended 31 st March 2019	For the year ended 31 st March 2018	As at 31 st March 2019	As at 31 st March 2018
Nina Percept Pvt Ltd [refer Note 56(b)]	2.88	5.02	(0.11)	(0.06)	41.14	38.37
ICA Pidilite Pvt Ltd	(4.35)	(2.46)	(0.03)	0.02	121.25	99.03
Cipy Polyurethanes Pvt Ltd	4.41	0.31	(0.11)	(0.01)	24.75	20.45
Building Envelope Systems India Pvt Ltd	0.52	0.88	-	-	8.66	8.14
Bamco Supply and Services Ltd	0.75	0.09	0.08	0.18	3.78	2.95
Individually immaterial subsidiaries with non-controlling interests	(0.73)	(0.10)	0.12	0.03	7.57	6.07
TOTAL	3.48	3.74	(0.05)	0.16	207.15	175.01

(₹ in crores)

42 Contingent Liabilities and Commitments		
	As at 31 st March 2019	As at 31 st March 2018
A) Contingent liabilities not provided for:		
1. Claims against the Group not acknowledged as debts comprises of		
a) Income Tax demand against the Group not provided for and relating to issues of deduction and allowances in respect of which the Group is in appeal	31.37	41.17
b) Excise Duty and Service Tax claims disputed by the Group relating to issues of classifications	31.13	15.65
c) Sales Tax (VAT, CST, Entry Tax and GST) claims disputed by the Group relating to issues of declaration forms and classifications	182.14	122.80
d) Other Matters (relating to disputed Electricity Duty, Gram Panchayat Tax, open access charges, etc.)	5.49	6.39
2. Guarantees given by Banks in favour of Government and others*	62.72	73.38
* Guarantees given are for business purpose.		
B) Commitments:		
a) Estimated amount of contracts, net of advances, remaining to be executed on Property, Plant and Equipment and not provided for	71.06	66.22
b) For other commitments, refer Note 49 (E) (ii) Financial instruments, 52 and 44 Business combinations, 54 Operating leases		
c) The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement. As such, the Company has, based on legal advice and as a matter of caution, made provision for an estimated amount on a prospective basis.		

(₹ in crores)

43 Research & Development Expenditure		
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Capital expenditure included in Property, Plant and Equipment	1.27	5.73
Revenue expenditure charged to Statement of Profit and Loss	64.89	51.71
TOTAL	66.16	57.44

44	<p>(i) During the financial year 2016-17, pursuant to a Business Transfer Agreement (BTA) entered into by the Company with ITALCOATS, Mr Pratik M Mehta & Mr Mahendra N Mehta (collectively referred as "Seller", ICA Pidilite Pvt Ltd Acquired the Wood Finish Distribution Business (the "Business") from a "Seller" as a going concern and on a slump sale basis, with effect from 25th April 2016.</p> <p>As per the agreements, a maximum earn out value (contingent consideration) of ₹ 45 crores was payable based upon achievement of defined milestone of Net Sales and Gross Margins over a period of 3 years starting closure of financial year 2016-17. The balance contingent consideration payable as on 31st March 2019 is ₹ 7.81 crores (refer Note 27).</p>
	<p>(ii) During the financial year 2015-16, pursuant to a Business Transfer Agreement (BTA) entered into by Nina Percept Waterproofing Pvt Ltd formerly known as Nina Waterproofing Systems Pvt Ltd (the "subsidiary") with Nina Concrete Systems Private Limited (NCSPL), the subsidiary acquired the waterproofing business (the "Business"), including all its assumed assets and assumed liabilities of NCSPL, a private limited Company based in India (the "Seller"), as a going concern and on a slump sale basis for a lump-sum consideration, with effect from 17th April 2015.</p> <p>The terms and conditions of the BTA included a total purchase consideration of ₹ 82.02 crores, out of which, ₹ 78.67 crores was paid by the subsidiary to the seller as of 31st March 2019. A balance amount of ₹ 3.35 (refer Note 26 & 27) crores including holdback amount will be payable by the subsidiary to the Seller by 16th April 2020 (The terms of BTA agreement is extended till 15th April 2020). An amount of Net Working Capital i.e. Receivables, Inventories, Retention Monies Receivables, etc. which would not have been fully realised by 15th April 2020 shall be deducted by the subsidiary from the holdback amount payable to the seller or would be recovered from the seller.</p>

45 Earnings Per Share (EPS)

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

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Basic:		
Profit attributable to shareholders of the Company (₹ in crores)	924.91	962.35
Weighted average number of equity shares in calculating basic EPS	50,78,95,621	50,78,58,798
Par value per share (₹)	1.00	1.00
Earning per share (Basic) (₹)	18.21	18.95
Diluted:		
Profit attributable to shareholders of the Company (₹ in crores)	924.91	962.35
Weighted average number of equity shares in calculating basic EPS	50,78,95,621	50,78,58,798
Add: Effect of Employee Stock Option Scheme/Plan	3,18,250	2,06,700
Weighted average number of equity shares in calculating diluted EPS	50,82,13,871	50,80,65,498
Par value per share (₹)	1.00	1.00
Earning per share (Diluted) (₹)	18.20	18.94

46 Related Party Disclosures

Related Party Disclosures as required by Ind-AS 24, "Related Party Disclosure" are given below:

(i) Relationships:

a.	Vinyl Chemicals (India) Ltd	Associate
b.	Plus Call Technical Services LLC	Joint Venture
c.	Parekh Marketing Ltd	Significant Influence of KMP
d.	Pargro Investment Pvt Ltd	Significant Influence of KMP

(ii) Key Management Personnel (KMP):

a.	Shri M B Parekh	Executive Chairman
b.	Shri Bharat Puri	Managing Director
c.	Shri A B Parekh	Whole Time Director
d.	Shri A N Parekh	Whole Time Director
e.	Shri Sabyasachi Patnaik	Whole Time Director

(iii) Close member of Key Management Personnel:

a.	Smt Mala M Parekh	Wife of Executive Chairman
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(₹ in crores)

46 (iv) Transactions with Related Parties for the year ended 31st March 2019 are as follows:

Nature of Transaction	For the year ended 31 st March 2019			For the year ended 31 st March 2018		
	Associate and Joint Venture	KMP/Significant Influence of KMP/Close member of KMP	Total	Associate and Joint Venture	KMP/Significant Influence of KMP/Close member of KMP	Total
a. Sales and Related Income						
Parekh Marketing Ltd	-	98.70	98.70	-	85.26	85.26
Sub-Total (a)	-	98.70	98.70	-	85.26	85.26
b. Dividend Received						
Vinyl Chemicals (India) Ltd	2.16	-	2.16	1.34	-	1.34
Sub-Total (b)	2.16	-	2.16	1.34	-	1.34
c. Purchase of Goods						
Vinyl Chemicals (India) Ltd	552.41	-	552.41	348.52	-	348.52
Sub-Total (c)	552.41	-	552.41	348.52	-	348.52
d. Rent Paid/ (Received)						
Smt Mala Parekh	-	0.78	0.78	-	0.73	0.73
Parekh Marketing Ltd	-	0.07	0.07	-	-	-
Pargro Investment Pvt Ltd	-	(0.06)	(0.06)	-	(0.07)	(0.07)
Sub-Total (d)	-	0.79	0.79	-	0.66	0.66
e. Compensation of Key Management Personnel of the Company:						
Remuneration/ Commission to Directors:						
(Short Term Employee benefits)						
- Shri M B Parekh	-	3.98	3.98	-	3.88	3.88
- Shri Bharat Puri	-	26.45	26.45	-	21.18	21.18
- Shri A B Parekh	-	6.58	6.58	-	6.42	6.42
- Shri A N Parekh	-	5.57	5.57	-	5.41	5.41
- Shri Sabyasachi Patnaik	-	2.82	2.82	-	2.51	2.51
Sub-Total	-	45.40	45.40	-	39.40	39.40
Share-based payments						
Shri Bharat Puri	-	11.03	11.03	-	0.01	0.01
Shri Sabyasachi Patnaik	-	0.37	0.37	-	-	-
Sub-Total	-	11.40	11.40	-	0.01	0.01
f. Outstanding Balances:						
- Trade Receivables (net)						
Parekh Marketing Ltd	-	19.05	19.05	-	15.04	15.04
Pargro Investment Pvt Ltd	-	-	-	-	0.01	0.01
Sub-Total	-	19.05	19.05	-	15.05	15.05
- Loans and Advances						
Plus Call Technical Services LLC	-	-	-	2.48	-	2.48
Sub-Total	-	-	-	2.48	-	2.48
- Trade Payables (net)						
Vinyl Chemicals (India) Ltd	49.95	-	49.95	29.76	-	29.76
Sub-Total	49.95	-	49.95	29.76	-	29.76

All figures above are inclusive of GST (wherever applicable)

47 Segment information

Business Segment: The Company has Consumer & Bazaar Products and Industrial Products as its reportable segments based on customer type. Consumer & Bazaar products consists of mainly Adhesives, Sealants, Art Materials and Construction Chemicals. Industrial Products consists of Organic Pigment, Industrial Resins and Industrial Adhesives. Others largely comprises manufacture and sale of Speciality Acetates. Operating Segment disclosures are consistent with the information provided to and reviewed by the Managing Director (Chief Operating Decision Maker).

(₹ in crores)

Business Segments	Year 2018-19				Year 2017-18			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Revenue								
Segment Revenue	6,070.46	1,065.58	66.05	7,202.09	5,274.09	994.77	55.81	6,324.67
Less: Inter Segment Revenue (at cost plus fixed margin)	(6.28)	(115.41)	(1.66)	(123.35)	(3.49)	(102.42)	-	(105.91)
Net Revenue	6,064.18	950.17	64.39	7,078.74	5,270.60	892.35	55.81	6,218.76
Revenue based on geography								
India				6,041.24				5,328.04
Outside India				1,037.50				890.72
Segment Result	1,449.56	154.10	(8.98)	1,594.68	1,371.80	158.29	(1.94)	1,528.15
Unallocable Expenses				(257.76)				(195.03)
Unallocable Income				14.57				13.61
Operating Income				1,351.49				1,346.73
Finance Cost				(26.07)				(15.54)
Interest/ Dividend Income				30.62				23.02
Share of Profit of Associates/ Joint Ventures				3.60				4.59
Profit Before Tax and Exceptional items				1,359.64				1,358.80
Exceptional items				18.02				-
Profit Before Tax				1,341.62				1,358.80
Tax Expense				413.23				392.71
Profit for the year				928.39				966.09
Other Comprehensive Income				2.77				(1.54)
Total Comprehensive Income				931.16				964.55
Non-Controlling Interest				3.43				3.90
Total Comprehensive Income attributable to shareholders				927.73				960.65
The above includes:								
Depreciation, Amortisation and Impairment (allocable)	79.65	17.02	2.81	99.48	76.72	14.55	1.65	92.92
Depreciation, Amortisation and Impairment (unallocable)				33.26				26.96
Capital Expenditure (including Capital Work-In-Progress) (allocable)	161.99	48.55	11.49	222.03	243.08	25.18	8.23	276.49
Capital Expenditure (unallocable)				39.92				14.22
Capital Expenditure				261.95				290.71
India				239.75				272.78
Outside India				22.20				17.93

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue

Segment Assets & Liabilities	As at 31 st March 2019				As at 31 st March 2018			
	Consumer & Bazaar Products	Industrial Products	Others	Total	Consumer & Bazaar Products	Industrial Products	Others	Total
Segment Assets	3,203.06	583.98	73.67	3,860.71	3,011.47	508.51	46.54	3,566.52
Unallocable Assets				2,053.80				1,637.94
Total Assets				5,914.51				5,204.46
India				5,409.18				4,697.06
Outside India				505.33				507.40
Segment Liabilities	1,103.97	216.03	10.99	1,330.99	1,087.08	163.22	5.92	1,256.22
Unallocable Liabilities				228.28				199.19
Total Liabilities				1,559.27				1,455.41
Capital Employed				4,355.24				3,749.05

48 Employee Stock Option Scheme**a) Details of Employee Share Options**

In the Annual General Meeting of the Company held on 24th July 2012, the shareholders approved the issue of 50,76,486 equity shares under the Scheme titled "Employee Stock Option Scheme 2012" (ESOS 2012). The Board approved Employees Stock Option Scheme covering 3,00,000 Stock options, in terms of the regulations of the Securities and Exchange Board of India.

The ESOS 2012 allows the issue of options to Eligible employees of the Company. Each option comprises one underlying equity share. 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.

ESOP 2016 covering grant of 45,00,000 options (including 2,50,000 Options to be granted to Eligible Employees/ Directors of the subsidiary Companies) was approved by the shareholders through Postal Ballot on 2nd April 2016. Each option comprises one underlying equity share. 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 following share based payment arrangements were in existence during the current & prior years:

Option Series	Number	Grant date	Vesting date	Exercise price (₹)	Fair value at grant date (₹)
1 Granted on 27 th July 2015-ESOS 2012	1,00,000	27.07.2015	10.04.2017	1.00	521.11
	1,00,000	27.07.2015	10.04.2018	1.00	521.11
2 Granted on 29 th January 2016-ESOS 2012	14,400	29.01.2016	29.01.2017	1.00	532.20
	14,400	29.01.2016	29.01.2018	1.00	532.20
	2,500	29.01.2016	29.01.2018	1.00	525.01
	2,500	29.01.2016	29.01.2019	1.00	525.01
3 Granted on 29 th July 2016-ESOS 2012	6,000	29.07.2016	29.07.2017	1.00	722.31
	9,000	29.07.2016	29.07.2018	1.00	722.31
4 Granted on 29 th July 2016-ESOP 2016	23,600	29.07.2016	29.07.2017	1.00	730.61
	23,600	29.07.2016	29.07.2018	1.00	730.61
5 Granted on 9 th November 2016-ESOS 2012	1,500	09.11.2016	09.11.2017	1.00	661.86
	1,500	09.11.2016	09.11.2018	1.00	661.86
6 Granted on 8 th November 2017-ESOP 2016	28,750	08.11.2017	08.11.2018	1.00	734.15
	28,750	08.11.2017	08.11.2019	1.00	734.15
7 Granted on 11 th April 2018-ESOP 2016	4,150	11.04.2018	11.04.2019	1.00	976.94
	4,150	11.04.2018	11.04.2020	1.00	976.94
8 Granted on 30 th October 2018-ESOP 2016	1,33,200	30.10.2018	30.10.2019	1.00	931.19
	1,33,200	30.10.2018	30.10.2020	1.00	931.19
	1,500	30.10.2018	30.10.2019	1.00	924.50
	1,500	30.10.2018	30.10.2020	1.00	924.50
	2,000	30.10.2018	30.10.2021	1.00	924.50
9 Granted on 23 rd January 2019-ESOP 2016	3,000	23.01.2019	23.01.2022	1.00	1112.48
	3,000	23.01.2019	23.01.2023	1.00	1112.48
	4,000	23.01.2019	23.01.2024	1.00	1112.48
	1,500	23.01.2019	29.01.2021	1.00	1127.85
	1,500	23.01.2019	29.01.2022	1.00	1127.85
	1,500	23.01.2019	01.02.2021	1.00	1127.85
	1,500	23.01.2019	01.02.2022	1.00	1127.85

b) Fair value of share options granted

The fair value of the stock options has been estimated using Black-Scholes model which takes into account as of grant date the exercise price and expected life of the option, the current market price of underlying stock and its expected volatility, expected dividends on stock and the risk free interest rate for the expected term of the option.

Inputs into the model	Granted on 27 th July 2015-ESOS 2012	Granted on 29 th January 2016-ESOS 2012	Granted on 29 th July 2016-ESOS 2012	Granted on 29 th July 2016-ESOP 2016	Granted on 9 th November 2016-ESOS 2012	Granted on 8 th November 2017-ESOP 2016
Share price (on the date previous to grant date)	544.95	556.80	751.60	751.60	691.40	758.55
Exercise price	1.00	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	10.04.2017	29.01.2017	29.07.2017	29.07.2017	09.11.2017	08.11.2018
Dividend yield (%)	0.91	0.93	0.79	0.74	0.89	0.85
Option life (no. of years)	3.50	3.50	3.50	2.50	3.50	2.50
Risk free interest rate (%)	8.07	7.80	7.39	7.28	6.73	6.69
Expected volatility (%)	52.17	54.46	21.51	17.70	20.94	22.12
Date of vesting (2)	10.04.2018	29.01.2018	29.07.2018	29.07.2018	09.11.2018	08.11.2019
Dividend yield (%)	0.97	1.21	0.85	0.79	0.96	0.91
Option life (no. of years)	4.50	4.50	4.50	3.50	4.50	3.50
Risk free interest rate (%)	8.07	7.80	7.56	7.39	6.93	6.64
Expected volatility (%)	52.17	54.46	24.25	21.51	23.94	24.01
Date of vesting (3)	-	29.01.2019	-	-	-	-
Dividend yield (%)	-	1.27	-	-	-	-
Option life (no. of years)	-	5.50	-	-	-	-
Risk free interest rate (%)	-	7.80	-	-	-	-
Expected volatility (%)	-	54.46	-	-	-	-

Inputs into the model	Granted on 11 th April 2018-ESOP 2016	Granted on 30 th October 2018-ESOP 2016	Granted on 23 rd January 2019-ESOP 2016		
Share price (on the date previous to grant date)	1,000.15	961.55	1,152.80	1,152.80	1,152.80
Exercise price	1.00	1.00	1.00	1.00	1.00
Date of vesting (1)	11.04.2019	30.10.2019	23.01.2022	29.01.2021	01.02.2021
Dividend yield (%)	0.62	2.54	0.84	0.84	0.84
Option life (no. of years)	2.50	2.50	6.00	5.02	5.02
Risk free interest rate (%)	7.09	8.01	7.56	7.49	7.49
Expected volatility (%)	21.65	23.20	24.34	23.87	23.86
Date of vesting (2)	11.04.2020	30.10.2020	23.01.2023	29.01.2022	01.02.2022
Dividend yield (%)	0.66	3.62	0.84	0.84	0.84
Option life (no. of years)	3.50	3.50	7.00	6.02	6.03
Risk free interest rate (%)	7.28	8.02	7.58	7.56	7.56
Expected volatility (%)	23.59	23.24	24.37	24.32	24.30
Date of vesting (3)	-	30.10.2021	23.01.2024	-	-
Dividend yield (%)	-	4.82	0.84	-	-
Option life (no. of years)	-	4.50	8.00	-	-
Risk free interest rate (%)	-	8.15	7.65	-	-
Expected volatility (%)	-	24.34	24.40	-	-

c) Movements in Share Options during the year

Particulars	During the year ended 31 st March 2019		During the year ended 31 st March 2018	
	Options (No.s)	Weighted average exercise price per option	Options (No.s)	Weighted average exercise price per option
Option outstanding at the beginning of the year				
- ESOS 2012	1,19,400	₹ 1	2,30,400	₹ 1
- ESOP 2016	79,000	₹ 1	46,500	₹ 1
Granted during the year				
- ESOP 2016	2,95,700	₹ 1	57,500	₹ 1
Vested during the year - ESOS 2012	1,10,500	₹ 1	1,14,900	₹ 1
Vested during the year - ESOP 2016	47,200	₹ 1	22,950	₹ 1
Exercised during the year - ESOS 2012	1,19,400	₹ 1	1,06,000	₹ 1
Exercised during the year - ESOP 2016	48,550	₹ 1	21,600	₹ 1
Lapsed during the year*				
- ESOS 2012 (granted on 29 th January 2016)	-	-	5,000	₹ 1
- ESOP 2016 (granted on 29 th July 2016)	1,000	₹ 1	3,400	₹ 1
- ESOP 2016 (granted on 8 th November 2017)	3,500	₹ 1	-	-
- ESOP 2016 (granted on 11 th April 2018)	5,000	₹ 1	-	-
- ESOP 2016 (granted on 30 th October 2018)	900	₹ 1	-	-
Options outstanding at the end of the year				
- ESOS 2012	-	-	1,19,400	₹ 1
- ESOP 2016	3,15,750	₹ 1	79,000	₹ 1
Options available for grant				
- ESOS 2012	34,200	₹ 1	34,200	₹ 1
- ESOP 2016	41,14,100	₹ 1	43,99,400	₹ 1
The weighted average share price at the date of exercise for stock options exercised during the year		₹ 1,239.18		₹ 926.11
Range of exercise price for options outstanding at the end of the year		₹ 1		₹ 1

* Lapsed due to termination of employment with the Group.

49 Financial Instruments**(A) Capital Management**

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through the optimum utilisation of the equity balance. The capital structure of the Group consists of equity and borrowings of the Group.

(B) Categories of Financial Instruments

(₹ in crores)

	As at 31 st March 2019	As at 31 st March 2018
Financial Assets		
Measured at fair value through profit or loss (FVTPL)		
Investments in Mutual funds, Preference Shares, Debentures and Bonds	1,515.92	1,201.83
Derivative assets towards foreign exchange forward contracts	0.03	0.12
Investments in Promissory Notes	3.46	-
Measured at amortised cost		
Investments in Deposits & Promissory Notes	3.89	19.08
Trade Receivables	1,056.01	938.13
Cash and Cash Equivalents	128.12	149.34
Other Bank balances	62.31	14.24
Loans	15.18	17.76
Other Financial Assets	113.32	104.18
Total Financial Assets	2,898.24	2,444.68
Financial Liabilities		
Measured at fair value through profit or loss (FVTPL)		
Derivative liabilities towards foreign exchange forward contracts	1.27	0.08
Measured at amortised cost (including trade payables)		
Borrowings	112.75	124.57
Trade Payables	580.64	543.81
Gross obligation towards acquisition	76.17	66.78
Other Financial Liabilities	504.07	465.48
Total Financial Liabilities	1,274.90	1,200.72

(C) Financial risk management objectives

The Group's Treasury functions provide services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk. The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising foreign exchange forward contracts. Compliance with policies and exposure limits is a part of Internal Financial Controls. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

(D) Market risk

The Group's activities expose it primarily to the financial risk of changes in foreign currency exchange rates (see Note E below). The Group enters into foreign exchange forward contracts to manage its exposure to foreign currency risk of net imports.

(E) Foreign currency risk management

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Foreign Currency Exposure (in FC)		Foreign Currency Exposure (₹ in crores)	
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
Amounts recoverable/ (advance) in foreign currency on account of the following:				
EUR	14,88,215.92	16,56,806.25	11.56	13.31
USD	1,52,41,632.25	1,73,91,562.23	105.44	113.36
SGD	22,268.00	2,73,732.00	0.11	1.36
Amounts (payable)/ advance in foreign currency on account of the following:				
AED	88,540.00	(1,96,178.86)	0.17	(0.35)
AUD	40,820.00	(12,584.60)	0.20	(0.06)
BDT	50,000.00	16,71,266.40	0.00	0.13
CHF	27,261.36	(11,000.00)	0.19	(0.08)
EGP	-	(1,74,341.79)	-	(0.06)
EUR	35,56,087.70	(44,09,427.62)	27.62	(35.43)
GBP	(1,98,406.00)	(65,821.51)	(1.79)	(0.60)
JPY	(60,58,500.00)	(43,80,000.00)	(0.38)	(0.27)
SGD	(39,550.00)	(4,68,745.29)	(0.20)	(2.34)
USD	(1,02,73,326.43)	(1,31,98,197.83)	(71.07)	(86.03)
ZAR	83,679.60	10,170.17	0.04	0.01
Malaysian Ringitt	-	(83,697.16)	-	(0.14)

(i) Foreign currency sensitivity analysis

The Group is mainly exposed to the USD, EUR and JPY. The following table demonstrates the sensitivity to a 2% increase or decrease in the USD, EUR and JPY against INR with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Group as at the reporting date. 2% represents management assessment of reasonably possible changes in foreign exchange rates.

(₹ in crores)

	USD impact	
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Impact on profit or loss for the year (refer Note a)	0.69	0.55

(₹ in crores)

	EUR impact	
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Impact on profit or loss for the year (refer Note b)	0.78	(0.44)

(₹ in crores)

	JPY impact	
	For the year ended 31 st March 2019	For the year ended 31 st March 2018
Impact on profit or loss for the year (refer Note c)	(0.01)	(0.01)

- (a) This is mainly attributable to the exposure of outstanding USD receivables and payables at the end of the reporting period.
- (b) This is mainly attributable to the exposure of outstanding EUR receivables and payables at the end of the reporting period.
- (c) This is mainly attributable to the exposure of outstanding JPY payables at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(ii) **Foreign exchange forward contracts**

It is the policy of the Group to enter into foreign exchange forward contracts to cover foreign currency payments (net of receipts) in USD, EUR, GBP and AUD. The Group enters in to contracts with terms upto 90 days.

The Group's philosophy does not permit any speculative calls on the currency. It is driven by conservatism which guides that we follow conventional wisdom by use of Forward contracts in respect of Trade transactions.

Regulatory Requirements: The Group will alter its hedge strategy in relation to the prevailing regulatory framework and guidelines that may be issued by RBI, FEDAI or ISDA or other regulatory bodies from time to time.

Mode of taking Cover: Based on the outstanding details of import payable and exports receivable (in weekly baskets) the net trade import exposure is arrived at (i.e. Imports – Exports = Net trade exposures).

The Net trade import exposure arrived at is netted off with the outstanding forward cover as on date and with the surplus foreign currency balance available in EEFC A/Cs.

Forward cover is obtained from bank for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

The following table details the foreign exchange forward contracts outstanding at the end of the reporting period:

Outstanding contracts	Average exchange rates (₹)		Foreign Currency (Amount)	
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
USD - Buy	67.18	64.99	1,11,33,891.64	74,39,075.21
GBP - Buy	91.09	86.36	2,77,000.00	-
EUR - Sell	79.00	74.77	5,04,189.99	1,96,665.10
EUR - Buy	79.02	74.76	2,59,000.00	36,303.13
AUD - Buy	51.45	-	28,000.00	-

Outstanding contracts	Nominal Amounts (₹ in crores)		Fair value assets/ (liabilities) (₹ in crores)	
	31 st March 2019	31 st March 2018	31 st March 2019	31 st March 2018
USD - Buy	78.63	48.48	(1.06)	(0.06)
GBP - Buy	2.61	-	(0.10)	-
EUR - Sell*	1.44	1.58	(0.00)	0.09
EUR - Buy	4.61	0.29	(0.07)	0.01
AUD - Buy	0.14	-	(0.01)	-
TOTAL			(1.24)	0.04

*Fair Value Liability of EUR Sell is ₹ 25,849.

The line-items in the balance sheet that include the above hedging instruments are "Other financial assets" of ₹ 0.03 crores (₹ 0.12 crores as at 31st March 2018) and "Other financial liabilities" ₹ 1.27 crores (₹ 0.08 crores as at 31st March 2018) (refer Note 13 and 27 respectively).

At 31st March 2019, the aggregate amount of loss under foreign exchange forward contracts recognised in profit or loss is ₹ 1.24 crores (gain of ₹ 0.04 crores as at 31st March 2018).

(F) Credit risk management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

The Group has adopted a policy of only dealing with counterparties that have sufficiently high credit rating. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

(G) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.

(i) Liquidity risk tables

The following tables detail the Group's remaining contractual maturity for its derivative and non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

(₹ in crores)

	Less than 1 year	1-5 years	Total	Carrying Amount
As at 31st March 2019				
Non-interest bearing				
- Trade Payables	580.64	-	580.64	580.64
- Other Financial Liabilities	384.30	9.81	394.11	394.11
	964.94	9.81	974.75	974.75
Fixed interest rate instruments				
- Trade/ Security Deposit received	109.96	-	109.96	109.96
Variable interest rate instruments				
- Borrowings	102.54	8.51	111.05	111.05
- Current Maturity of Term Loan	1.69	-	1.69	1.69
Derivative liabilities towards foreign exchange forward contracts	1.27	-	1.27	1.27
Gross obligation towards acquisition	-	76.17	76.17	76.17
As at 31st March 2018				
Non-interest bearing				
- Trade Payables	543.81	-	543.81	543.81
- Other Financial Liabilities	346.01	24.46	370.47	370.47
	889.82	24.46	914.28	914.28
Fixed interest rate instruments				
- Trade/ Security Deposit received	95.01	-	95.01	95.01
Variable interest rate instruments				
- Borrowings	115.44	7.11	122.55	122.55
- Current Maturity of Term Loan	2.02	-	2.02	2.02
Derivative liabilities towards foreign exchange forward contracts	0.08	-	0.08	0.08
Gross obligation towards acquisition	-	66.78	66.78	66.78

(H) Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

(i) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial Assets/ Financial Liabilities		Fair value		Fair value hierarchy	Valuation Technique(s) and key input(s)
		As at 31 st March 2019	As at 31 st March 2018		
1	Investment in Mutual Funds, Preference Shares, Debentures and Bonds	Various listed funds - aggregate fair value of ₹ 1,515.92 crores	Various listed funds - aggregate fair value of ₹ 1,201.83 crores	Level 1	Quoted bid prices in active market
2	Derivative assets & liabilities towards foreign currency forward contracts	Assets - ₹ 0.03 crores; and liabilities - ₹ 1.27 crores	Assets - ₹ 0.12 crores; and liabilities - ₹ 0.08 crores	Level 2	Mark to market values acquired from banks, with whom the Group contracts
3	Gross obligation towards acquisition	Liabilities - ₹ 76.17 crores	Liabilities - ₹ 66.78 crores	Level 2	Fair values of options using black scholes valuation model based on Independent valuer's report
4	Investment in Promissory Notes	Aggregate fair value of ₹ 3.46 crores	-	Level 3	Fair value is derived considering recent financial rounds of investment

(ii) Financial instruments measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

50 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
 - Labour Welfare Fund
- (d) National Pension Scheme

The Provident Fund and the State Defined Contribution Plans are operated by the Regional Provident Fund Commissioner, the Superannuation Fund is administered by the LIC of India and National Pension Fund is administered by Pension Fund Regulatory and Development Authority (PFRDA), 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 Group has recognised the following amounts in the Statement of Profit and Loss:

(₹ in crores)

	For the year ended 31 st March 2019	For the year ended 31 st March 2018
(i) Contribution to Provident Fund	20.43	13.88
(ii) Contribution to Employees' Superannuation Fund	0.84	0.88
(iii) Contribution to Employees' State Insurance Scheme & Labour Welfare Fund	0.45	0.96
(iv) Contribution to Employees' Pension Scheme 1995	7.59	6.82
(v) Contribution to National Pension Scheme	1.88	1.36
(vi) Other Funds (International)	4.88	7.81
TOTAL	36.07	31.71
(B) Defined Benefit Plans		
Gratuity		
(C) Other Long-Term Benefits		
(a) Compensated Absences		
(b) Anniversary Awards		
(c) Premature Death Pension Scheme		
(d) 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:

	Valuations as at	
	31 st March 2019	31 st March 2018
(i) Discount Rate (per annum)	7.15% - 7.7%	7.4% - 11.1%
(ii) Rate of increase in Compensation levels (per annum)	1 st 2 yrs - 6.5% - 15%, thereafter 6.5% - 10%	1 st 2 yrs - 8.50%, thereafter 6.50%
(iii) Expected Rate of Return on Assets	7.4% - 7.7%	7.55% - 11.1%
(iv) Attrition Rate	upto 5 yrs - 2% - 15%, 5 - 10 yrs - 2% - 15%, Above 10 yrs - 2% - 15%	upto 5 yrs - 17%, 5 - 10 yrs - 10%, Above 10 yrs - 4%
(v) Retirement Age	58 - 60 years	58 - 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.		

Note on other risks:

- 1 **Investment risk** - The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.
- 2 **Interest Risk** – LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.
- 3 **Longevity Risk** – Since the gratuity payment happens at the retirement age of 58-60, longevity impact is very low at this age, hence this is a non-risk.
- 4 **Salary risk** - The liability is calculated taking into account the salary increases, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

(₹ in crores)

		31 st March 2019		31 st March 2018	
		Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(i)	Changes in Present value of Obligation				
1	Present value of defined benefit obligation at the beginning of the year	65.17	2.38	57.35	3.34
2	Unfunded Scheme converted into funded during the year	-	-	1.47	(1.47)
3	Acquisition through Business Combination (refer Note 52)	0.01	-	0.62	-
4	Current Service Cost	5.93	0.39	5.26	0.30
5	Interest Cost	4.90	0.16	3.89	0.12
6	Actuarial (Gains)/ Loss				
	Actuarial (gains)/ losses arising from changes in demographic assumption	0.45	-	(0.30)	0.03
	Actuarial (gains)/ losses arising from changes in financial assumption	3.61	0.35	(1.80)	0.12
	Actuarial (gains)/ losses arising from changes in experience adjustment	1.51	0.34	2.31	0.02
7	Past Service cost	-	-	-	-
8	Benefits Paid	(3.25)	(0.26)	(3.60)	(0.08)
9	Foreign Currency Translation	0.07	-	(0.03)	-
10	Present value of defined benefit obligation at the end of the year	78.40	3.36	65.17	2.38
(ii)	Changes in Fair value of Plan Assets				
1	Fair value of plan assets at the beginning of the year	66.17	-	54.70	-
2	Unfunded Scheme converted into funded during the year	-	-	0.73	-
3	Acquisition through Business Combination (refer Note 52)	-	-	0.21	-
4	Expected Return on Plan Assets	4.99	-	3.99	-
5	Actuarial Gains/ (Loss)	(0.03)	-	0.40	-
6	Employer's Contributions	5.31	-	9.77	-
7	Benefits Paid	(3.25)	-	(3.59)	-
8	Foreign Currency Translation	0.08	-	(0.04)	-
9	Fair value of plan assets at the end of the year	73.27	-	66.17	-
(iii)	Net Benefit (Asset)/ Liability				
1	Defined benefit obligation	78.40	3.36	65.17	2.38
2	Fair value of plan assets	73.27	-	66.17	-
3	Net Benefit (Asset)/ Liability	5.13	3.36	(1.00)	2.38

(₹ in crores)

		31 st March 2019		31 st March 2018	
		Gratuity Funded	Gratuity Unfunded	Gratuity Funded	Gratuity Unfunded
(iv)	Expenses recognised in the Statement of Profit and Loss				
1	Current Service Cost	5.93	0.39	5.26	0.30
2	Past Service Cost	-	-	-	-
3	Interest cost on benefit obligation (net)	(0.09)	0.16	(0.10)	0.12
4	Total Expenses recognised in the Statement of Profit and Loss	5.84	0.55	5.16	0.42
(v)	Remeasurement Effects recognised in Other Comprehensive Income for the year				
1	Actuarial (Gains)/ Loss				
	Actuarial (Gains)/ Loss arising from changes in demographic assumption	0.45	-	(0.30)	0.03
	Actuarial (Gains)/ Loss arising from changes in financial assumption	3.61	0.35	(1.80)	0.12
	Actuarial (Gains)/ Loss arising from changes in experience adjustment	1.51	0.34	2.31	0.02
	Return on plan asset	0.03	-	(0.43)	-
2	Recognised in Other Comprehensive Income	5.60	0.69	(0.22)	0.17
(vi)	Actual return on plan assets	4.92	-	4.42	-
(vii)	Sensitivity Analysis				
	Defined Benefit Obligation				
	Discount Rate				
a	Discount Rate - 100 basis points	83.88	3.61	69.51	2.16
b	Discount Rate + 100 basis points	73.61	3.19	61.11	1.96
	Salary Increase Rate				
a	Rate - 100 basis points	73.56	3.19	61.04	1.96
b	Rate + 100 basis points	83.85	3.60	69.51	2.16
	Note on Sensitivity Analysis				
1	Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.				
2	The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.				
3	There is no change in the method from the previous period and the points/ percentage by which the assumptions are stressed are same to that in the previous year.				
(viii)	Expected Future Cashflows				
	Year 1	14.56	0.46	8.25	0.36
	Year 2	6.80	0.50	10.94	0.29
	Year 3	7.65	0.38	5.78	0.32
	Year 4	8.21	0.43	6.22	0.22
	Year 5	7.33	0.34	6.96	0.26
	Year 6 to 10	33.44	1.36	26.58	0.77
(ix)	Average Expected Future Working Life (yrs)	13.65	8.49	14.40	9.86

51 Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are as follows:

Name of Subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting rights held by the Group	
		As at 31 st March 2019	As at 31 st March 2018
a. Fevicol Company Ltd (Fevicol)	India	100.00%	100.00%
b. Bhimad Commercial Company Pvt Ltd (Bhimad)	India	100.00%	100.00%
c. Madhumala Traders Pvt Ltd (Madhumala)	India	100.00%	100.00%
d. Pagel Concrete Technologies Pvt Ltd (PCTPL)	India	80.00%	80.00%
e. Nitin Enterprises (Nitin)	India	100.00%	100.00%
f. Building Envelope Systems India Ltd (BESI)	India	60.00%	60.00%
g. Nina Percept Pvt Ltd [refer Note 56(b)]	India	71.53%	71.53%
h. Hybrid Coatings (Hybrid)	India	60.00%	60.00%
i. Pidilite International Pte Ltd (PIPL)	Singapore	100.00%	100.00%
j. Pidilite Middle East Ltd (PMEL)	United Arab Emirates	100.00%	100.00%
k. Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec)	Brazil	100.00%	100.00%
l. Pidilite USA Inc (PUSA)	USA	100.00%	100.00%
m. Pidilite MEA Chemicals LLC (Jupiter)*	United Arab Emirates	49.00%	49.00%
n. PT Pidilite Indonesia (PTPI)	Indonesia	100.00%	100.00%
o. Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB)	Bangladesh	100.00%	100.00%
p. Pidilite Innovation Centre Pte Ltd (PICPL)	Singapore	100.00%	100.00%
q. Pidilite Industries Egypt SAE (PIE)	Egypt	100.00%	100.00%
r. Pidilite Bamco Ltd (Bamco)	Thailand	100.00%	100.00%
s. Pidilite Chemical PLC (PCPLC)	Ethiopia	100.00%	100.00%
t. PIL Trading (Egypt) Company (PTC)	Egypt	100.00%	100.00%
u. Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	China	100.00%	100.00%
v. Bamco Supply and Services Ltd (BSSL)*	Thailand	49.00%	49.00%
w. ICA Pidilite Pvt Ltd (ICA) (formerly known as Wood Coat Pvt Ltd)*	India	50.00%	50.00%
x. Cipy Polyurethanes Pvt Ltd (from 8 th February 2018)	India	70.00%	70.00%
y. Pidilite Lanka (Pvt) Ltd (PLPL)	Sri Lanka	76.00%	76.00%
z. Nebula East Africa Pvt Ltd (Nebula)	Kenya	100.00%	100.00%
aa. Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)**	Sri Lanka	72.70%	70.00%
ab. Building System Solution Trading LLC (BSST) (upto 5 th March 2018)*	Qatar	-	-
ac. Pidilite Ventures LLC (w.e.f. 08 th August 2018)	USA	100.00%	-
ad. Pidilite East Africa Ltd (w.e.f. 12 th February 2019)	Kenya	55.00%	-

* Pidilite MEA Chemicals LLC, BSSL, ICA and BSST (upto 5th March 2018) are subsidiaries of the Group even though the Group has 49%, 49%, 50% and 49% ownership interest and voting rights in the subsidiaries respectively. However, based on the relevant facts and circumstances, control and management of these entities lie with the Group. The Group has the power to direct the relevant activities of these entities and therefore controls these entities.

** Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka) is a 100% subsidiary of Nina Percept Pvt Ltd and Pidilite Lanka (Pvt) Ltd.

52 Business Combinations					
1 Subsidiaries acquired					
Financial Year	Name of subsidiary acquired	Principal activity	Date of acquisition	Proportion of voting equity interests acquired (%)	Consideration transferred (₹ in crores)
During 2018-19	-	-	-	-	-
During 2017-18	Cipy Polyurathanes Pvt Ltd	Manufacture and sale of floor coatings	8 th February 2018	70%	96.40
2 Consideration transferred					
					(₹ in crores)
					2017-18
					CIPY Polyurathanes Pvt Ltd
Cash					96.40
Total (A)					96.40
3 Identifiable assets acquired and liabilities assumed and goodwill arising on date of acquisition					
					2017-18
					CIPY Polyurathanes Pvt Ltd (refer Note A)
Property, Plant and Equipment					9.95
Intangible Assets					
Trade Mark					13.50
Loans-Non-Current					0.09
Other Financial Assets-Non-Current					0.29
Other Non-Current Assets					0.72
Deferred Tax Assets (net)					0.89
Inventories					14.35
Trade Receivables					34.20
Cash and Cash Equivalents					0.21
Other bank balances					4.45
Loans-Current					0.18
Other Financial Assets-Current					0.64
Current Tax Assets (net)					0.17
Other Current Assets					2.13
Assets held for Sale					4.45
Total Assets Acquired (B)					86.22

(₹ in crores)

	2017-18
	CIPY Polyurathanes Pvt Ltd (Refer Note A)
Borrowings - Non-Current	0.05
Provisions - Non-Current	0.42
Borrowings-Current	10.67
Trade Payables	19.52
Other Financial Liabilities - Current	5.01
Other Current Liabilities	2.77
Provisions - Current	0.13
Current Tax Liabilities (net)	0.69
Total Liabilities taken over (C)	39.26
Net Assets Acquired (D) = (B) - (C)	46.96
Goodwill (E) = (A) - (D)	49.44

Note A:

During previous year, the business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ 96.40 crores.

The gross contractual amounts and the fair value of trade and other receivables acquired is ₹ 35.39 crores. None of the trade and other receivables are credit impaired and it is expected that the full contractual amounts will be recoverable.

Total goodwill on acquisition was ₹ 49.44 crores. The goodwill on acquisition can be attributable to CIPY's skilled employees, expected synergies from acquisition and other intangible assets that can not be identified separately. No amount of goodwill is expected to be deductible for tax purpose. During current year, an additional amount of ₹ 8.16 crores is paid as working capital adjustments, thereby increasing amount of total goodwill on acquisition to ₹ 57.60 crores.

For the period 9th February to 31st March 2018, CIPY contributed revenue from operations of ₹ 26.72 crores and ₹ 1.04 crores to the Group's results. If the acquisition had occurred on 1st April 2017, consolidated revenue from operations would have been higher by ₹ 95.66 crores and consolidated profit would have been higher by ₹ 2.69 crores. In determining these amounts, it has assumed that the fair value adjustments, that arose on date of acquisition would have been same if the acquisition had occurred on 1st April 2017.

Pursuant to share purchase agreement, the Company has an option to purchase and the seller has an option to sell balance 30% of equity share capital of CIPY on or after expiry of 3 years from acquisition date i.e. on or after 8th February 2021. Accordingly, a gross liability towards acquisition (refer Note 26) has been recognised in this financial statement based on a valuation report obtained from an independent valuer.

(₹ in crores)

53 Taxes		
1. Deferred Tax		
	As at 31st March 2019	As at 31st March 2018
Deferred Tax Assets (net)	(10.72)	(5.86)
Deferred Tax Liabilities (net)	120.14	110.66
TOTAL	109.42	104.80

a 2018-19

Deferred tax (assets)/ liabilities in relation to:						
	Opening Balance	Acquired on business combination	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Foreign Currency Translation	Closing Balance
Property, Plant and Equipment	62.06	-	5.57	-	0.15	67.78
Intangible Assets	73.69	-	9.78	-	(0.09)	83.38
FVTPL financial assets	16.78	-	0.34	-	-	17.12
Other Provisions	(6.19)	-	0.70	-	(0.31)	(5.80)
Allowance for Doubtful Debts	(16.16)	-	(2.50)	-	(0.08)	(18.74)
Provision for Employee Benefits	(14.80)	-	(0.09)	(1.83)	0.01	(16.72)
Share issue and buy-back costs	(3.17)	-	2.77	-	-	(0.40)
Tax Losses	(7.39)	-	(9.92)	-	0.11	(17.20)
TOTAL	104.80	-	6.65	(1.83)	(0.21)	109.42

b 2017-18

Deferred tax (assets)/ liabilities in relation to:						
	Opening Balance	Acquired on business combination	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Foreign Currency Translation	Closing Balance
Property, Plant and Equipment	56.47	(2.57)	8.24	-	(0.08)	62.06
Intangible Assets	64.90	-	8.80	-	(0.01)	73.69
FVTPL financial assets	5.37	(0.05)	11.46	-	-	16.78
Other Provisions	(9.23)	(0.09)	3.11	-	0.02	(6.19)
Allowance for Doubtful Debts	(12.45)	(1.71)	(1.99)	-	(0.01)	(16.16)
Provision for Employee Benefits	(12.26)	(0.02)	(2.59)	-	0.06	(14.80)
Share issue and buy-back costs	(3.86)	-	0.69	-	-	(3.17)
Tax Losses	(1.23)	2.92	(9.09)	-	(0.01)	(7.39)
TOTAL	87.71	(1.52)	18.63	-	(0.03)	104.80

(₹ in crores)

2. Income Taxes relating to Continuing Operations		
a Income Tax recognised in Profit or Loss		
Particulars	As at 31 st March 2019	As at 31 st March 2018
Current Tax		
In respect of the current year	459.45	420.58
In respect of prior years	(52.87)	(46.50)
TOTAL	406.58	374.08
Deferred Tax		
In respect of the current year	6.65	18.63
Total income tax expense recognised in the current year relating to continuing operations	413.23	392.71
b The Income Tax expense for the year can be reconciled to the accounting profit as follows:		
	As at 31 st March 2019	As at 31 st March 2018
Profit before tax from continuing operations (after exceptional items)	1,338.02	1,354.21
Income Tax Rate (%)	34.94%	34.61%
Income Tax expense	467.56	468.67
Effect of income that is exempt from taxation	(5.84)	(3.53)
Effect of expenses that are not deductible in determining taxable profit and deductions	5.98	8.90
Effect of concessions (research and development and backward area deductions)	(16.76)	(28.44)
Effect of lower rate of tax	(17.71)	0.75
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	0.25	(0.39)
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax liabilities	-	0.40
Effect of the Company being taxed at lower tax rate (minimum alternate tax) as the profits under tax laws are lower than the book profits	(0.03)	-
Effect of subsidiary companies taxed at a different rate than the holding company	31.15	6.26
Others	1.50	(13.41)
TOTAL	466.10	439.21
Adjustments recognised in the current year in relation to the current tax of prior years	(52.87)	(46.50)
Income tax expense recognised in profit or loss (relating to continuing operations)	413.23	392.71
c. Income Tax recognised directly in equity		
	As at 31 st March 2019	As at 31 st March 2018
Current Tax:		
Buy-back Expenses	-	1.53
Total Income Tax recognised directly in equity	-	1.53
d. Income Tax recognised in Other Comprehensive Income		
	As at 31 st March 2019	As at 31 st March 2018
Tax arising on income and expenses recognised in Other Comprehensive Income:		
Re-measurement of Defined Benefit Obligation	1.83	-
Total Income Tax recognised in Other Comprehensive Income	1.83	-

54 Operating Lease

- a) Operating Lease payment recognised in Statement of Profit and Loss amounting to ₹ 48.95 crores (₹ 43.55 crores for the year ended 31st March 2018)
- b) General description of the leasing arrangement:
- Future lease rentals are determined on the basis of agreed terms.
 - At the expiry of the lease term, the Group has an option either to vacate 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 generally for a period of 11 months to 5 years and may be renewed for a further period based on mutual agreement of the parties.

(₹ in crores)

Future minimum lease payments	For the year ended 31 st March 2019	For the year ended 31 st March 2018
not later than one year	5.73	7.21
later than one year and not later than five years	10.78	11.03
later than five years	17.01	17.61

Finance Lease

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

Future minimum lease payments	For the year ended 31 st March 2019	For the year ended 31 st March 2018
not later than one year	0.01	0.02
later than one year and not later than five years	-	0.01
later than five years	-	-

55 Details of provisions

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

Particulars	As at 1 st April 2018	Addition on acquisition	Additions	Utilisation	Reversal (withdrawn as no longer required)	Foreign Currency Translation	As at 31 st March 2019
Provision for Employee related claims	1.78	-	0.31	(1.67)	-	(0.12)	0.30
	(2.12)	-	(1.81)	((2.06))	-	((0.09))	(1.78)
Provision for other contingencies (regulatory tax related claims)	0.74	-	-	-	-	(0.07)	0.67
	(1.44)	-	-	((0.65))	-	((0.05))	(0.74)
Provision for Warranty Expenses	0.74	-	0.59	(0.06)	-	-	1.27
	(0.38)	(0.09)	(0.27)	-	-	-	(0.74)
TOTAL	3.26	-	0.90	(1.73)	-	(0.19)	2.24
	(3.93)	(0.09)	(2.09)	((2.71))	-	((0.14))	3.26

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

Particulars	As at 31 st March 2019	As at 31 st March 2018
Provision for Warranty Expenses	1.27	0.21

56 Other Information

- a) During previous year, the Company had completed buyback of 5,000,000 equity shares of ₹ 1/- each (representing 0.975% of total pre buy-back paid up equity capital of the Company) from the shareholders of the Company on a proportionate basis through the tender offer route at a price of ₹ 1,000 per equity share for an aggregate amount of ₹ 500 crores. Accordingly, the Company had extinguished 49,99,056 fully paid up equity shares of ₹ 1/- each (in dematerialized form) and 944 fully paid up equity shares of ₹ 1/- each (in physical form) as a result of the conclusion of buy-back of 50,00,000 equity shares and final share capital of the Company (post extinguishment) was 50,78,10,330 shares ₹ 1/- each. The Company funded the buy-back from its Securities Premium and General Reserve. In accordance with section 69 of the Companies Act, 2013, the Company created "Capital Redemption Reserve" of ₹ 0.50 crores equal to the nominal value of the shares bought back as an appropriation from General Reserve.
- b) During the year, Percept Waterproofing Services Limited (Percept) (80% Subsidiary of the Company) was merged with Nina Waterproofing Systems Pvt Ltd (Nina) (70% Subsidiary of the Company), pursuant to the Hon'ble National Company Law Tribunal, Mumbai Bench, order dated 11th January 2019, w.e.f. the appointed date i.e. 1st April 2017 and consequently, Percept stands dissolved without winding up. Further, post the said merger, w.e.f. 27th March 2019, Nina is known as AEKAM Construction Specialities Private Limited (AEKAM) and w.e.f. 15th April 2019, AEKAM is known as Nina Percept Private Limited. Accordingly, the Company's investment in Percept are merged with Nina Percept Private Limited and the Company holds 71.53% stake in the merged entity.

57 Events after reporting period

There was no significant event after the end of the reporting period which require any adjustment or disclosure in the financial statement other than the proposed dividend of ₹ 6.50 per Equity Share of ₹ 1 each recommended by the Board of Directors at its meeting held on 14th May 2019. The proposed dividend is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

58 Approval of financial statements

The consolidated financial statements are approved for issue by the Audit Committee and by the Board of Directors at their meeting held on 14th May 2019.

59 Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

(₹ in crores)

Name of the entity	Net assets, i.e., Total Assets - Liabilities		Share of Profit and Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount	As % of consolidated Profit and Loss	Amount	As % of consolidated Other Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
Pidilite Industries Limited	81.37	3,545.40	96.93	899.94	1,762.82	48.83	101.86	948.77
Indian Subsidiaries								
Bhimad Commercial Co Pvt Ltd (Bhimad)	0.00	0.01	-	-	-	-	-	-
Building Envelope Systems India Ltd (BESI)	0.07	2.88	(1.03)	(9.59)	(0.36)	(0.01)	(1.03)	(9.60)
Fevicol Company Ltd (Fevicol)	0.00	0.04	-	-	(0.36)	(0.01)	(0.00)	(0.01)
Hybrid Coatings (Hybrid)	0.12	5.33	(0.72)	(6.64)	(0.36)	(0.01)	(0.71)	(6.65)
Madhumala Traders Pvt Ltd (Madhumala)	-	-	-	-	-	-	-	-
Nina Percept Pvt Ltd	2.85	124.09	6.26	58.13	(10.07)	(0.28)	6.21	57.85
Nitin Enterprises (Nitin)	0.31	13.35	(4.91)	(45.62)	-	-	(4.90)	(45.62)
Pagel Concrete Technologies Pvt Ltd (PCTPL)	0.00	0.06	-	-	-	-	-	-
Cipy Polyurethanes Pvt Ltd (CIPY)	2.56	111.44	0.39	3.63	(9.75)	(0.27)	0.36	3.36
ICA Pidilite Pvt Ltd (ICA)	1.88	81.75	(4.04)	(37.51)	(1.44)	(0.04)	(4.03)	(37.55)
Foreign Subsidiaries								
Pidilite Bamco Ltd (Bamco)	1.02	44.31	(0.10)	(0.92)	15.52	0.43	(0.05)	(0.49)
Bamco Supply and Services Ltd (BSSL)	0.15	6.36	0.37	3.43	2.89	0.08	0.38	3.51
Building System Solution Trading LLC (BSST) (upto 5 th March 2018)	-	-	-	-	-	-	-	-
Pidilite MEA Chemicals LLC (Jupiter)	1.09	47.44	3.97	36.88	(273.65)	(7.58)	3.15	29.30
Pidilite Chemical PLC (PCPLC)	0.04	1.60	(0.10)	(0.90)	-	-	(0.10)	(0.90)
Pidilite Industries Egypt SAE (PIE)	0.38	16.48	0.41	3.79	(46.57)	(1.29)	0.27	2.50
Pidilite Industries Trading (Shanghai) Co Ltd (Pidilite Shanghai)	0.00	0.04	(0.09)	(0.87)	-	-	(0.09)	(0.87)
Pidilite Innovation Centre Pte Ltd (PICPL)	0.12	5.12	(0.66)	(6.14)	-	-	(0.66)	(6.14)
Pidilite International Pte Ltd (PIPL)	0.10	4.43	(0.04)	(0.38)	(1,466.43)	(40.62)	(4.40)	(41.00)
Pidilite Lanka (Pvt) Ltd (PLPL)	0.57	24.81	0.95	8.86	14.44	0.40	0.99	9.26
Pidilite Middle East Ltd (PMEL)	(1.99)	(87.11)	(0.51)	(4.70)	(201.08)	(5.57)	(1.10)	(10.27)
Pidilite Speciality Chemicals Bangladesh Pvt Ltd (PSCB)	1.53	66.75	3.38	31.35	(5.05)	(0.14)	3.35	31.21
Pidilite USA Inc (PUSA)	2.16	94.06	(0.99)	(9.21)	(115.88)	(3.21)	(1.33)	(12.42)
PIL Trading (Egypt) Company (PTC)	0.02	1.04	0.16	1.46	(12.64)	(0.35)	0.12	1.11
PT Pidilite Indonesia (PTPI)	0.04	1.63	(0.08)	(0.71)	(3.25)	(0.09)	(0.09)	(0.80)
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda (Pulvitec)	0.65	28.26	(0.31)	(2.90)	452.71	12.54	1.04	9.64
Nina Lanka Construction Technologies (Pvt) Ltd (Nina Lanka)	0.02	0.68	(0.02)	(0.22)	(0.04)	(0.00)	(0.02)	(0.22)
Nebula East Africa Pvt Ltd (Nebula)	0.01	0.53	0.01	0.09	0.36	0.01	0.01	0.10
Pidilite Ventures Ltd (PVL)	0.17	7.31	0.01	0.06	-	-	0.01	0.06
Pidilite East Africa Ltd	-	-	-	-	-	-	-	-
Non-Controlling Interest	4.76	207.15	0.37	3.48	(1.81)	(0.05)	0.37	3.43
Vinyl Chemicals (India) Ltd (Associate)	-	-	0.39	3.60	-	-	0.39	3.60
Plus Call Technical Services LLC (Joint Venture)	-	-	-	-	-	-	-	-
TOTAL	100.00	4,355.24	100.00	928.39	100.00	2.77	100.00	931.16

INFORMATION ON SUBSIDIARY COMPANIES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014) in Form AOC-1

Particulars	Date of acquisition/ incorporation of subsidiary	Reporting period (FY)	Reporting Currency	Exchange Rates as at year end	Share Capital (includes Share application Money)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (except in case of subsidiaries)	Turnover	Profit/(Loss) Before Taxation	Provision For Tax (including Deferred Tax)	Profit/(Loss) After Taxation	Proposed Dividend	% of shareholding*
Pidilite International Pte Ltd*	29.12.2004	31.03.2019	USD	69.17	170.65	0.68	171.51	0.18	-	-	0.05	0.01	0.04	-	100.00%
Pidilite Middle East Ltd*	18.05.2005	31.03.2019	AED	18.82	171.58	(94.30)	77.31	0.02	-	-	(4.70)	-	(4.70)	-	100.00%
Pidilite MEA Chemicals (LLC)*	28.06.2005	31.03.2019	AED	18.82	0.56	(130.44)	96.23	226.11	-	99.56	(12.34)	-	(12.34)	-	49.00%
Pidilite Speciality Chemicals Bangladesh Pvt Ltd*	29.12.2005	31.03.2019	Taka	0.82	29.00	34.86	75.46	11.60	-	98.15	14.97	4.65	10.32	-	100.00%
Pidilite Bamco Ltd*	27.02.2006	31.03.2019	Baht	2.17	7.60	17.68	30.67	5.39	-	47.48	1.31	0.26	1.05	-	100.00%
PT Pidilite Indonesia*	01.03.2006	31.03.2019	IDR	0.00	5.58	(3.80)	1.97	0.19	-	-	(0.01)	(0.01)	0.00	-	100.00%
Pidilite USA Inc*	12.05.2006	31.03.2019	USD	69.17	102.23	(8.93)	118.10	24.79	3.89	103.55	(0.76)	(1.23)	0.47	-	100.00%
Pidilite Innovation Center Pte Ltd*	20.12.2006	31.03.2019	SGD	50.98	5.07	0.53	7.14	1.54	-	4.06	(0.37)	0.24	(0.61)	-	100.00%
Pidilite Industries Egypt - SAE*	18.10.2007	31.03.2019	EGP	3.99	25.81	(14.29)	29.53	18.01	-	25.21	(1.90)	0.04	(1.94)	-	100.00%
Pulvitec do Brasil Industria e Comercio de Colas e Adesivos Ltda*	10.05.2005	31.03.2019	BRL	17.71	131.62	(103.36)	49.04	20.78	-	86.40	(2.90)	-	(2.90)	-	100.00%
Bamco Supply and Services Ltd*	22.04.2008	31.03.2019	Baht	2.17	0.22	7.20	10.18	2.77	-	15.12	1.62	0.15	1.47	-	49.00%
PIL Trading (Egypt) LLC*	27.07.2009	31.03.2019	EGP	3.99	2.17	(4.01)	2.78	4.62	-	5.12	(0.23)	(0.01)	(0.21)	-	100.00%
Pidilite Industries Trading (Shanghai) Co Ltd	22.11.2010	31.03.2019	RMB	10.28	0.98	0.08	1.09	0.02	-	1.02	(0.25)	-	(0.25)	-	100.00%
Pidilite Chemical PLC	10.12.2014	31.03.2019	Birr	2.43	3.04	(1.42)	5.08	3.45	-	-	(0.76)	-	(0.76)	-	100.00%
Pidilite Ventures LLC	08.08.2018	31.03.2019	USD	69.17	7.26	0.06	7.35	0.04	3.46	-	0.07	0.01	0.06	-	100.00%
Nebula East Africa Ltd	09.09.2015	31.03.2019	KES	0.69	0.34	0.15	2.30	1.81	-	3.64	0.07	0.02	0.05	-	100.00%
Pidilite Lanka (Pvt) Ltd	07.08.2015	31.03.2019	LKR	0.39	33.56	(2.36)	53.20	21.99	-	36.85	(4.16)	(1.15)	(3.01)	-	76.00%
Nina Lanka Construction Technologies (Pvt) Ltd	20.02.2017	31.03.2019	LKR	0.39	0.62	0.05	0.86	0.18	-	0.29	(0.17)	-	(0.17)	-	100.00%
Pidilite East Africa Ltd	12.02.2019	31.03.2019	KES	0.69	-	-	-	-	-	-	-	-	-	-	55.00%
Fevicol Company Ltd	28.07.1979	31.03.2019	INR	-	0.27	1.96	2.23	-	-	-	-	-	-	-	100.00%
Madhumala Traders Pvt Ltd	01.06.1989	31.03.2019	INR	-	0.01	7.41	7.42	-	-	-	1.11	-	1.11	-	100.00%
Bhimad Commercial Company Pvt Ltd	01.06.1989	31.03.2019	INR	-	0.01	7.41	7.43	-	-	-	1.11	-	1.11	-	100.00%
Pagel Concrete Technologies Pvt Ltd	24.01.2007	31.03.2019	INR	-	0.10	(0.43)	-	0.33	-	-	-	-	-	-	80.00%
Building Envelope Systems India Ltd	07.09.2012	31.03.2019	INR	-	8.35	12.29	21.06	0.42	-	9.70	1.98	0.68	1.30	-	60.00%
Nina Percept Pvt Ltd**	30.03.2015	31.03.2019	INR	-	1.18	140.96	285.96	143.82	-	304.79	18.30	7.93	10.37	-	71.53%
ICA Pidilite Pvt Ltd	20.11.2015	31.03.2019	INR	-	7.31	235.46	304.72	61.96	-	168.33	(11.41)	(2.71)	(8.70)	-	50.00%
Cipy Polyurethanes Pvt Ltd	29.11.1994	31.03.2019	INR	-	0.94	81.45	122.19	39.79	-	155.43	20.59	5.90	14.69	-	70.00%

* % of holding and voting power either directly or indirectly through subsidiary as at 31st March 2019

** refer Note 56(b) of consolidated financial statements

Name of Subsidiaries which are yet to commenced operations: Pidilite East Africa Ltd (no transaction from the date of formation till 31st March 2019)

Name of Subsidiaries which have been liquidated or sold during the year: Not Applicable

INFORMATION ON ASSOCIATES

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

(₹ in crores)

Name of Associate		Vinyl Chemicals (India) Ltd
1	Latest audited Balance Sheet Date	31 st March 2019
2	Share of Associate held by the Company at the year end	
	• Number	74,51,540
	• Amount of Investment in Associate	1.18
	• Extent of Holding %	40.64%
3	Description of how there is significant influence	Associate
4	Reason why Associate is not consolidated	refer Note 2.5
5	Networth attributable to Shareholding as per latest audited Balance Sheet	23.99
6	Profit/ Loss for the year	
	(i) Considered in Consolidation	3.60
	(ii) Not Considered in Consolidation	5.26

INFORMATION ON JOINT VENTURE

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

(₹ in crores)

Name of Joint Venture		Plus Call Technical Services LLC
1	Latest unaudited Balance Sheet Date	31 st March 2019
2	Share of Joint Venture held by the Company at the year end	
	• Number	57
	• Amount of Investment in Joint Venture	0.21
	• Extent of Holding %	40.00%
3	Description of how there is significant influence	Not Applicable
4	Reason why Joint Venture is not consolidated	refer Note 2.5
5	Networth attributable to Shareholding as per latest unaudited Balance Sheet	-
6	Profit/ Loss for the year	
	(i) Considered in Consolidation	-
	(ii) Not Considered in Consolidation	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PUNEET BANSAL
Company Secretary

P GANESH
Chief Financial Officer

BHARAT PURI
Managing Director
DIN: 02173566

M B PAREKH
Executive Chairman
DIN: 00180955

Place: Mumbai
Date: 14th May 2019



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You can try and scroll...you might get stuck

bit.ly/FevicolWebsite



Daya, darwaza toot kyu nahi raha?



Kya yeh rocket udega?



Dus sar?

Fevicol hi hoga

Happy Dussehra



New Year Resolution
FEVICOL

The only way to stick to your resolution



Sab kuch chipak jaaye...

Turn on the sound



Even the champions fear this hurdle.



The ball is in our court



Ab utha ke dikhao

The Ultimate Adhesive





Sometimes, even we get scared to advertise



Pakde Rehna Chhodna Nahi!

FEVICOL

Mazboot Jod(i)
Happy Valentine's Day

Not all bonds are seen,
some are felt

World Sight Day

YOU KNOW WHAT TO HOLD ON TO
PAKDE REHNA, CHODNA NAHI.

Phone ulta karne se bhi yeh nahi b'renga

ISS RANG KA JOD CHOOTEGA NAHI

Mazboot jod

Happy Makar Sankranti

Ab kaise kaatoge?

The Ultimate Safe

ACROSS

- 50 years have passed. I am still young & strong
- South who talks, ye nahi frigate
- From the house of Pahlavi
- Chikale saayson
- Zar lege to Halisha
- Ultimate Bond
- Wahi jo sabko answer hai

DOWN

- Health mere saathi
- Pakde Rehna Chhodna Nahi!
- Carpenter's best friend
- The Mazboot Jod

"I wanted those elephants"

Sorry, Your Grace
But the Elephants belong to House Fevicol

DESIGN Pidilite Design Studio + Design Orb | PRINT Parksons Graphics

Pidilite Industries Limited
Registered Office
Regent Chambers, 7th Floor
Jamnalal Bajaj Marg
208 Nariman Point
Mumbai 400 021

www.pidilite.com



Notice

NOTICE is hereby given that the 50th ANNUAL GENERAL MEETING of the Members of the Company will be held on Tuesday, the 6th August, 2019 at 3.00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021, 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 2019 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 2019 together with the report of Auditors' thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Shri A N Parekh (DIN: 00111366), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass the following resolution as a Special Resolution to appoint a Director in place of Shri N K Parekh, who retires by rotation and being eligible, offers himself for re-appointment:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder and Rule 17(1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force) Shri N K Parekh (DIN: 00111518), who retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, the following resolution as a Special 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 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), or re-enactment thereof for the time being in force), Shri B S Mehta (DIN 00035019), who was appointed as an Independent Director of the Company for five consecutive years from 45th Annual General

Meeting (AGM) upto the conclusion of 50th AGM and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second consecutive term commencing from the conclusion of 50th AGM up to 31st March 2024 and he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorised to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. To consider and, if thought fit, to pass, the following resolution as a Special 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 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), or re-enactment thereof for the time being in force), Shri Uday Khanna (DIN 00079129), who was appointed as an Independent Director of the Company for five consecutive years from 45th Annual General Meeting (AGM) upto the conclusion of 50th AGM and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second consecutive term commencing from the conclusion of 50th AGM up to 2nd April 2024 and he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorised to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

7. To consider and, if thought fit, to pass, the following resolution as a Special 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 and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), or re-enactment thereof for the time being in force),

Smt. Meera Shankar (DIN: 06374957), who was appointed as an Independent Director of the Company for five consecutive years from 45th Annual General Meeting (AGM) upto the conclusion of 50th AGM and being eligible, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second consecutive term commencing from the conclusion of 50th AGM up to 29th July, 2024 and she shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors and/or the Company Secretary be and are hereby authorised to settle any question, difficulty or doubt that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 148 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 2020, 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."

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai

Date: 14th May 2019

Registered Office:

Regent Chambers, 7th floor,

Jamnala Bajaj Marg,

208, Nariman Point,

Mumbai 400 021.

Tel : 91 22 2835 7000

Fax : 91 22 2821 6007

E-mail : investor.relations@pidilite.co.in

Website : www.pidilite.com

CIN : L24100MH1969PLC014336

PUNEET BANSAL
COMPANY SECRETARY

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. 3:00 pm on Sunday, 4th August 2019.

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 AGM.
6. Members, proxies and authorized representatives are requested to bring the Attendance slips, which is enclosed herewith, duly filled and signed, and are requested to hand it over at the entrance of AGM venue.
7. In case of joint holders attending the AGM, only such joint holder 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 (the 'Act'), setting out all material facts relating to item nos. 4 to 8 of the Notice 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 the Explanatory Statement.
10. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection in physical or in electronic form by the members at the Registered Office and Corporate Office

of the Company during normal business hours on all working days (i.e. Monday to Friday) upto the date of the AGM as well as at the Meeting.

11. Route Map of venue of the Meeting is attached.
12. The Notice of the AGM along with the Annual Report 2018-19 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 2018-19 will also be available on the Company's website viz. www.pidilite.com
13. In accordance with the provisions of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) and applicable provisions of Secretarial Standard- 2, a brief profile of Shri A N Parekh, Shri N K Parekh, Shri B S Mehta, Shri Uday Khanna and Smt. Meera Shankar, 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 and other information, is set out and the same forms part of this Notice.
14. The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, 31st July 2019 to Tuesday, 6th August 2019 (both days inclusive) for the purpose of payment of the Dividend for the financial year ended 31st March 2019 and the AGM.
15. 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 6th August 2019. 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. The members are advised to consider utilising the Electronic Clearing Systems (ECS) for receiving dividends.
16. 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 as well as Bank details to their Depository Participants and Members holding shares in physical form shall submit their PAN to the Company/ TSR Darashaw Limited, the Company's Registrar & Share Transfer Agents (Company's R & T Agents).
17. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form w.e.f. 1st April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's R & T Agents for assistance in this regard.
18. The Members are requested to inform of any change in their addresses immediately to:
 - (i) Company's R & T Agents in case of shares held in Physical Form or
 - (ii) Depository Participants (DP) in case of shares held in Electronic Form.
19. 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.
20. 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 Company's R & T Agents.
21. 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.
22. 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.
23. A. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed /unpaid dividend up to the financial year ended 31st March 1994 have been transferred to the General Revenue Account of the Central Government. Those Members who have so far not claimed their dividends for the said periods may claim the same by submitting an application in the prescribed form to the Registrar of Companies, Maharashtra.
B. 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 2011 to the Investor Education and Protection Fund (IEPF).
C. Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), both of which were made applicable with effect from 7th September 2016, also contain similar provisions for transfer of such amounts to IEPF. Accordingly, all unclaimed/unpaid dividend, as well as the principal redemption amount of preference shares, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to

the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

- D. As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid/unclaimed for seven consecutive years or more as referred to in the said section read with the relevant Rules, have been transferred to the IEPF Demat Account.
- E. The Company has sent notice to all the members whose Dividends for the Financial year ending 31st March 2012 are lying unpaid/unclaimed against their name. Members are requested to claim the same. As mentioned in the said notice, in case the dividends are not claimed by 31st July 2019, necessary steps will be initiated by the Company to transfer the shares and dividend held by the members to IEPF without further notice. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF.
- F. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
- G. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 30th August 2018 (date of last AGM) on the website of the Company (www.pidilite.com) and also on the Ministry of Corporate Affairs website.

Members who have not yet encashed their Dividend Warrants for the years ended 31st March 2012 to 31st March 2018 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.

- 24. 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. The unclaimed Preference shares redemption amount and the dividend pertaining to the same has been transferred to IEPF and hence no claim shall lie in respect thereof against the Company.

- 25. Pursuant to Regulation 44(6) of Listing Regulations, the Company is pleased to provide one way webcast facility to view the live streaming of the proceedings of AGM for convenience of those Members who are unable to attend the AGM due to locational constraints. Members can view the proceedings of AGM by logging on to the e-voting website of NSDL at <https://www.evoting.nsdl.com> using their remote e-voting credentials, where the e-voting Event Number ("EVEN") of Company will be displayed.

26. Voting through electronic means/ballot paper

- I. In compliance with provisions of Section 108 of the Act and Rules issued thereunder and Regulation 44 of Listing Regulations, 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 e-mail from NSDL [for member whose e-mail IDs are registered with the Company/Depository Participant(s)]:

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a. For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b. For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c. For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your e-mail ID is not registered, your 'initial password' is communicated to you on your registered address.

vi. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii. Now, you will have to click on "Login" button.

ix. After you click on the "Login" button, Home page of e-Voting will open.

B) Step 2: Cast your vote electronically on NSDL e-Voting system

- i. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
- ii. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- iii. Select "EVEN" of the Company.
- iv. Now you are ready for e-Voting as the Voting page opens.
- v. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- vi. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vii. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- viii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

C) In case a Member receives physical copy of the Notice of AGM [for members whose e-mail 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 instructions provided under Step 1 and 2 above, to cast vote.

General Guidelines for shareholders

- i. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to shethmm_cs@yahoo.co.in with a copy marked to evoting@nsdl.co.in.
 - ii. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 - iii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
- V. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 30th July 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- VI. The remote e-voting period commences from Thursday, 1st August 2019 at 9.00 a.m. and ends on Monday, 5th August 2019 at 5.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form as on 30th July 2019 (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.
- VII. The voting rights of shareholders shall be in proportion to the share in the paid up equity share capital of the Company as on 30th July 2019, the cut- off date. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- VIII. Shri M M Sheth, Practising Company Secretary (Membership No. FCS 1455 CP No. 729) or failing him, Smt. Ami M Sheth (Membership No. ACS 24127 CP No. 13976) have been appointed as the 'Scrutinizer' to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make not later than 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.
- X. 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 50th 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) (the 'Act')

Item No. 4

This statement is provided, though strictly not required as per section 102 of the Act.

Shri N K Parekh (Vice-Chairman) (DIN: 00111518), is due to retire by rotation and being eligible offers himself for re-appointment as a Non-Executive Director of the Company.

In terms of the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) Members have approved, by passing Special Resolution by means of Postal Ballot, continuation of tenure of directorship of Shri N K Parekh as Non-Executive Director upto the conclusion of 50th Annual General Meeting (AGM).

Shri N K Parekh has been serving as a Director of the Company since 1969 and is a promoter of the Company. It would be in interest of the Company to continue to avail his services as a Non-Executive Director of the Company.

A brief profile of Shri N K Parekh as stipulated under Regulation 36(3) of Listing Regulations is given in this Notice.

Shri N K Parekh and his relative Shri A N Parekh are interested in this resolution.

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

The Board of Directors recommends the Special Resolution for approval by the Members.

Item No. 5

Shri B S Mehta (DIN: 00035019) was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to the conclusion of 50th AGM. In terms of the Regulation 17(1A) of the Listing Regulations, Members have approved, by passing Special Resolution by means of Postal Ballot, continuation of tenure of directorship of Shri B S Mehta as Non-Executive Independent Director upto the conclusion of 50th AGM.

Shri B S Mehta has been associated with the Company since 2000. Considering the expertise and rich experience of Shri B S Mehta and his valuable contributions to the Company, the Nomination and Remuneration Committee and the Board, at their meetings held on 13th May 2019 and 14th May 2019 respectively, have recommended the re-appointment of Shri B S Mehta as an Independent Director for a second consecutive term from the conclusion of the 50th AGM till 31st March 2024.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background, experience and contributions made by him during his tenure, the continued association of Shri B S Mehta would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Shri B S Mehta as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term commencing from the conclusion of 50th AGM up to 31st March 2024 on the Board of the Company.

Shri B S Mehta 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 Company has also received declaration from Shri B S Mehta stating that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Shri B S Mehta fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Details of Shri B S Mehta are provided in the "Annexure" to the Notice. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. Copy of draft letter of appointment of Shri B S Mehta setting out the terms and conditions of appointment is available for inspection by the Members at the Registered Office of the Company.

Shri B S Mehta is interested in this resolution with regard to his re-appointment. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution, as set out in Item No. 5 of the Notice, for approval by the Members.

Item No. 6

Shri Uday Khanna (DIN: 00079129) was appointed as an Independent Director of the Company and he holds office as an Independent Director of the Company up to the conclusion of 50th AGM.

Considering the expertise and rich experience of Shri Uday Khanna and his valuable contributions to the Company, the Nomination and Remuneration Committee and the Board, at their meetings held on 13th May 2019 and 14th May 2019 respectively, have recommended the re-appointment of Shri Uday Khanna as an Independent Director for a second consecutive term from the conclusion of the 50th AGM upto 2nd April 2024.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background, experience and contributions made by him during his tenure, the continued association of Shri Uday Khanna would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Shri Uday Khanna as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term commencing from the conclusion of 50th AGM up to 2nd April 2024 on the Board of the Company.

Shri Uday Khanna 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 Company has also received declaration from Shri Uday Khanna stating that he meets the criteria of independence as prescribed both under

Section 149(6) of the Act and under Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board, Shri Uday Khanna fulfils the conditions for appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

Details of Shri Uday Khanna are provided in the "Annexure" to the Notice. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. Copy of draft letter of appointment of Shri Uday Khanna setting out the terms and conditions of appointment is available for inspection by the Members at the Registered Office of the Company.

Shri Uday Khanna is interested in this resolution with regard to his re-appointment. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution, as set out in Item No. 6 of the Notice, for approval by the Members.

Item No. 7

Smt. Meera Shankar (DIN: 06374957) was appointed as an Independent Director of the Company and she holds office as an Independent Director of the Company upto the conclusion of 50th AGM.

Considering the expertise and experience of Smt. Meera Shankar and her valuable contributions to the Company, the Nomination and Remuneration Committee and the Board, at their meetings held on 13th May 2019 and 14th May 2019 respectively, have recommended the re-appointment of Smt. Meera Shankar as an Independent Director for a second consecutive term from the conclusion of the 50th AGM of the Company upto 29th July 2024.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background, experience and contributions made by her during her tenure, the continued association of Smt. Meera Shankar would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director. Accordingly, it is proposed to re-appoint Smt. Meera Shankar as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term commencing from the conclusion of 50th AGM up to 29th July 2024 on the Board of the Company.

Smt. Meera Shankar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has also received declaration from Smt. Meera Shankar stating that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and under Listing Regulations.

In the opinion of the Board, Smt. Meera Shankar fulfils the conditions for appointment as an Independent Director as

specified in the Act and the Listing Regulations and she is independent of the management.

Details of Smt. Meera Shankar are provided in the "Annexure" to the Notice. She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 of the Act. Copy of draft letter of appointment of Smt. Meera Shankar setting out the terms and conditions of appointment is available for inspection by the Members at the Registered Office of the Company.

Smt. Meera Shankar is interested in this resolution with regard to her re-appointment. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board recommends the Special Resolution, as set out in the Item No. 7 of the Notice, for approval by the members.

Item No. 8

The Board, 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), plus applicable taxes, for the financial year ending 31st March 2020 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 Act and the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board, 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 in the Item No. 8 of the Notice, for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31st March 2020.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise in the resolution.

The Board recommends the resolution for approval by the Members.

BY ORDER OF THE BOARD OF DIRECTORS

Place: Mumbai

Date: 14th May 2019

Registered Office:

Regent Chambers, 7th floor,

Jamn Lal Bajaj Marg,

208, Nariman Point,

Mumbai 400 021.

Tel : 91 22 2835 7000

Fax : 91 22 2821 6007

E-mail : investor.relations@pidilite.co.in

Website : www.pidilite.com

CIN : L24100MH1969PLC014336

PUNEET BANSAL
COMPANY SECRETARY

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

Shri A N Parekh aged 47 years is a Promoter Director of the Company and has been working with the Company since 1996. Shri A N Parekh is a Chemical Engineer with the qualification of B. S. Chem. Engg. (U.S.A) and having total business experience of 25 years. He joined the Company in Sales and Marketing Department and was promoted to the position of Sr. Vice President. He has been a Whole Time Director of the Company since 1st July 2005. He is not a Director in any of the listed entities. He is a Director of Nina Percept Private Limited (deemed public company).

He holds 30,76,918 equity shares of the Company as on 31st March 2019.

He is related to Shri N K Parekh, Vice Chairman of the Company.

Shri N K Parekh aged 81 years is a Non-Executive Director of the Company and has been serving as a Director since 1969. He was appointed as director of the Company on 28th July 1969. He is qualified Technologist for Dyes and Intermediates and qualified Chemical Engineer [B.Sc., B.Sc (Tech), M.S. Chem. Engg. (USA)] and has experience in the industry for over 55 years.

He is a Director on the Boards of Vinyl Chemicals (India) Ltd, Fevicol Company Ltd, Parekh Marketing Ltd and Kalva Marketing and Services Ltd. He is the Chairman of Corporate Social Responsibility Committee of Vinyl Chemicals (India) Ltd. He is also the member of Nomination and Remuneration Committee and Stakeholders Relationship Committee of Vinyl Chemicals (India) Ltd.

He holds 5,42,73,688 equity shares of the Company as on 31st March, 2019.

He is related to Shri A N Parekh, Whole Time Director of the Company.

Shri B S Mehta aged 83 years is a graduate in commerce and a Fellow Member of The Institute of Chartered Accountants of India. He was appointed as director of the Company on 25th July 2000. He is a Chartered Accountant in practice dealing with taxation, accountancy and valuation of mergers and acquisitions. He is a director on the boards of several prominent companies in India.

He is Director on the Boards of Atul Ltd, Century Enka Ltd, Gillette India Ltd and Procter & Gamble Hygiene and Health Care Ltd. He is a member of Audit Committee of Atul Ltd, Century Enka Ltd., Gillette India Ltd and Procter & Gamble Hygiene and Health Care Ltd. He is a member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Century Enka Ltd.

He holds 24,716 equity shares of the Company.

He is not related to any Director of the Company.

Shri Uday Khanna aged 69 years is a Chartered Accountant by qualification. He was appointed as an Independent Director of the Company on 3rd April 2014. He was the Managing Director and CEO of Lafarge India from July, 2005 to July 2011 and the Non-Executive Chairman of Lafarge India from July 2011 to September 2014. He joined the Lafarge Group in Paris in June 2003 as Senior Vice President for Group Strategy, after an extensive experience of almost

30 years with Hindustan Lever/Unilever in a variety of financial, commercial and general management roles both nationally and internationally. His last position before joining Lafarge, was Senior Vice President- Finance, Unilever - Asia, based in Singapore. He has earlier been on the Board of Hindustan Unilever as Director-Exports, after having served as Financial Controller and Treasurer of the Company. He has also worked as Vice Chairman of Lever Brothers in Nigeria and General Auditor for Unilever-North America, based in the USA. Shri Khanna has been the past President of the Bombay Chamber of Commerce and Industry and also the Indo-French Chamber of Commerce and Industry. He is currently the Jt. Managing Trustee and Hon'ble Treasurer of the Indian Cancer Society and also serves on the Governing Board of the Anglo Scottish Education Society. Shri Khanna is the recipient of 'Best Independent Director' award by Asian Centre for Corporate Governance Sustainability in 2018.

He is the Chairman on the Board of Bata India Ltd and also serves on the Boards of Castrol India Ltd, Pfizer Ltd and Kotak Mahindra Bank Ltd. He is the Chairman of the Audit Committee of Castrol India Ltd. He is a member of the Audit Committee and Nomination and Remuneration Committee of Bata India Ltd. He is the member of Audit and Nomination and Remuneration Committee and Chairman of Stakeholder Relationship Committee of Pfizer Ltd. He is also a member of Audit Committee of Kotak Mahindra Bank Ltd.

He holds 5,000 Equity Shares in the Company.

He is not related to any Director of the Company.

Smt. Meera Shankar aged 68 years holds a Master's degree in English Literature. She was appointed as an Independent Director of the Company on 30th July 2014. She joined the Indian Foreign Service in 1973 and had an illustrious career spanning 38 years. She served in the Prime Minister's Office for six years, from 1985 to 1991 working on foreign policy and security matters. Thereafter, she led the Commercial Wing in the Indian Embassy in Washington as Minister (Commerce) till 1995. She returned as Director General of the Indian Council of Cultural Relations overseeing India's cultural diplomacy. She has had extensive experience in South Asia having worked on Bangladesh, Sri Lanka and Maldives as Under Secretary and Deputy Secretary in the Ministry of External Affairs. Later, as Joint Secretary she headed divisions dealing with neighbours, Nepal and Bhutan and the South Asian Association of Regional Cooperation (SAARC). As Additional Secretary, she handled the UN and International Security issues. She served as Ambassador of India to Germany from 2005 to 2009 and then to the United States from 2009 to 2011.

She is a director on the Boards of ITC Ltd, Adani Transmission Ltd and Hexaware Technologies Ltd. She is a member of the Corporate Social Responsibility Committee and Nomination and Remuneration Committee of ITC Ltd. She is also a member of Audit Committee as well as Nomination and Remuneration Committee of Adani Transmission Ltd. She is also a member of Audit Committee as well as Corporate Social Responsibility Committee of Hexaware Technologies Ltd.

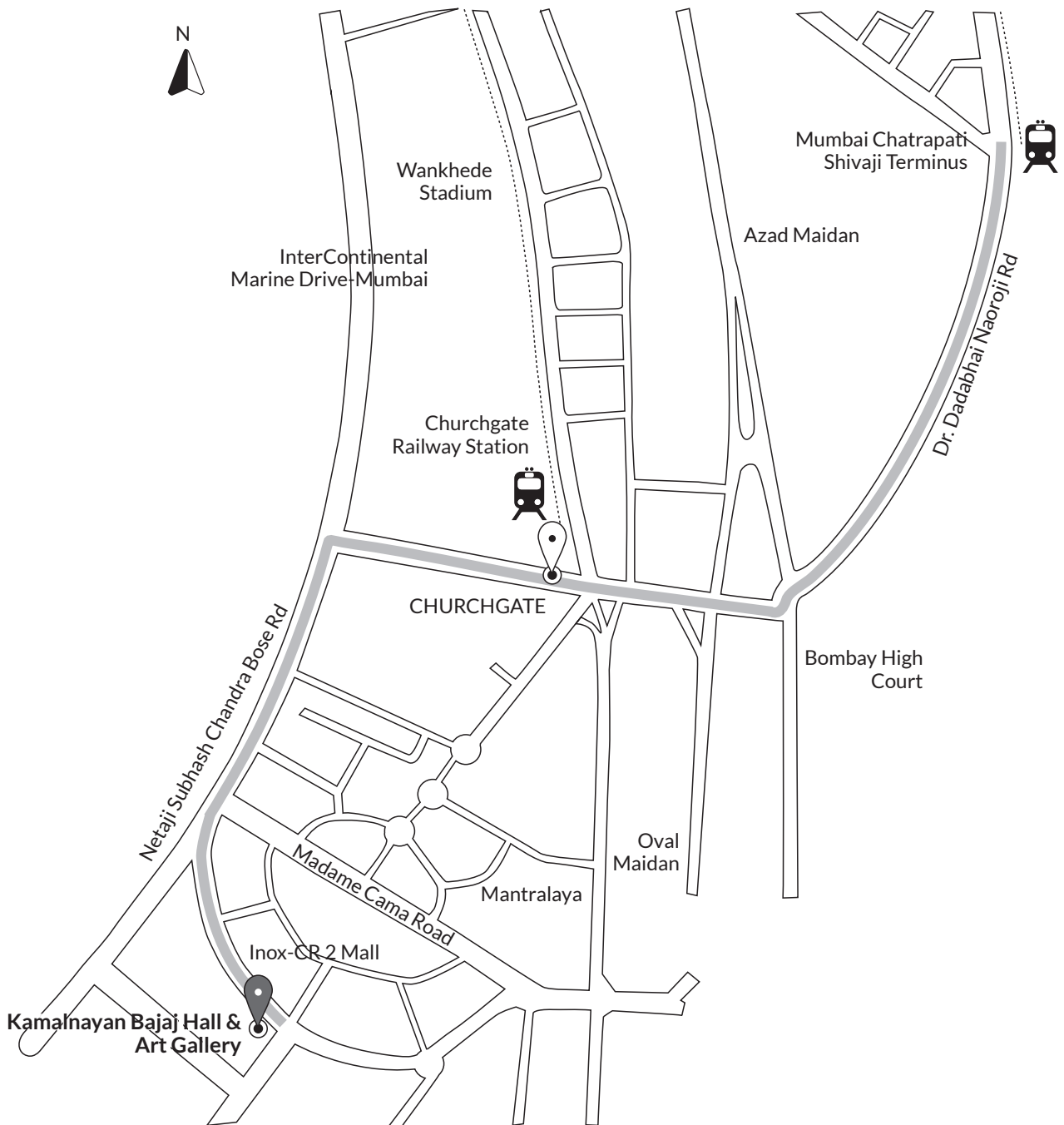
She holds Nil Equity Shares in the Company.

She is not related to any Director of the Company.

Note: For other details, such as number of meetings of the Board attended during the year, remuneration drawn, Committee position in the Company, etc. please refer to Corporate Governance Report.

Route map to the AGM Venue of:

Pidilite Industries Ltd.
50th Annual General Meeting
Tuesday, 6th August 2019 at 3:00 p.m



Venue:

Kamalnayan Bajaj Hall,
Bajaj Bhavan, Jamnalal Bajaj Marg,
Nariman Point,
Mumbai - 400 021
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, E-mail: 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:
E-mail 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 : _____
E-mail ID: _____ or failing him;
- 2) Name : _____
Address : _____
E-mail ID: _____ or failing him;
- 3) Name : _____
Address : _____
E-mail ID: _____

as my/our proxy to attend and vote (on a poll) for me/ us and on my/our behalf at the 50th ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 6th August 2019 at 3:00 p.m. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

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 2019.
2. Declaration of dividend on Equity Shares.
3. Re-appointment of Shri A N Parekh as a Director.
4. Re-appointment of Shri N K Parekh as a Director.

Special Business:

5. Re-appointment of Shri B S Mehta as an Independent Director for a second consecutive term of five years upto 31st March 2024.
6. Re-appointment of Shri Uday Khanna as an Independent Director for a second consecutive term of five years upto 2nd April 2024.
7. Re-appointment of Smt. Meera Shankar as an Independent Director for a second consecutive term of five years upto 29th July 2024.
8. Ratification of payment of remuneration to M/s. V J Talati & Co., Cost Auditors.

Signed this _____ day of _____ 2019.

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, Jammalal Bajaj Marg, 208, Nariman Point, Mumbai - 400 021.
Tel.: 91 22 28357000; **Fax:** 91 22 28216007; **Email:** investor.relations@pidilite.co.in; **Website:** www.pidilite.com

ATTENDANCE SLIP (To be presented at the entrance)

Annual General Meeting on Tuesday, 6th August, 2019 at 3.00 p.m. (IST)
at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai 400 021

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I/we hereby record my/our presence at the 50th Annual General Meeting of the Company to be held on Tuesday, 6th August, 2019 at 3.00 p.m. (IST) at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jammalal Bajaj Marg, Nariman Point, Mumbai 400 021.

D.P. Id*		Folio No.	
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Client Id*		No. of Share/(s) held	
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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 50th Annual General Meeting. The e-voting period commences on Thursday, 1st August, 2019 at 9.00 a.m. (IST) and ends on Monday, 5th August, 2019 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.