

PIDILITE INDUSTRIES LIMITED

33rd ANNUAL REPORT
2001-2002



CANNES ADVERTISING FESTIVAL
FEVICOL – BEST TV COMMERCIAL - SILVER





Pidilite brings to the customers, Dr. Fixit's prescription for healthy construction, in the form of a unique range of waterproofing and repair products, supported by a large number of trained and certified contractors across the country. These products are used in new construction jobs, so as to ensure long term health of the construction. The products also offer effective solutions for preventing and curing damp walls, leakages and cracks.



Board of Directors

B.K. Parekh
(Chairman)
S.K. Parekh
(Vice Chairman)
M.B. Parekh
(Managing Director)
N.K. Parekh
(Joint Managing Director)
H.K. Parekh
M.A. Pai (up to 06/08/2001)
R.M. Gandhi
N.J. Jhaveri
Bansi S. Mehta
Ranjan Kapur
Yash Mahajan
A.B. Parekh
(Whole-Time Director)
Santosh Kumar
(Whole-Time Director)
S.T. Dave
(Whole-Time Director)

Sr. Vice President & Secretary

P.C. Patel

Solicitors & Advocates

Wadia Ghandy & Co.

Auditors

Haribhakti & Co.

Bankers

Indian Overseas Bank
Corporation Bank
HDFC Bank

Corporate Office

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

Registered Office

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

Registrar & Transfer Agent

Tata Share Registry Limited
Army & Navy Building
148, Mahatma Gandhi Road
Fort, Mumbai 400 001

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Industry Structure and Development

Branded consumer and bazaar products and industrial speciality chemicals are the two major businesses of the Company.

The branded consumer and bazaar products of the Company include Adhesives, Sealants, Art Materials, Construction Chemicals and Paint Chemicals. Consumers of these products include carpenters, painters, plumbers, mechanics, households, schools, offices, etc.

Industrial Speciality Chemicals include Industrial Adhesives, Synthetic Resins, Organic Pigments, Pigment Preparations, Surfactants, etc. These products are consumed by various industries such as packaging, textile, paint, printing ink, paper, leather, etc.

In each of these business segments there are a few medium to large size companies with national presence and a large number of small size companies which are active regionally. In most product segments, the share of imports is less than 10% of the domestic volumes.

Outlook on Opportunities, Threats, Risk and Concerns

The Company has strong brands, extensive distribution, strong R&D and an excellent reputation amongst trade and consumers. This provides the Company with opportunities to increase the market share, to introduce new products and to acquire new brands and businesses.

The Company's art materials and adhesives are finding good acceptance in the international market and provide an opportunity for growth.

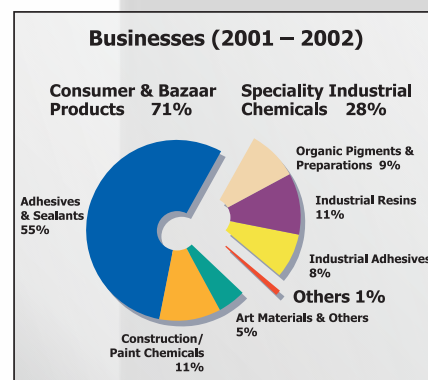
The Company faces a fair number of competitors in most of the segments it operates in. This competition is likely to increase with possible entry of multinationals and likely increase in volume of imports.

The sluggish growth of the Indian economy in the last few years is an area of concern. However, the demand for most of the Company's products is likely to increase at a healthy rate in the coming years.

Segment-wise Performance

Branded Consumer and Bazaar Products contributed 71% of the total sales of the Company and the sales value of these products grew by 15% during the year.

Sales of Industrial Speciality Chemicals contributed 28% of the total sales of the Company. Sales of these products showed a minor decline during the year because of discontinuation of Agency business relating to Flocculants and due to low demand from sectors consuming Industrial Speciality Chemicals.



Brand Acquisitions

The "Steelgrip" brand was acquired in March 2002. With net sales of over Rs. 11 crore in the Financial Year 2000 - 2001,



The "Steelgrip" brand was acquired in March 2002

"Steelgrip" is a pioneer and market leader in the Rs. 40 crore PVC electrical insulation tape market. "Steelgrip" has strong brand loyalty amongst electricians, households and industries. With increased focus on distribution and brand building, we expect to considerably increase the sales of "Steelgrip".

New Products

Several new products were launched during the year under review.

A range of products for waterproofing as well as repair and maintenance of buildings was introduced under the umbrella brand of "Dr. Fixit".

The Company introduced, for the first time in India, Students' Tempera Colours under the brand name "Acron Rangeela" and stick-on colours, which can give removable and reusable paints under the "Fevicryl" brand. Similarly, fabric glue as well as mould and paint kits were also introduced by the Company for the first time in India. Other products launched during the year are fabric whitener under the brand "Ranipal All White", synthetic distemper under the brand name "DDL" and upholstery adhesive under the brand name "Foamfix".

Packaging Design

Packaging designs of several products were changed to give a more contemporary look.

These products include "M-Seal", "Fevicryl" and "Acron". Plus One

Design of U.K. have designed new international look containers as well as an attractive graphic design for "Fevicol" and these are in the process of being launched.

Advertising

The Company's advertising, created by its agency Ogilvy & Mather, continued to win recognition at local as well as international forums.

The Company won awards at several advertising festivals, including at the prestigious Cannes Lions Awards.



At the 2002 Cannes Awards, considered to be the Oscars of the advertising world, the Fevicol 'Bus' TV Commercial won a Silver in the Household Maintenance Products category.

At the Asia Pacific Advertising Festival, the Fevicol 'Bus' TV Commercial and M-Seal 'Will' TV Commercial won a Bronze each in their respective product categories. Moreover, a special award for the Best Soundtrack in TV Commercials was also awarded to the Fevicol 'Bus' TV Commercial.

At the ABBY Awards, Fevicol advertising won a Gold for the Advertising Campaign of the Year and also a Silver for the Best Continuing Campaign over the years. The M-Seal 'Will' TV Commercial won a Gold in the category for Single Advertisement.



Some of the new products launched this year



New packaging designs were introduced for several products

Sales Promotion

"Fevi Art", a magazine for hobby, arts and crafts, was launched during the year to provide users with new ideas for using Fevicryl and Acron products. The Dr. Fixit helpline and web-site were launched to give assistance to people with waterproofing and building repair problems.

The Company's products were selected by leading companies for cross promotion. "Acron Rangeela" students' colours were selected by Hindustan Lever for cross promotion with "Surf" and "Acron" wax crayons were selected by Colgate for cross promotion with "My First Colgate" toothbrush.

Risk and Internal Adequacy

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

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

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

Shareholder Value

The Net Worth of the Company has grown from Rs. 10671 lac in 1997-1998 to over



Some of our products were selected by leading companies for cross promotion

Rs. 26108 lac at the end of 2001-2002, giving a CAGR of 25.07%.

The value of the Company's Equity Share remained steady during the financial year under review.

Financial Performance

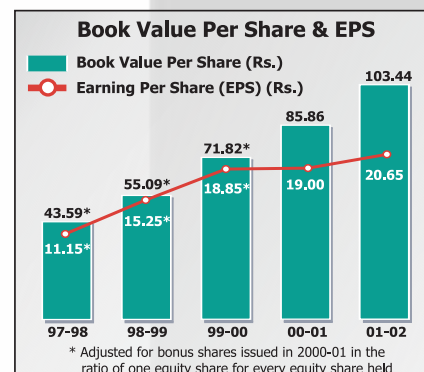
Financial results and performance for the year are elaborated in the Directors' Report.

Human Resources

During the year, improvement activities such as Performance and Potential Management System, and Mentorship Programme for new Management Graduates were introduced.

Employee involvement initiatives continued, with various Small Group Activities. As many as 125 small groups are working on cycle time reduction, working capital reduction, overhead expense reduction, waste elimination and saving of energy.

Total number of employees as on 31st March, 2002 was 1810. Employee relations continued to be cordial at all levels.



Rupees in Lac

Highlights	1997-98	1998-99	1999-00	2000-01	2001-02	CAGR %
Operating Results						
Sales and Other Income	36566	40178	47063	52690	57718	12.09
Mfg. & Other Expenses	30844	33152	38375 [@]	43731	47741	11.54
Operating Profit	5722	7026	8688	8959	9977	14.91
Interest	1021	744	512	697	416	-20.11
Depreciation	860	959	1162	1651	1897	21.87
Profit before Tax	3841	5323	7014	6611	7664	18.85
Current Tax	1113	1590	2257	1815	1650	10.34
Deferred Tax	-	-	-	-	802	-
Profit after Tax	2728	3733	4757	4796	5212 [#]	17.57
Dividend on Equity Shares	673 [*]	951 [*]	1134 [*]	1252 [*]	1767	27.29
Retained Earning	2055	2782	3623	3544	3445	13.79
Financial Position						
Capital	1224	1224	1262	2524	2524	19.83
Reserves (Less Revaluation Reserve & Misc. Expenditure)	9447	12263	16866	19148	23584	25.70
Net Worth	10671	13487	18128	21672	26108	25.07
Borrowings	8190	5383	7897	4486	4425	-14.27
Funds Employed	18861	18870	26025	26158	30533	12.80
Fixed Assets (Excluding Revalued Assets & Depreciation thereon)						
Gross Block	12911	14599	20222	22549	27719	21.05
Depreciation	3509	4456	5767	7366	9203	27.26
Net Block	9402	10143	14455	15183	18516	18.46
Investments	1402	1881	2293	1594	1510	1.87
Net Current Assets	8057	6846	9277	9381	10507	6.86
Total Assets	18861	18870	26025	26158	30533	12.80

@ Includes VRS Payment of Rs. 132 lac * Includes Tax on Dividend

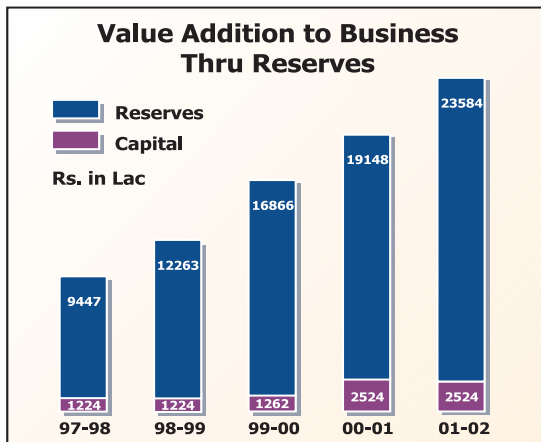
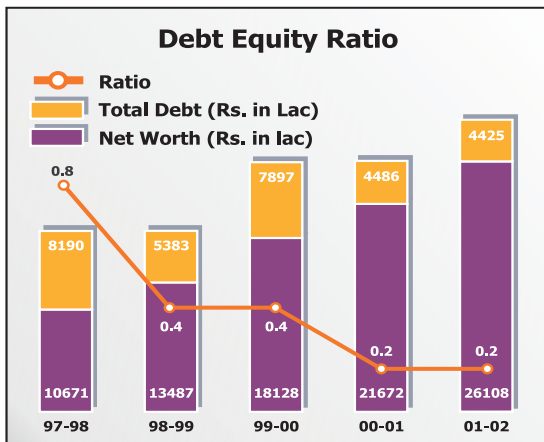
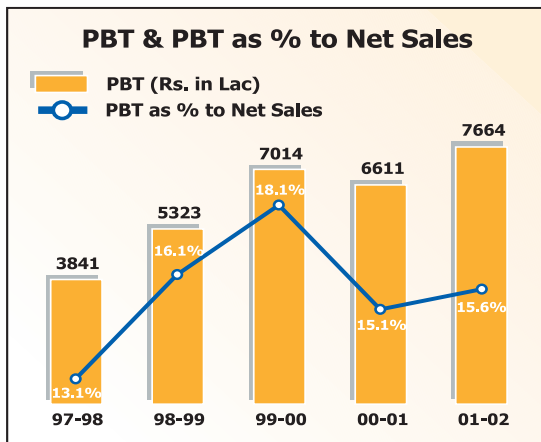
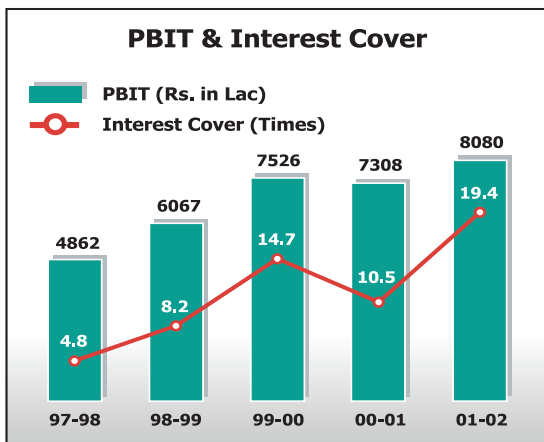
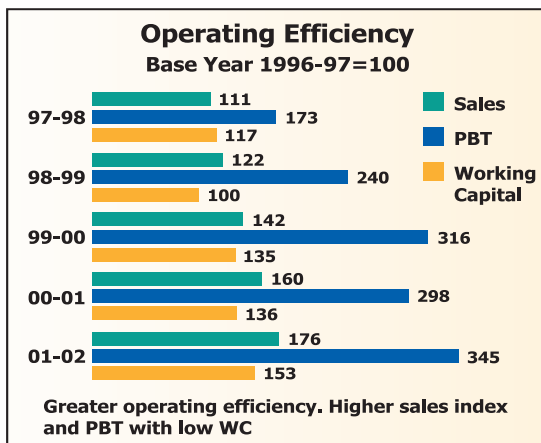
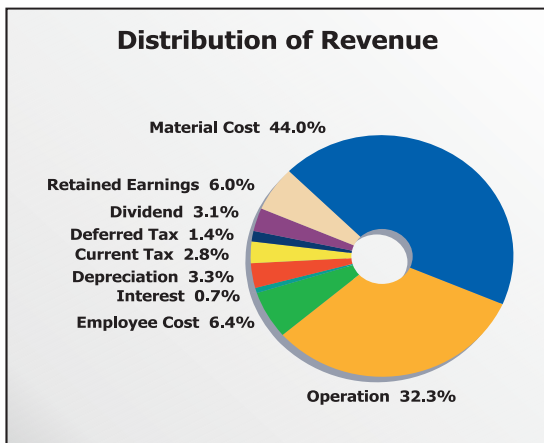
Excluding prior year Tax provision written back Rs. 189 lac

Rupees in Lac

Highlights	1997-98	1998-99	1999-00	2000-01	2001-02
Funds Flow					
Sources					
Internal Generation	3589	4726	5919	6447	8100
Increase in Capital & Reserve (Net) on Amalgamation	–	–	1226	–	–
Increase in Loans	–	–	2514	–	–
Decrease in Investment	–	–	–	699	69
Decrease in Working Capital	–	806	–	–	–
Total	3589	5532	9659	7146	8169
Applications					
Repayment of Loan	448	2414	–	3411	85
Capital Expenditure	1234	1688	5682 [@]	2379	5230 ^{\$}
Investments	110	479	412	–	–
Dividend	673	951	1135	1252	1767
Increase in Working Capital	1124	–	2430	104	1087
Total	3589	5532	9659	7146	8169
Ratios					
Return on Average Net Worth % (RONW) (PAT divided by Average Net Worth)	28.4	30.9	30.1	24.1	21.8
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Funds Employed)	27.0	32.2	33.5	28.0	28.5
Long Term Debt / Cash Flow	1.1	0.1	0.4	0.1	0.1
Gross Gearing % (Debt as a percentage of Debt plus Equity)	43.4	28.5	30.3	17.1	14.5
Current Ratio (Current Assets divided by Current Liabilities)	3.3	2.3	2.5	2.6	2.3
Assets Turnover (times) (Gross Sales divided by Total Assets)	1.9	2.1	1.8	2.0	1.9

@ Includes Cost of Brands Acquired Rs. 3656 lac

\$ Includes Cost of Brand Acquired Rs. 873 lac



What is EVA

EVA, or Economic Value Added, is one of the modern approaches used to identify the value created by the company for its shareholders. It represents the quantum of profits generated in excess of cost of the capital employed.

Shareholder value creation is better represented by EVA than by traditional profit figures.

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 actuals.

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 on Government of India (GOI) securities + market risk premium (assumed @ 85% of risk free return on long dated GOI securities) x beta variant for the company (taken at 80% as against the stock market as a whole).

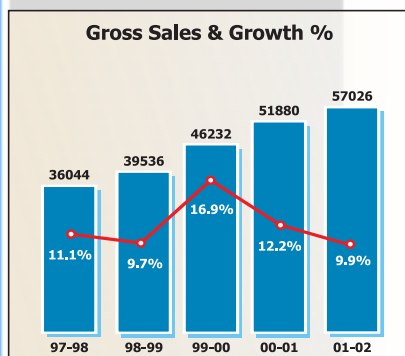
Cost of debt = Effective interest applicable to Pidilite based on an appropriate mix of short, medium and long term debt, net of taxes (taken at 2% above the risk free return on long dated securities issued by the Government of India).

Economic Value Added Analysis					
Item	1997-98	1998-99	1999-00	2000-01	2001-02
Cost of Capital					
1. Risk Free Return on Long Dated GOI Securities	12.0%	11.5%	11.0%	10.3%	9.0%
2. Cost of Equity	20.2%	19.3%	18.5%	17.3%	15.1%
3. Cost of Debt (Post Tax)	9.1%	8.8%	8.0%	7.4%	7.1%
4. Effective Weighted Average Cost of Capital	15.0%	15.4%	15.4%	15.0%	13.8%
Economic Value Added (Rupees in Lac)					
5. Average Debt	8414	7030	6640	6192	4456
6. Average Equity (Shareholder Funds)	9612	12079	15808	19900	23890
7. Average Capital Employed (Debt + Equity)	18026	19109	22448	26092	28346
8. Profit After Tax (as per P&L account)	2728	3733	4757	4796	5212
9. Interest (as per P&L account, net of Income Tax)	664	484	315	421	268
10. Net Operating Profit After Tax (NOPAT)	3392	4217	5072	5217	5480
11. Weighted Average Cost of Capital (4 x 7)	2704	2943	3457	3914	3912
12. Economic Value Added (10 - 11)	688	1274	1615	1303	1568
13. EVA as a % of Average Capital Employed (12 ÷ 7)	3.82%	6.67%	7.19%	4.99%	5.53%

Note: Figures in 5 Years' Financial Performance, Financial Charts and EVA are as per the Annual Report of Respective years.

To The Members

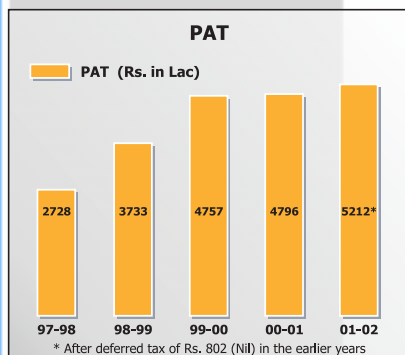
Your Directors have pleasure in presenting their Thirty Third Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2002.



Financial Results

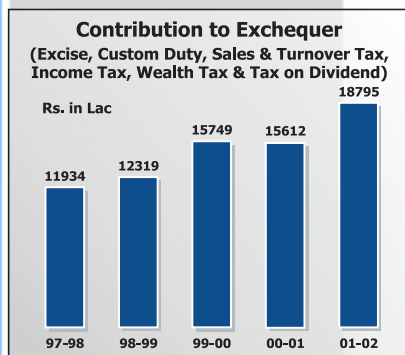
(Rupees in Lac)

	2001-02	2000-01
Gross turnover	57026	51880
Turnover, net of excise	49164	45239
Profit before tax	7664	6611
Current year's Tax	1650	1815
Profit after Current year's Tax	6014	4796
Deferred Tax	802	-
Profit after Current and Deferred Tax	5212	4796
Prior year's Tax provision Written back	189	-
Profit brought forward	1552	1508
Profit available for appropriation	6953	6304



Appropriations:

Proposed Dividend on Equity Shares	1767	1136
Tax on Dividend	-	116
Transfer to General Reserve	3400	3500
Total	5167	4752
Balance carried to Balance Sheet	1786	1552
	6953	6304



Financial Performance

The gross turnover for the year increased by 9.9% as compared to last year.

The Operating Profit for the year at Rs. 9977 lac and Net Profit at Rs. 5212 lac grew by 11.4% and 8.7% respectively as compared to last year.

The Net Profit for the current year is after providing for Deferred Taxation of Rs. 802 lac, as against Nil provision in the previous year. For proper comparison, the Profit After Tax (without Deferred Tax) increased from Rs. 4796 lac in the previous year to Rs. 6014 lac in the current year, showing a 25.4% growth.

Interest outgo for the current year has decreased by over Rs. 280 lac. The acquisition cost of Rs. 873 lac for the Steelgrip brand was funded from internal accruals.

The Credit Rating Information Services of India Ltd. (CRISIL) has re-affirmed the "P1+" rating to the Commercial Paper Programme of the Company for Rs. 55 crore.

Dividend

The Directors recommend the payment of a higher dividend of Rs. 7.00 (previous year Rs. 4.50) per Equity Share amounting to Rs. 17,66,80,000 out of the current year's profit on 2,52,40,000 Equity Shares (previous year Rs. 11,35,80,000 on 2,52,40,000 Equity Shares). The dividend payout amount has grown at a CAGR of 27.3% over the last 5 years.

Capital Expenditure

The Company incurred capital expenditure of about Rs. 5286 lac during the year on modernisation/expansion of manufacturing facilities and offices, wind mills, purchase of computers, acquisition of Steelgrip brand and Insulation Tape business, etc.

Current Year Outlook

Barring unforeseen circumstances, the Company expects to perform well during the current year.

Subsidiary

Fevicol Company Ltd. is a 100% subsidiary of the Company and its Annual Report and Accounts are attached herewith.

Directors

The Board has proposed to re-appoint Shri Santosh Kumar as a Whole-Time Director of the Company for a further period of 2 years with effect from 1st Sept, 2002.

In accordance with the Articles of Association of the Company, Shri H.K. Parekh, Shri S.K. Parekh, Shri N.J. Jhaveri and Shri S.T. Dave, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

Your Directors confirm:

(i) that in the preparation of the annual

accounts, the applicable accounting standards have been followed;

(ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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, 2002 and of the profit of the Company for that year;

(iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

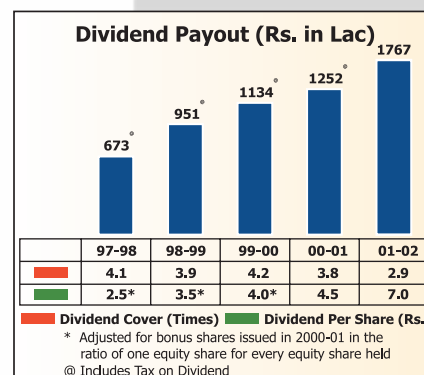
(iv) that the Directors have prepared the annual accounts on a going concern basis.

Corporate Governance

Reports on Corporate Governance and Management Discussion and Analysis in accordance with Clause 49 of the Listing Agreements with Stock Exchanges along with a certificate from the Auditors of the Company are covered separately in this Annual report.

Auditors

Members are requested to re-appoint M/s Haribhakti & Co. as Auditors of the Company and of its branches/depots/C&F depots for the current year and to fix their remuneration.



Cost Auditor

The Company has received the approval of the Central Government for appointment of M/s V.J. Talati & Co. as Cost Auditor to conduct cost audit for the financial year 2002-2003.

Conservation of Energy, Technology Absorption, etc

The particulars under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are attached to this Report as Annexure I.

Human Resources

For report on Human Resources, please refer to concerned paragraph given in Management Discussion & Analysis Report.

A statement of particulars pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars

of Employees) Rules, 1975, forms part of this report as Annexure II. As per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report together with Accounts is being sent to the Shareholders of the Company, excluding the statement of particulars of employees under Section 217(2A) of the Act. Members desiring to have a copy of the same may write to the Company Secretary at the Registered Office of the Company and they will be provided with the same upon such a request.

Appreciation

The Directors place on record their appreciation of the efficient services rendered by the employees of the Company at all levels.

FOR AND ON BEHALF OF THE BOARD

Mumbai
Date: 22nd July, 2002

B.K. PAREKH
CHAIRMAN

ANNEXURE I TO THE REPORT OF THE DIRECTORS

Statement containing particulars pursuant to the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 forming part of the report of the Directors.

A] CONSERVATION OF ENERGY

a) Energy Conservation Measures taken

1. Emulsification of fuel oil.
2. Optimizing operating parameters of the utilities.
3. Incorporation of VFD for circulation pumps and vessels.
4. Installation of metal Halide Luminaries

b) Additional Investments and Proposals, if any, being implemented for reduction of Consumption of Energy

1. Continuing energy conservation measures on above lines.
2. Alternative fuel for DG Sets.

c) Impact of measures of (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods

12.76 lacs kWh of electricity and 37 kl of fuel oil are expected to be saved annually by above measures.

d) Total energy consumption and energy consumption per unit of production

As per Form A

FORM A

Disclosure of particulars with respect to Conservation of Energy

A. Power and Fuel consumption

		Year ended 31.3.2002	Year ended 31.3.2001
1. Electricity			
a) Units Purchased	'000 kWh	9,531	9,568
Total Amount	Rs. '000	49,235	49,187
Rate/Unit (Average)	Rs.	5.17	5.14
b) Own Generation			
Through diesel Generator			
Units	'000 kWh	505	211
Units per litre of diesel oil	kWh	2.63	2.44
Cost/Unit	Rs./kWh	7.41	6.74
2. Coal		N.A.	N.A.
3. Furnace Oil			
Quantity	kl	2,804	2,484
Total Amount	Rs. '000	26,403	24,597
Average Rate	Rs. '000/kl	9.42	9.90
4. Other/Internal Generation			
Units – Wind mill	'000 kWh	550	724
Total Credit	Rs. '000	2,680	3,224
Rate/Unit (Average)	Rs.	4.87	4.45

N.B.

20.60 lacs kWh (1.55 lacs kWh) units generated amounting to Rs. 57.68 lacs (Rs. 4.56 lacs) at Satara and Sangli wind mill projects are shown as "Other Income" in the Current Year.

B. Consumption per unit of production

It is not feasible to furnish information in respect of consumption per unit of production.

B] TECHNOLOGY ABSORPTION

e) Efforts made in technology absorption

As per Form B

FORM B

Disclosure of particulars with respect to Technology Absorption

RESEARCH & DEVELOPMENT (R&D)

1. Specific areas in which R&D is carried out by the Company

R&D programmes are carried out towards development of new products, improvement of the existing products and processes falling under the category of Synthetic Resins, Adhesives, Sealants, Pigments and Pigment Dispersions, Intermediates, Surfactants, Art Materials, Coatings, Finishes, Fabric Care Products, Construction Chemicals, Maintenance Chemicals and Continuous Emulsion Polymerization.

2. Benefits derived as a result of the above R&D

Increase in sales due to product improvements and introduction of new products, reduction in cost due to process improvements.

3. Future Plan of Action

Future R&D efforts will continue along similar lines as at present including process safety enhancement.

4. Expenditure on R&D

	Year ended 31.3.2002 (Rs. in lacs)	Year ended 31.3.2001 (Rs. in lacs)
i) Capital	11.96	7.80
ii) Recurring	1,90.80	1,65.48
Total	2,02.76	1,73.28
iii) Total R&D Expenditure as a percentage of total turnover	0.36	0.33

5. Technology Absorption, Adaptation and Innovation

i) Technologies, Processes developed by our R&D Department are being continuously absorbed and adopted on a commercial scale.

ii) Benefits derived as a result of the above efforts:

Improvement in products and processes and introduction of new products.

iii) Information regarding Technology imported during the last 5 years:

- a) Technology imported : NIL
- b) Year of import : Not Applicable
- c) Has technology been fully absorbed : Not Applicable
- d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action : Not Applicable

C] FOREIGN EXCHANGE EARNING & OUTGO

f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

Export earnings during 2001-2002 have shown a decrease of Rs. 136 lacs over 2000-2001.

We have participated in international exhibitions in China, Thailand, U.S.A., Germany and Taiwan to enhance export of our products.

We have effected exports to USA, Latin America, Europe, Africa, SAARC Countries, South East Asia and Australia.

g) Total foreign exchange used and earned

	Year ended 31.3.2002 (Rs. in lacs)	Year ended 31.3.2001 (Rs. in lacs)
Foreign exchange earned	27,14	28,78
Foreign exchange used *	64,73	45,67

* Out of the above, exchange used for import of materials which are either not manufactured in India and/or not easily available in India amounted to Rs. 62,17 lacs for the year ended 31.3.2002 (Previous year Rs. 43,29 lacs).

To,
**The Members of
PIDILITE INDUSTRIES LIMITED**

We have audited the attached Balance Sheet of PIDILITE INDUSTRIES LIMITED as at 31st March, 2002 and also the Profit and Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

I As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, based upon such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

II Further to our comments in the Annexure referred to in paragraph (1) above:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) In our opinion, proper books of account, as required by Law, have been kept by the Company so far as appears from our examination of these books;
- c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
- d) In our opinion, the Profit and Loss Account and the Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 to the extent they are applicable to the Company;
- e) Based on the confirmations received from the Companies where Directors of the Company are Directors which have also been taken on record in a meeting of the Board of Directors of the Company and based on the information and explanation as made available, Directors of the Company do not, prima facie, have any disqualification as referred to in clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and Profit and Loss Account, read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2002 and
 - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date.

For HARIBHAKTI & CO
Chartered Accountants
CHETAN DESAI
Partner

Mumbai
Date: 25th June, 2002

ANNEXURE TO AUDITORS' REPORT **(Referred to in Paragraph (1) Thereof)**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. During the year, certain items of fixed assets have been physically verified by the management and the programme of verification, in our opinion, is reasonable, having regard to the size of the Company and the nature of business. We have been informed that no material discrepancies were noticed on such verification as compared to book records.
2. None of the Fixed Assets has been revalued during the year.
3. (a) The stocks of finished goods, traded goods, raw materials, packing materials and spares have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
(b) The procedure and physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The discrepancies noticed on verification between physical stock and book records were not material.
(d) In our opinion, the valuation of stocks is fair and proper, in accordance with normally accepted accounting principles and is on the same basis as in the preceding year.

4. In our opinion, the rate of interest and other terms and conditions on which loans have been taken from companies listed in the register maintained under section 301 of the Companies Act, 1956 and from companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956, are prima facie not prejudicial to the interest of the Company.
5. The Company has not granted any loan to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and to the companies under the same management.
6. The Company has given interest free loans to certain employees and generally the recovery of principal amounts thereof is as per stipulations.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials, plant and machinery and other assets and for sale of goods.
8. In our opinion and according to the information and explanations given to us, the transactions of purchase of goods and materials and sales of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and aggregating during the year to Rs. 50,000 or more in respect of each party have been made at prices which are reasonable having regard to the prevailing market price for such goods, materials and services or prices at which similar transactions have been made with other parties.
9. According to the informations and explanations given to us, the Company has a regular procedure for determination of unserviceable or damaged stores and raw materials. Provisions have been made in the accounts for the loss arising on the items so determined.
10. The Company has not accepted any deposit from the public, attracting provision of Section 58A of the Companies Act, 1956 or the Companies (Acceptance of Deposits) Rules, 1975.
11. In our opinion and according to the information and explanations given to us, the Company has maintained record of sale and disposal of by-products. However, there are no records for the sale and disposal of scrap as in the manufacturing activities of the Company, no significant scraps is generated.
12. The function of internal audit, as explained, is being carried out by outside professionals, which, in our opinion, is commensurate with the size of the company and nature of its business.
13. We have broadly reviewed the books of account maintained by the Company pursuant to the Order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, in regard to the production of Synthetic Resins and are of the opinion that, prima facie, the prescribed accounts have been made and maintained. We have not, however, made a detailed examination of the said records.
14. According to the records of the Company, Provident Fund and Employees' State Insurance dues have been regularly deposited with the appropriate authorities.
15. According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, sales-tax, customs duty and excise duty were outstanding as on 31st March, 2002 for a period of more than six months from the date they became payable.
16. According to the information and explanations given to us, no personal expenses of directors and employees have been charged to revenue account, other than those payable under contractual obligations or in accordance with generally accepted business practice.
17. The Company is not a "Sick Industrial Company" within the meaning of clause (o) of sub-section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
18. In respect of trading activities, we are informed that provisions for loss on account of damaged goods have been made in the accounts.

Mumbai
Date: 25th June, 2002

For HARIBHAKTI & CO
Chartered Accountants
CHETAN DESAI
Partner

(Rs. in Lacs)

	Schedule	As at 31 st March, 2002	As at 31 st March, 2001
I. SOURCES OF FUNDS			
1. Shareholders' Funds			
a. Capital	1	25,24.00	25,24.00
b. Reserves and Surplus	2	2,35,84.15	1,91,47.80
		2,61,08.15	2,16,71.80
2. Loan Funds			
a. Secured Loans	3	17,59.69	5,33.43
b. Unsecured Loans	4	26,64.78	39,75.93
		44,24.47	45,09.36
TOTAL		3,05,32.62	2,61,81.16
II. APPLICATION OF FUNDS			
1. Fixed Assets			
a. Gross Block		2,72,94.27	2,21,37.96
b. Less: Depreciation		91,91.48	73,47.60
c. Less: Lease Adjustment		11.54	18.05
d. Net Block	5	1,80,91.25	1,47,72.31
e. Capital work in progress		4,24.68	4,10.58
		1,85,15.93	1,51,82.89
2. Investments (Net)	6	15,09.48	15,78.80
3. Current Assets, Loans and Advances	7		
a. Inventories		79,44.87	65,92.69
b. Sundry Debtors		69,84.58	56,58.99
c. Cash and Bank Balances		849.04	766.98
d. Other Current Assets		274.82	3,21.11
e. Loans and Advances		25,68.10	21,19.18
		1,86,21.41	1,54,58.95
Less: Current Liabilities and Provisions	8		
a. Liabilities		62,01.55	46,67.93
b. Provisions		19,12.65	13,71.55
		81,14.20	60,39.48
Net Current Assets		1,05,07.21	94,19.47
TOTAL		3,05,32.62	2,61,81.16
Notes forming part of the Accounts	12		

AS PER OUR REPORT OF EVEN DATE

 For **HARIBHAKTI & CO.**

Chartered Accountants

CHETAN DESAI

Partner

Mumbai

 Date: 25th June, 2002

P.C. PATEL

Sr. Vice President & Secretary

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH

Chairman

S.K. PAREKH

Vice Chairman

M.B. PAREKH

Managing Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2002



		(Rs. in Lacs)	
		Schedule	Previous Year
INCOME			
Sales		5,70,25.83	5,18,79.87
Other Income	9	6,92.95	7,43.15
		5,77,18.78	5,26,23.02
EXPENDITURE			
Materials	10	2,53,84.61	2,48,38.44
Other Expenses	11	2,27,72.83	1,95,22.24
Depreciation		18,96.78	16,51.71
		5,00,54.22	4,60,12.39
Profit before Taxation and others		76,64.56	66,10.63
Provision for Current Taxation		16,50.00	18,15.00
Deferred Taxation		8,01.90	-
Profit for the year		52,12.66	47,95.63
Prior year Tax provision written back (Net)		1,88.59	-
Balance brought forward from previous year		15,51.73	15,07.75
Profit available for appropriation		69,52.98	63,03.38
Proposed Dividend		17,66.80	11,35.80
Corporate Tax on Dividend		-	1,15.85
		17,66.80	12,51.65
Transfer to General Reserve		34,00.00	35,00.00
Balance carried to Balance Sheet		17,86.18	15,51.73
Notes forming part of the Accounts	12		
Earnings Per Share (Rs.) (Refer Note 12 of Schedule 12)		20.65	19.00

AS PER OUR REPORT OF EVEN DATE

For **HARIBHAKTI & CO.**

Chartered Accountants

CHETAN DESAI

Partner

Mumbai

Date: 25th June, 2002

P.C. PATEL

Sr. Vice President & Secretary

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH

Chairman

S.K. PAREKH

Vice Chairman

M.B. PAREKH

Managing Director

(Rs. in Lacs)

	As at 31 st March, 2002	As at 31 st March, 2001
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
2,75,00,000 Equity Shares of Rs. 10 each	27,50.00	27,50.00
25,00,000 Unclassified Shares of Rs. 10 each	2,50.00	2,50.00
TOTAL	30,00.00	30,00.00
Issued, Subscribed and Paid up		
2,52,39,400 Equity Shares of Rs. 10 each, fully paid (Notes 1 and 2)	25,23.94	25,23.91
Bonus Shares Issue Suspense Account (Note 3)	0.06	0.09
TOTAL	25,24.00	25,24.00

NOTES:

Out of the above

1. 7,47,588 Equity Shares of Rs.10 each have been issued for consideration other than cash pursuant to various schemes of amalgamation during earlier years.
2. 2,26,41,634 Equity Shares of Rs.10 each have been allotted as fully paid Bonus Shares by way of capitalisation of General Reserve, Share Premium Account and Capital Redemption Reserve.
3. Bonus Shares Issue Suspense Account pertains to issue of 600 (900) fully paid Bonus Shares pending settlement of dispute for title of Shares.

SCHEDULE 2

RESERVES AND SURPLUS

Capital Reserve	33.70	33.70
Revaluation Reserve		
Balance as per last Balance Sheet	—	32,15.68
Less: Amount Adjusted during the year	—	32,15.68
	—	—
Share Premium Account		
Balance as per last Balance Sheet	—	9,53.78
Less : Amount capitalised towards issue of Bonus Shares	—	9,53.78
	—	—
Cash Subsidy Reserve		
Balance as per last Balance Sheet	74.74	74.74
Special Reserve		
Balance as per last Balance Sheet	11.89	11.89
Carried Forward	120.33	120.33

(Rs. in Lacs)

As at
31st March, 2002

As at
31st March, 2001

SCHEDULE 2 (Contd....)

	Brought Forward	120.33	120.33
General Reserve			
Balance as per last Balance Sheet		1,74,75.74	1,42,84.00
Add: Transferred from Profit and Loss Account		34,00.00	35,00.00
Less: a) Amount capitalised towards issue of Bonus Shares		-	3,08.26
b) Amount adjusted on account of accumulated Deferred Tax upto March 31, 2001 (Refer note : 10 (b) of Schedule 12)		19,93.60	-
		1,88,82.14	1,74,75.74
Deferred Tax Reserve			
Set aside from General Reserve on account of accumulated Deferred Tax upto March 31, 2001		1993.60	
Add: Adjustment for the Current Year (Refer note : 10 (b) of Schedule 12)		801.90	
		27,95.50	-
Profit and Loss Account		17,86.18	15,51.73
TOTAL		2,35,84.15	1,91,47.80

SCHEDULE 3

SECURED LOANS

Working Capital loans from Banks		17,59.69	5,33.43
TOTAL		17,59.69	5,33.43

Working Capital Loans from Banks are secured by hypothecation of stock of Raw Materials, Finished Goods, Packing Material, Stock in Process and Book Debts. Further, these loans are collaterally Secured by way of second charge on all fixed assets of the company's unit at Kondivita, Mumbai.

SCHEDULE 4

UNSECURED LOANS

Interest free Sales Tax loan from Gujarat State Finance Corporation		-	1.05
Interest free Sales Tax loan from Government of Gujarat		23.91	26.47
Interest free Sales Tax loan from Government of Maharashtra		6,40.87	3,99.30
Loan from Banks		20,00.00	35,00.00
From Other Companies		-	49.11
TOTAL		26,64.78	39,75.93

Amount due within one year Rs. 20,04.71 Lacs (Rs. 35,01.04 Lacs)

SCHEDULE 5

FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				Lease Adjust- ment Account	NET BLOCK	
	As at 1.4.2001	Additions/ Adjust- ments	Deduc- tions/ Adjust- ments	As at 31.3.2002	As at 1.4.2001	Provided during the year	Deductions/ Adjust- ments	As at 31.3.2002		As at 31.3.2002	As at 31.3.2001
Goodwill	2,22.08	110.91	–	3,32.99	57.24	44.42	–	1,01.66	–	2,31.33	1,64.84
Freehold Land	1,31.44	435.16	–	5,66.60	–	–	–	–	–	5,66.60	1,31.44
Leasehold Land	1,65.00	45.71	–	2,10.71	11.66	1.21	–	12.87	–	1,97.84	1,53.34
Buildings	39,10.65	4,67.29	1.19	43,76.75	6,73.79	1,19.02	(1.01)	7,91.80	–	35,84.95	32,36.86
Plant and Machinery	1,24,56.75	33,47.02	36.61	1,57,67.16	55,70.26	12,51.36	(22.36)	67,99.26	–	89,67.90	68,86.49
Trademark	33,51.77	5,88.24	–	39,40.01	3,83.39	3,40.08	–	7,23.47	–	32,16.54	29,68.38
Copyrights	56.18	43.34	–	99.52	6.41	5.98	–	12.39	–	87.13	49.77
Furniture & Fixtures	8,72.44	83.47	1.46	9,54.45	2,63.65	55.83	(0.84)	3,18.64	–	6,35.81	6,08.79
Vehicles	5,96.96	1,38.92	76.97	6,58.91	1,88.61	54.12	(29.21)	2,13.52	–	4,45.39	4,08.35
Capital Expenditure on Scientific Research:											
– Buildings	14.83	–	–	14.83	6.09	0.47	–	6.56	–	8.27	8.74
– Plant and Machinery	2,58.04	12.48	–	2,70.52	1,42.98	14.68	0.52	1,58.18	–	1,12.34	1,15.06
– Furniture and Fixtures	30.65	–	–	30.65	4.05	1.94	–	5.99	–	24.66	26.60
Assets given on Lease											
Plant and Machinery	56.97	–	–	56.97	32.16	5.89	–	38.05	(7.00)	11.92	12.04
Vehicles	14.20	–	–	14.20	7.31	1.78	–	9.09	(4.54)	0.57	1.61
Total	2,21,37.96	52,72.54	1,16.23	2,72,94.27	73,47.60	18,96.78	(52.90)	91,91.48	(11.54)	1,80,91.25	1,47,72.31
Previous Year	2,34,67.48	26,45.12	39,74.64	2,21,37.96	63,82.48	16,51.71	(6,86.59)	73,47.60	(18.05)	1,47,72.31	

Notes: i) Additions during the year include acquisition of Steel Grip Brand from M/s. Bhor Industries Ltd. for Rs. 8,72.90 Lacs.
ii) Capital work in progress including capital advances, not included above, is Rs. 4,24.68 lacs (Rs. 4,10.58 lacs)

(Rs. in Lacs)

As at
31st March, 2002

As at
31st March, 2001

SCHEDULE 6

LONG TERM INVESTMENTS (AT COST)

I. In Government Securities (Unquoted)

6 and 7 Years National Savings Certificates (Deposited with Government Departments, Bombay Municipal Corporation, Bombay Suburban Electric Supply Co. Ltd.)	1.63	1.63
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II. In Equity Shares (Fully paid)

a) Quoted

Trade:

• 74,50,439 (72,09,402) Equity Shares of Rs. 10 each of Vinyl Chemicals (India) Ltd.	11,78.34	11,57.17
Others:		
• Nil (18,300) Equity Shares of Rs. 10 each of Corporation Bank	—	14.64
• 5,800 Equity Shares of Rs. 10 each of Hindustan Adhesives Ltd.	1.43	1.43
• 16,400 Equity Shares of Rs. 10 each of Hindustan Organic Chemicals Ltd.	8.20	8.20
• Nil (1,000) Equity Shares of Rs. 10 each of ICICI Banking Corporation Ltd.	—	0.35
• 9,700 Equity Shares of Rs. 10 each of Indian Petrochemicals Ltd.	17.94	17.94
• 2,000 Equity Shares of Rs. 10 each of Jindal Vijaynagar Steel Ltd. (Rs. 5 paid-up)	0.10	0.10
• Nil (2,000) Equity Shares of Rs. 10 each of Oriental Bank Of Commerce	—	1.20
• 1,21,300 Equity Shares of Rs. 10 each of Pal Peugeot Ltd.	12.13	12.13
• 1,80,042 (1,94,242) Equity Shares of Rs. 10 each of Indian Overseas Bank Ltd.	18.00	19.42
• 62,700 Equity Shares of Rs. 10 each of Menon Pistons Ltd.	44.30	44.30

TOTAL - II (a) **12,80.44** 12,76.88

[Market Value Rs. 696.31 Lacs (686.35 Lacs)]

b) Unquoted (Fully paid)

• In wholly-owned subsidiary Companies 50,000 (2,500) Equity Shares of Rs. 10 each of Fevicol Company Ltd.	5.00	0.25
• 40 Equity Shares of Rs. 50 each of Regent Chambers Premises Co-op. Society Ltd.	0.02	0.02
• 5 Equity Shares of Rs. 50 each of Adarsh Co-op. Housing Society Ltd.	—	0.01
• 10 Equity Shares of Rs. 10 each of New Usha Nagar Co-op. Housing Society Ltd.	0.01	0.01
• 2,00,200 Equity Shares of Rs. 10 each of Enjayes Spices & Chemicals Oil Ltd.	52.86	52.86
• 628 Equity Shares of Rs. 100 each of Jawahar Co-op. Industrial Estate Ltd.	0.62	0.62
• 2,275 Equity Shares of Re. 1 each of Himalaya House Company Ltd.	0.02	0.02

TOTAL - II (b) **58.53** 53.79

c) In Units of Mutual Fund (Unquoted)

• 400 Units of Rs. 1,00,000 each of Infinity Venture India Fund	2,60.00	2,60.00
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TOTAL - II (c) **2,60.00** 2,60.00

Carried Forward **16,00.60** 15,92.30

(Rs. in Lacs)

As at
31st March, 2002

As at
31st March, 2001

SCHEDULE 6 (Contd....)

	As at 31 st March, 2002	As at 31 st March, 2001
Brought Forward	16,00.60	15,92.30
SHORT TERM INVESTMENTS (AT COST)		
In Units of Mutual Fund (Unquoted)		
• Nil (4,037.915) Units of Rs. 10 each of Birla Mutual Fund Cash Plus Plan	–	0.50
• Nil (12,636.074) Units of Rs. 10 each of Prudential ICICI Mutual Fund Liquid Plan	–	1.48
TOTAL	–	1.98
Less : Provision for Diminution in value of Investments	91.12	15.48
TOTAL	15,09.48	15,78.80

Investments purchased and sold during the year other than shown above:

	Purchased	(Units) Sold
Birla Mutual Fund Cash Plus Plan	12,03,212.721	12,07,250.636
Prudential ICICI Mutual Fund Liquid Plan	1,44,60,591.490	1,44,73,227.560

(Rs. in Lacs)

As at
31st March, 2002

As at
31st March, 2001

SCHEDULE 7

CURRENT ASSETS, LOANS AND ADVANCES

A) Current Assets		
a) Inventories (As valued and certified by the Management)		
Consumable Stores and Spares, etc.	72.09	87.71
Raw Materials	30,16.62	23,28.34
Goods in Process	2,97.94	1,94.99
Finished Goods	34,57.72	30,87.16
Traded Goods	5,84.02	4,42.30
Packing Materials	5,15.88	4,51.60
Raw Materials for Scientific Research	0.60	0.59
	79,44.87	65,92.69
b) Sundry Debtors (Unsecured, considered good)		
Debts outstanding for a period exceeding six months	3,10.63	3,35.66
Others	66,73.95	53,23.33
	69,84.58	56,58.99
c) Cash and Bank Balances		
Cash and cheques on hand	2,49.46	1,88.18
Remittances in transit	26.36	52.25
Bank Balances:		
With scheduled banks		
In Current Accounts	5,67.37	5,18.18
In Margin Money	5.56	8.08
In Fixed Deposit with Municipal Co-op. Bank Ltd. [Maximum outstanding during the year Rs. 0.29 Lacs (Rs. 0.29 Lacs)]	0.29	0.29
	8,49.04	7,66.98
d) Other Current Assets		
Interest Accrued on Investments	0.17	0.17
Claims Receivable	2,74.65	3,20.94
	2,74.82	3,21.11
B) Loans and Advances (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	11,98.65	11,87.84
Advance Payment of Taxes (Net of Provisions) (Refer Note: 10 (a) of Schedule 12)	8,31.49	3,21.42
Loans and Advances to Staff	1,95.95	1,67.35
Deposits	2,58.08	2,84.18
Balances with Central Excise Department	83.93	1,58.39
	25,68.10	21,19.18
TOTAL	1,86,21.41	1,54,58.95

(Rs. in Lacs)

As at
31st March, 2002

As at
31st March, 2001

SCHEDULE 8

CURRENT LIABILITIES AND PROVISIONS

A) Current Liabilities		
Acceptances		1,67.25
Sundry Creditors (Refer Note 2 of Schedule 12)		
Small Scale Industrial Undertakings	2,87.31	1,92.29
Others	47,85.61	33,80.47
		<u>35,72.76</u>
Dealers' Deposits		6,67.10
Interest Accrued but not due		1.07
Unclaimed Dividends		23.26
Other Liabilities		2,37.56
		<u>62,01.55</u>
B) Provisions		
Un-encashed Leave	1,39.58	1,13.63
Non Performing/Substandard assets	6.27	6.27
Dividends:		
Proposed Dividend	17,66.80	11,35.80
Corporate Tax on Dividend	—	1,15.85
		<u>19,12.65</u>
TOTAL		<u><u>81,14.20</u></u>

SCHEDULE 9

OTHER INCOME

Interest received (Gross)		7.33	95.89
[Tax deducted at source Rs. 0.79 Lacs (Rs. 2.09 Lacs)]			
Dividend received			
a) On long term Investments	73.09		—
b) Others	12.59		14.20
		<u>85.68</u>	<u>14.20</u>
Export Incentives		1,29.18	1,54.48
Profit on sale of Investments (Net)		10.50	1,56.30
Miscellaneous		4,60.26	3,22.28
		<u>6,92.95</u>	<u>7,43.15</u>
TOTAL		<u><u>6,92.95</u></u>	<u><u>7,43.15</u></u>

(Rs. in Lacs)

Previous year

SCHEDULE 10

MATERIALS

a. Raw Materials consumed		
Stock at commencement	23,28.34	27,00.79
Add: Purchases	1,92,14.06	1,70,40.88
	2,15,42.40	1,97,41.67
Less: Stock at close	30,16.62	23,28.34
		1,85,25.78
b. (Increase)/Decrease in Stocks		
Stock at close		1,94.99
Goods in Process	2,97.94	1,94.99
Finished Goods	34,57.72	30,87.16
	37,55.66	32,82.15
Less: Stock at commencement		2,40.90
Goods in Process	1,94.99	2,40.90
Finished Goods	30,87.16	34,27.65
	32,82.15	36,68.55
	(4,73.51)	3,86.40
c. Packing Materials consumed		51,82.32
d. Cost of Traded Goods		
Stock at commencement	4,42.30	4,63.93
Add: Purchases	22,91.74	20,67.26
	27,34.04	25,31.19
Less: Stock at close	5,84.02	4,42.30
		21,50.02
		20,88.89
TOTAL		2,53,84.61
		2,48,38.44

(Rs. in Lacs)

Previous year

SCHEDULE 11

OTHER EXPENSES

Stores and Spares consumed	2,36.67	2,30.55
Clearing, Forwarding, Octroi Duty, etc.	20,48.63	17,35.79
Central Excise Duty	78,61.38	66,41.32
Power and Fuel	7,77.52	7,24.06
Water Charges	90.05	91.26
Employees' Emoluments : [Refer Notes 1(vi), 6 and 7 of Schedule 12]		
Salaries, Wages, Bonus, Allowances etc.	26,97.52	22,99.64
Contribution to Provident and Other Funds	3,67.39	2,85.12
Welfare Expenses	6,41.88	5,73.87
		<hr/>
	37,06.79	31,58.63
Rent	1,53.39	1,26.28
Rates and Taxes	58.29	38.14
Insurance	1,67.26	1,40.59
Licence fees	4.31	3.42
Repairs		
Buildings	81.35	79.36
Machinery	1,34.37	1,69.61
Others	1,04.43	73.12
		<hr/>
	3,20.15	3,22.09
Directors' Fees	1.50	0.70
Advertisement and Publicity	24,62.09	17,58.13
Legal and Professional fees	4,24.86	3,71.93
Communication Expenses	3,43.98	2,94.75
Printing and Stationery	1,03.78	1,02.75
Bad Debts Written Off (Net)	75.63	57.28
Travelling & Conveyance Expenses	9,61.12	8,83.81
Processing and Packing Charges	10,73.23	8,15.78
Bank charges	1,62.28	1,41.38
Commission & Brokerage	50.90	77.50
Miscellaneous expenses	10,97.39	10,24.21
Scientific Research and Development Expenditure [Refer Note 1(iv) of Schedule 12]	21.10	19.36
Remuneration to Auditors		
Audit Fees	7.09	7.09
For Other Services	10.13	11.46
		<hr/>
	17.22	18.55
Donations	35.74	28.65
Provision for Diminution in Value of Investments [Refer Note 1(v) of Schedule 12]	75.65	—
Loss on Fixed Assets Sold/Discarded (Net)	25.67	18.26
Interest	4,16.25	6,97.08
		<hr/>
TOTAL	2,27,72.83	19,522.24
		<hr/> <hr/>

SCHEDULE 12

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) System of accounting

The company follows accrual system of accounting. Claims which are not of Material nature/refunds of Insurance, Octroi Duty, Customs duty, etc, are accounted for when no significant uncertainties attach to their eventual receipt.

ii) Fixed Assets and Depreciation

a) Tangible assets are stated at cost.

b) The Company provides depreciation as under:

- 1) For assets acquired upto 30.6.1987, on Straight Line Method (SLM) basis, except certain assets for which written down value (WDV) basis is adopted at rates equivalent to the rates specified in Income-Tax Act, 1961.
- 2) For assets acquired after 30.6.1987 & before 31.3.1993, on SLM basis at rates specified in Schedule XIV of the Companies Act, 1956.
- 3) For assets acquired after 31.3.1993, on SLM basis as per new rates prescribed under Schedule XIV vide notification No. GSR 756 (E) dated 16.12.1993 issued by the Department of Company Affairs.
- 4) The company provides pro-rata depreciation for additions / deductions made during the year except for assets less than Rs. 5,000, for which depreciation has been provided at hundred percent.
- 5) The Goodwill acquired by the Company are depreciated over a period of 5 years on SLM basis.
- 6) The Trademarks acquired by the Company are depreciated over a period of 10 years on SLM basis.

iii) Method of Valuation of Inventories

Raw and Packing Materials are valued at average cost; Goods in process are valued at Cost; Finished Goods and Traded Goods are valued at cost or net realisable value, whichever is lower and Consumable Stores and Spares are valued at cost.

iv) Scientific Research and Development Expenditure

a) Capital expenditure is shown separately in Fixed Assets.

b) Expenses incurred on Consumables and Materials used for the purpose of Scientific Research and Development are shown against "Scientific Research and Development Expenditure"; all other expenditures are charged to respective heads of account.

v) Investments

Investments are stated at Cost. Diminution of permanent nature in the value of investment is provided for.

vi) Gratuity

Payment for present value of future liability of Gratuity is being made to approved Gratuity Fund, which fully covers the same under cash accumulation policy of the Life Insurance Corporation of India and the same is charged to Profit and Loss Account for the year.

vii) Leave Encashment Entitlement

Liability in respect of leave encashment entitlement, in accordance with the policies of the Company, is provided for based on valuations by an independent actuary.

viii) Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency assets and liabilities are restated at rates ruling at the year end. Exchange differences relating to fixed assets are adjusted in the cost of the asset. Any other exchange differences are dealt with in the Profit & Loss Account.

2. The names of small scale industries to whom the company owes a sum exceeding Rs. 1 lac, which is outstanding for more than 30 days at the Balance Sheet date, are : A.D. Mehta & Co, Alpakk Paper Packaging Pvt Ltd, Bago Cans Pvt Ltd, Poonam Plastic Industries, Ruchi Arts Pvt Ltd, and Sun-shail Enterprises. The above information and that given in Schedule 8 "Liabilities" regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

NOTES ON ACCOUNTS (Contd...)

(Rs. in Lacs)

	As at 31st March, 2002	As at 31st March, 2001
3. Contingent liabilities not provided for		
i) Guarantees given by a Bank in favour of Government and others	4,40.50	14.12
ii) Partly paid Shares and Units	1,40.10	1,40.10
iii) Sales Tax	2,92.03	2,30.87
iv) Foreign Bill Discounting	1,49.33	1,06.11
4. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	1,60.45	2,69.86
5. The net amount of exchange differences charged to Profit & Loss Account	43.91	55.78
6. Remuneration to Directors (Includes benefits which are debited to respective expenses)		
a. Remuneration	1,10.03	71.43
b. Commission	1,68.76	1,24.59
c. Provident Fund Contribution	14.07	7.11
d. Other Perquisites	21.54	15.03
7. Computation of Net Profit for Commission Payable to Directors		
Profit as Per Profit and Loss Account before		
Provision for taxation and commission to directors		67,35.22
Add: Directors' remuneration	1,10.03	71.43
Contribution to Provident Fund	14.07	7.11
Other Perquisites	21.54	15.03
	1,45.64	93.57
	79,78.96	68,28.79
Less: Profit on sale of investment	11.62	1,58.06
Net Profit for the year for the purpose of Directors' Commission	79,67.34	66,70.73
Commission payable to Directors		
a) Whole time employment of the Company	1,56.76	1,24.59
b) Others	12.00	-
	1,68.76	1,24.59

NOTES ON ACCOUNTS (Contd...)

8. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956

Details of licensed capacity, installed capacity, production and sales of the goods manufactured

i. DETAILS OF THE GOODS MANUFACTURED/SALES/STOCKS

(Rs. in Lacs)

Class of Goods ^A	Licensed Capacity	Installed Capacity Approx.	Opening Stock (Qty.)	Opening Stock (Rs.)	Production Meant for Sale (Qty.)	Sales ^B (Qty.)	Sales ^B (Rs.)	Closing Stock (Qty.)	Closing Stock (Rs.)
Dyestuffs									
MT	3,624 (4,344)	2,364 (2,364)	182 (250)	10,34.64 (11,38.68)	1,472 ^C (1,237)	1,513 (1,305)	85,07.59 (77,23.66)	141 (182)	5,41.80 (6,81.36)
KL			225 (541)		2,278 ^D (870)	2,040 (1,186)		463 (225)	7,34.47 (3,53.28)
Chemicals									
MT	102,835 (79,335)	76,810 (66,590)	3,455 (3,573)	20,52.52 (22,88.98)	46,692 ^E (46,356)	46,689 (46,474)	4,35,52.95 (3,97,73.75)	3,458 (3,455)	16,18.87 (15,57.23)
KL	19,260 (15,660)	15,660 (15,660)	712 (735)		10,235 ^F (8,845)	10,069 (8,868)		878 (712)	562.58 (4,95.29)
Traded Goods				4,42.30 (4,63.93)			47,33.21 (42,73.32)		5,84.02 (4,42.30)
				35,29.46 (38,91.59)			5,67,93.75 (5,17,70.73)		40,41.74 (35,29.46)

Notes:

A Class of Goods is based on main classification given in the Industries (Development and Regulation) Act, 1951.

B Excluding a) Resale of Raw Materials / Packing Materials Rs. 2,26.45 Lacs (Rs. 1,05.29 Lacs).

b) Sale of Software Rs. 5.63 Lacs (Rs. 3.85 Lacs).

C Includes 131 Tonnes (35 Tonnes) produced in the factory of third party.

D Includes 2,208 KL (658 KL) produced in the factory of third party.

E Includes 28,225 Tonnes (25,091 Tonnes) produced in the factory of third party.

F Includes 149 KL (157 KL) produced in the factory of third party.

Figures in bracket indicate previous year's figures.

ii(a) Value of Imported and Indigenous Raw Materials consumed and percentage thereof

	2001-02 Rs. in Lacs	2000-01 Rs. in Lacs	2001-02 %	2000-01 %
Imported	74,60.02	55,18.53	40.77	31.88
Indigenous	1,08,39.31	1,17,92.21	59.23	68.12
	1,82,99.33	1,73,10.74	100.00	100.00

NOTES ON ACCOUNTS (Contd...)

ii(b) Consumption of Raw Materials

	2001-02		2000-01	
	Quantity MT	Value Rs. in Lacs	Quantity MT	Value Rs. in Lacs
Vinyl Acetate Monomer	10,295	43,80.71	9,583	47,41.69
Miscellaneous *		1,39,18.62		1,25,69.05
(None of which individually account for more than 10% of total consumption)				
		1,82,99.33		1,73,10.74

Notes:

* Net of Resale of Raw Materials Rs. 2,26.45 Lacs (Rs. 1,02.59 Lacs)

(Rs. in Lacs)

	2001-02	2000-01
iii. C.I.F. Value of Imports		
Raw Materials	56,23.05	36,10.57
Capital Goods	9.28	22.33
Others	5,84.08	7,18.04
	62,16.41	43,50.94
iv. Expenditure in Foreign Currency		
Foreign travel	83.35	81.87
Professional Fees	83.03	45.69
Others	90.08	88.08
	2,56.46	2,15.64
v. Earnings in Foreign Exchange		
FOB Value of Exports	26,79.88	28,20.11
Others	34.29	58.60
	27,14.17	28,78.71

NOTES ON ACCOUNTS (Contd...)

9. Segment reporting:

During the year, SEBI has amended Clause 41 of the Listing Agreement by virtue of which, Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI) has become mandatory. In view of this, the Company has disclosed the segment information for the current year, as follows :

INFORMATION ABOUT BUSINESS SEGMENTS

(Rs. in Lacs)

Business Segments	Consumer & Bazaar Products	Industrial Products	Others	Total
REVENUE				
External sales	4,03,92.63	1,62,62.88	3,70.32	5,70,25.83
Inter Segment Revenue	–	5,95.51	–	5,95.51
Total Revenue	4,03,92.63	1,68,58.39	3,70.32	5,76,21.34
RESULTS				
Segment Results	90,25.25	17,47.70	(94.81)	1,06,78.14
Unallocated Corporate Expenses				32,90.27
Unallocated Corporate Income				5,99.93
Operating Profit				79,87.80
Interest expenses				4,16.25
Interest / Dividend Income				93.01
Income Tax (Provision for Taxation and Deferred taxation)				24,51.90
Net Profit				52,12.66
OTHER INFORMATION				
Segment Assets	1,56,12.17	1,10,01.17	60.89	2,66,74.23
Unallocated Corporate assets				1,19,72.59
Total assets				3,86,46.82
Segment Liabilities	29,90.83	17,08.01	–	46,98.84
Unallocated Corporate Liabilities				34,15.36
Total Liabilities				81,14.20
Capital expenditure	17,59.54	3,84.54	–	21,44.08
Unallocated Corporate Capital Expenditure				31,28.46
Depreciation	6,27.60	7,60.76	–	13,88.36
Unallocated Corporate non-cash expenses other than depreciation				75.65

INFORMATION ABOUT GEOGRAPHICAL SEGMENTS

GEOGRAPHICAL SEGMENTS	India		Other Countries		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales Revenue	5,42,35.67	4,89,81.55	27,90.16	28,98.32	5,70,25.83	5,18,79.87
Carrying amount of Segment Assets	3,82,93.79	3,19,56.42	3,53.03	2,64.22	3,86,46.82	3,22,20.64
Additions to Fixed Assets and Intangible Assets	52,72.54	26,45.12	–	–	52,72.54	26,45.12

10. Taxation:

a) Current Tax

Advance payment of taxes in Loans and advances represents:

(Rs. in Lacs)

	31.03.2002	31.03.2001
Tax Payments (Net of Provisions)	9,55.76	6,18.49
Tax Provisions (Net of Payments)	(1,24.27)	(2,97.07)
	<u>8,31.49</u>	<u>3,21.42</u>

b) Deferred Tax

1) In compliance with AS - 22 (the Accounting Standard on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, mandatorily applicable from the current financial year), the following adjustments have been made:

(i) Deferred Tax in respect of the backlog of timing differences upto March 31, 2001 amounting to Rs. 19,93.60 Lacs has been transferred from General Reserve ; and

(ii) Deferred Tax in respect of timing differences pertaining to the Current Year is Rs. 8,01.90 Lacs.

2) Out of the deferred tax of Rs. 27,95.50 Lacs as at 31st March, 2002, the major components of deferred tax balances are set out below :

(Rs. in Lacs)

	Upto 31.03.2001	During the year 2001-02	Carried as at 31.03.2002
Deferred Tax			
i) Difference between accounting and tax Depreciation (Cumulative)	20,42.08	8,35.63	28,77.71
ii) Others	-	-	-
	<u>20,42.08</u>	<u>8,35.63</u>	<u>28,77.71</u>
Deferred Tax Credit			
i) Expenditure under Section 43B of the Income-tax Act, 1961	1.18	0.03	1.21
ii) Preliminary Expenses Amortised	10.25	(2.70)	7.55
iii) Provision for loss on diminution of Investments	5.52	27.97	33.49
iv) Others	8.69	(2.15)	6.54
v) Leave salary	22.84	10.58	33.42
	<u>48.48</u>	<u>33.73</u>	<u>82.21</u>
Net Deferred Tax	<u>19,93.60</u>	<u>8,01.90</u>	<u>27,95.50</u>

11. Related Party Disclosures

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

i) Relationships:

- Vinyl Chemicals (India) Ltd. – Substantial Interest in Voting Power
- Kalva Chemicals Ltd. – Significant Influence
- Parekh Marketing Ltd. – Significant Influence

ii) Key Management Personnel:

Sarva Shri M.B. Parekh, Managing Director; N.K. Parekh, Jt. Managing Director and A.B. Parekh, Whole Time Director.

iii) Other Directors:

- Sarva Shri B.K. Parekh, H.K. Parekh, S.K. Parekh, R.M. Gandhi, N.J. Jhaveri, B.S. Mehta, Ranjan Kapoor, Yash Mahajan and M.A. Pai (upto 7.8.2001)
- Sarva Shri Santosh Kumar and S.T. Dave - Whole Time Directors.

iv) Transactions with Related Parties during the year ended March 31, 2002 are as follows:

Nature of Transactions	Amount (Rs. in Lacs)
1. Sales and Related Income	2,87,57.16
2. Other Income	41.72
3. Dividend received	73.09
4. Purchases and Other Related Services	30,66.68
5. Remuneration to Directors:	
– Sitting Fees	1.50
– Managing Director/Jt. Managing Director	2,18.95
– Whole Time Directors	83.46
– Commission to Non-Executive Directors	12.00
6. Expenditure on Trade Mark	0.01
7. Purchase of Fixed Assets	20.82
8. Sale of Fixed Assets	23.30
9. Interest paid	16.18
10. Rent, Maintenance and Service charges paid	1,04.03
11. Reimbursement made	2.93
12. Reimbursement received	31.77
13. Outstanding Balances:	
– Debtors	35,81.72
– Creditors	6,70.28
– Outstanding Payable (Net of receivable)	28.45

Except item no. 5 above, the rest of the items relate to parties stated in (i) above. No amounts have been written off or written back during the year in respect of debts due from or to Related Parties.

12. Earnings Per Share

	As at 31.03.2002	As at 31.03.2001
Outstanding Equity Shares (Nos.)	25240000	25240000
Net Profit after tax (Rs. in Lacs)	52,12.66	47,95.63
Earnings Per Share (Rs.)	20.65	19.00

13. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

	2001-02	2000-01
I. Registration Details		
Registration No.	14336	14336
State Code	11	11
Balance Sheet Date	31.3.2002	31.3.2001
	(Rs. in Lacs)	(Rs. in Lacs)
II. Capital Raised during the year		
Public Issue	Nil	Nil
Rights Issue	Nil	Nil
Bonus Issue	Nil	12,62.00
Private Placement / On Amalgamation	-	-
III. Position of Mobilisation and Deployment of Funds		
Total Liabilities	3,05,32.62	2,61,81.16
Total Assets	3,05,32.62	2,61,81.16
Sources of Funds		
Paid-up Capital	25,24.00	25,24.00
Reserves and Surplus	2,35,84.15	1,91,47.80
Secured Loans	17,59.69	5,33.43
Unsecured Loans	26,64.78	39,75.93
Application of Funds		
Net Fixed Assets	1,85,15.93	1,51,82.89
Investments	15,09.48	15,78.80
Net Current Assets	1,05,07.21	94,19.47
IV. Performance of Company		
Turnover	5,70,25.83	5,18,79.87
Other Income	6,92.95	7,43.15
Total Expenditure	5,00,54.22	4,60,12.39
Profit Before Tax	76,64.56	66,10.63
Profit After Tax	52,12.66	47,95.63
Earnings per Share in Rs.	20.65	19.00
Dividend rate %	70.00	45.00
V. Generic Names of three Principal Products / Services of the Company (as per monetary terms)		
Item Code No. (ITC Code)	Product Description	
3506	ADHESIVES	
3905 + 3906	SYNTHETIC RESINS	
3204	ORGANIC PIGMENTS AND PREPARATIONS BASED ON ORGANIC PIGMENTS	

14. Figures in bracket indicate previous year's figures.

15. Previous year's figures have been regrouped/rearranged wherever necessary.

Signatures to Schedules 1 to 12

AS PER OUR REPORT OF EVEN DATE

For **HARIBHAKTI & CO.**

Chartered Accountants

CHETAN DESAI

Partner

Mumbai

Date: 25th June, 2002

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH

Chairman

S.K. PAREKH

Vice Chairman

M.B. PAREKH

Managing Director

P.C. PATEL

Sr. Vice President & Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2002



(Rs. in Lacs)

	2001-02	2000-01
A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before taxation	76,64.56	66,10.63
Adjustments for Depreciation	18,96.78	16,51.71
Provision for Diminution in value of Investments	75.65	-
Interest paid	4,16.25	6,97.08
Dividend received	(85.68)	(14.20)
Interest received	(7.33)	(95.89)
(Profit) /Loss on Sale of Assets	25.67	18.26
(Profit) /Loss on Sale of Investments	(10.50)	(1,58.06)
Bad debts w/off	75.63	57.28
	23,86.47	21,56.18
Operating Profit before Working Capital changes	1,00,51.03	87,66.81
Working Capital changes		
Inventories	(13,52.18)	7,47.70
Debtors	(14,01.22)	(8.87)
Loans and Advances, etc.	1,07.44	(5,46.61)
Current Liabilities	15,53.11	(1,01.04)
	(10,92.85)	91.18
Cash generated from operations	89,58.18	88,57.99
Interest received	7.33	95.89
Interest paid	(4,15.18)	(7,00.09)
Income Tax paid (Net)	(19,71.48)	(20,26.26)
	(23,79.33)	(26,30.46)
Net Cash flow from Operating activities	65,78.85	62,27.53
B] CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(52,93.15)	(24,51.63)
Sale of Fixed Assets	37.66	54.07
Purchase of Investments	(18,86.94)	(10,53.75)
Sale of Investments	18,91.11	19,10.54
Dividend received	85.68	14.20
Net Cash flow from Investing activities	(51,65.64)	(15,26.57)
Carried Forward	14,13.21	47,00.96

(Rs. in Lacs)

	2001-02	2000-01
Brought Forward	14,13.21	47,00.96
C] CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings	2,41.57	132.86
Repayment of long term borrowings	(3.61)	(2.68)
Short term Borrowings - Commercial Paper	(15,00.00)	-
Short term Borrowings - Bank	12,26.26	(15,36.31)
Short term Borrowings - EXIM Bank	-	(20,00.00)
Dividend paid (Including dividend tax)	(12,46.26)	(10,14.10)
Others	(49.11)	42.25
Net Cash Flow from Financing activities	(13,31.15)	(43,77.98)
Net Increase in Cash and Cash Equivalents	82.06	3,22.98
Cash and Cash Equivalent as at 01.4.01	7,66.98	4,44.00
Cash and Cash Equivalent as at 31.3.02	8,49.04	7,66.98
	82.06	3,22.98

The figures in brackets denote payment.

Mumbai
Date: 25th June, 2002

P.C. PATEL
Sr. Vice President & Secretary

FOR AND ON BEHALF OF THE BOARD

B.K. PAREKH
Chairman

S.K. PAREKH
Vice Chairman

M.B. PAREKH
Managing Director

AUDITORS' CERTIFICATE

We have verified the above cash flow statement of Pidilite Industries Limited for the year ended 31st March, 2002. The statement has been prepared by the Company in accordance with the requirements of Listing Agreement clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and with Balance Sheet of the Company covered by our report of 25th June, 2002 to the members of the Company.

Mumbai
Date: 25th June, 2002

For **HARIBHAKTI & CO.**
Chartered Accountants
CHETAN DESAI
Partner

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES



1. Name of the Subsidiary : **Fevicol Company Ltd.**

2. The financial year of the Subsidiary ended on : 31st March, 2002

3. Holding company's Interest : 100%

- Equity Share Capital : Rs. 5,00,000

4. Net aggregate Profits or Losses for the current financial year since becoming subsidiary, so far as concern the Members of the Holding company, not dealt with or provided for in the accounts of the Holding company : Rs. 3,266

5. Net aggregate Profits or Losses for the previous financial year since becoming subsidiary, so far as concern the Members of the Holding company, not dealt with or provided for in the accounts of the Holding company : Rs. 3,724

FOR AND ON BEHALF OF THE BOARD

B.K. Parekh

Chairman

S.K. Parekh

Vice Chairman

M.B. Parekh

Managing Director

Mumbai

Date: 25th June, 2002

P.C. Patel

Sr. Vice President & Secretary

CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the company submits the report on the matters mentioned in the said clause and practices followed by the company.

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

During the Financial Year 2001-2002, 5 Board Meetings were held on the following dates:

25th May, 2001 (Adjourned for certain items to 19th June, 2001), 31st July, 2001, 16th October, 2001, 22nd January, 2002 and 5th March, 2002

Details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below:

Sr.No	Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorships as on 31 st March, 2002*	No. of other Committees	
						Memberships	Chairmanships
1	Shri B.K.Parekh (Chairman)	NED(P)	5	Yes	17	1	–
2	Shri S.K.Parekh (Vice Chairman)	NED(P)	5	Yes	7	1	–
3	Shri H.K.Parekh	NED(P)	4	Yes	3	–	–
4	Shri M.B.Parekh (Managing Director)	ED(P)	5	Yes	9	–	–
5	Shri N.K.Parekh (Jt.Managing Director)	ED(P)	5	Yes	7	–	–
6	Shri A.B.Parekh (Wholetime Director)	ED(P)	4	Yes	5	–	–
7	Shri S.T.Dave (Wholetime Director)	ED	4	Yes	–	–	–
8	Shri Santosh Kumar (Wholetime Director)	ED	5	Yes	1	–	–
9	Shri R.M.Gandhi	NED (I)	5	No	5	2	2
10	Shri N.J.Jhaveri	NED (I)	4	No	12	5	4
11	Shri Bansi S.Mehta	NED (I)	4	Yes	18	5	4
12	Shri Ranjan Kapur	NED (I)	3	Yes	4	–	–
13	Shri Yash Mahajan	NED (I)	1	No	6	–	–
14	Shri M.A.Pai (upto 6 th August, 2001)	NED (I)	1	No	NA	NA	NA

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

* Including Directorships in Private Limited Companies

3. Audit Committee

Composition, No. of Meetings and Attendance

The Board of Directors have constituted an Audit Committee on 23rd January, 2001 and during the financial year, 8 meetings of the Committee were held on 3rd April, 2001, 25th May, 2001, 26th June, 2001, 31st July, 2001, 27th September, 2001, 16th October, 2001, 22nd January, 2002 and 8th March, 2002.

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

Sr.No.	Name	Designation	Category	No. of Meetings attended
1	Shri Bansi S.Mehta	Chairman	NED (I)	7
2	Shri N.J.Jhaveri	Member	NED (I)	5
3	Shri B.K.Parekh	Member	NED (P)	8

The Managing Director is a permanent invitee to the Meetings. The Company Secretary is the Secretary of the Committee. Head of Accounts, Internal Auditors and the Statutory Auditors are also invited to attend the Meetings.

Terms of reference:

The powers and terms of reference of the Committee are as mentioned in Clause 49 of the Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956.

4. Remuneration Committee

Although Remuneration Committee (being a non-mandatory requirement) has not been constituted by the company, all matters relating to review and approval of compensation payable to the Executive and Non-executive Directors are considered by the Board within the overall limits approved by the Members.

Directors' remuneration details for the financial year 2001-2002:

Name of Director	Salary* (Rs)	Commission (Rs)	Perquisites (Rs)	Total (Rs)	Contract Period (No of years)
Shri M.B.Parekh	33,30,564	90,13,815	17,73,785	141,18,164	5
Shri N.K.Parekh	18,11,394	39,19,050	12,70,541	70,00,985	5
Shri A.B.Parekh	14,05,279	27,43,335	12,14,836	53,63,450	5
Shri Santosh Kumar	5,41,896	–	3,92,089	9,33,985	1
Shri S.T.Dave	5,04,648	–	8,99,816	14,04,464	2

* Includes House Rent Allowance

All the Executive Directors are also entitled to Company's contribution to Provident Fund, Superannuation, Gratuity and encashment of leave at the end of tenure as per the rules of the Company.

Notice period for the Directors is as applicable to the senior employees of the Company. No severance fee is payable to the Directors on termination of employment. The Company does not have a scheme for stock options for the Directors or the employees.

The details of sitting fees paid for attending to the Board / Committee meetings and commission due to the Non Executive Directors for the year ended 31st March, 2002 is as under:

Name of Director	Sitting fees (Rs)	Commission (Rs)	Total (Rs)
Shri B.K.Parekh	–	1,50,000	1,50,000
Shri S.K.Parekh	–	1,50,000	1,50,000
Shri H.K.Parekh	–	1,50,000	1,50,000
Shri R.M.Gandhi	45,000	1,50,000	1,95,000
Shri N.J.Jhaveri	35,000	1,50,000	1,85,000
Shri B.S.Mehta	39,000	1,50,000	1,89,000
Shri Ranjan Kapur	20,000	1,50,000	1,70,000
Shri Yash Mahajan	5,000	1,50,000	1,55,000
Shri M.A.Pai	5,000	–	5,000
Shri Santosh Kumar	1,000	–	1,000

The Company do engage M/s Bansi S Mehta & Co., a Chartered Accountants firm in which Shri B.S. Mehta is a partner for legal/tax advice. The services provided by them are purely of professional nature and the fees paid for such services do not result in any material pecuniary benefit to them.

5. Shareholders/Investors Grievance Committee

Composition:

The Board of Directors have constituted a Shareholders/Investors Grievance Committee w.e.f. 1st April, 2001 to attend to and redress the Shareholders' and Investors' grievances and a meeting of the Committee was held on 15th March, 2002.

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

Sr.No.	Name	Designation	Category	No.of Meetings attended
1	Shri R.M. Gandhi	Chairman	NED (I)	1
2	Shri B.K. Parekh	Member	NED (P)	1
3	Shri M.A. Pai (upto 6 th August, 2001)	Member	NED (I)	NA
4	Shri Santosh Kumar (w.e.f. 16 th October, 2001)	Member	ED	1

Terms of reference:

Committee have the power to look into redressal of shareholders/investors complaints such as non receipt of shares sent for transfer, non receipt of dividends/Annual Reports etc.

The Secretarial Department of the Company, under the supervision of Shri P.C. Patel, Sr. Vice President & Secretary, who is also nominated as the "Compliance Officer" as required by SEBI/Listing Agreement, and Tata Share Registry Ltd., Registrar & Share Transfer Agents, attend to all Shareholders/Investors Grievances received directly or through SEBI, Stock Exchanges, Department of Company Affairs and Registrar of Companies. Share Transfer Committee held 12 meetings during the year.

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/Tata Share Registry Ltd. have attended to all the Shareholders/Investors grievances/correspondences generally within a period of 15 days from the date of receipt.

A statement of complaints received and redressed by the Company during the financial year 2001-2002 is given below:

Sr.No.	Particulars	Nos.
1	Complaints received from the investors comprising of non-receipt of dividend warrants, Share Certificates and complaints received from SEBI etc.	114
2	Complaints resolved	114
3	Complaints pending as at 31st March, 2002	30*
4	Share Transfers pending for approval as at 31st March, 2002	2**

*Complaints pending as at 31st March, 2002 were attended and replied by 7th April, 2002.

** The above were approved and dealt with by 8th April, 2002

All the complaints were solved to the satisfaction of shareholders.

6. General Body Meetings

Details of Location, Date and Time of the Annual General Meetings held during the last three years:

Financial Year	Venue	Date & Time
2000-2001	Padmabhooshan Vasantdada Sabagruha, 12 th Floor, Sakhar Bhavan, Nariman Point, Mumbai-400 021.	7 th August, 2001 at 11.00 a.m.
1999-2000	Kamalnayan Bajaj Hall Bajaj Bhavan, Nariman Point, Mumbai-400 021.	25 th July, 2000 at 11.00 a.m.
1998-1999	Kamalnayan Bajaj Hall Bajaj Bhavan, Nariman Point, Mumbai-400 021.	31 st August, 1999 at 11.00 a.m.

No Special Resolution was put through postal ballot during the last year.

7. Disclosures

- There was no materially significant related party transactions which had potential conflict with the interest of the company at large.
- The Company has complied with all the requirements of the Listing Agreements with the Stock Exchanges as well as the regulations and guidelines of SEBI. Consequently, no penalties were imposed or strictures passed against your Company by SEBI, Stock Exchanges or any other statutory authority on any matter relating to capital markets during the last 3 years.

8. Means of Communication

- Half-yearly results are published in newspapers.
- Half-yearly results are not sent to each household of Shareholders.
- The quarterly results of the Company are published in the following newspapers:
Economic Times (English), Maharashtra Times (Marathi) and displayed on the Company's Website www.pidilite.com
- Management Discussion and Analysis is a part of Annual Report.

9. Information on Directors

Information relating to Directors seeking reappointment as required under clause 49(VI)(A) of the Listing Agreement is given in the Notice of the Annual General Meeting.

10. General Shareholder Information

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

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
**The Members of
Pidilite Industries Limited,**
Regent Chambers,
Nariman Point, Mumbai 400 021.

We have examined the compliance of conditions of corporate governance by Pidilite Industries Limited, for the year ended 31st March, 2002, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination, conducted in the manner described in the 'Guidance Note on Certification of Corporate Governance' issued by the Institute of Chartered Accountants of India, was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Haribhakti & Co
Chartered Accountants

Place: Mumbai
Date: 25th June 2002

Chetan Desai
Partner

Annual General Meeting:

Day, Date & Time : Friday, 6th September, 2002, 11 a.m.
 Venue : M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20,
 Kaikhushru Dubash Marg, Mumbai 400 001.

Financial Calendar (Tentative):

Unaudited results for the quarter ending 30th June, 2002:
 4th week of July 2002
 Unaudited results for the quarter ending 30th September, 2002:
 4th week of October 2002
 Unaudited results for the quarter ending 31st December, 2002:
 4th week of January 2003
 Audited results for the year ending 31st March, 2003:
 4th week of May/June 2003

Book Closure Dates on account of payment of Dividend and Annual General Meeting:

23rd August, 2002 to 6th September, 2002 (both days inclusive)

Dividend Payment:

Dividend of Rs. 7 per share will be paid during the month of September, 2002 subject to the approval of the shareholders at the AGM.

Listing of Shares on Stock Exchanges:

The equity shares of the company are listed on Mumbai, Delhi, Ahmedabad and National Stock Exchange and also included in the list of permitted securities in OTC Exchange of India. The Annual Listing fees for the year has been paid to the aforesaid Stock Exchanges.

Stock Codes:

Name of the Stock Exchange	Stock Code
The Stock Exchange, Mumbai	331
The National Stock Exchange of India Ltd	PIDILITIND
The Ahmedabad Stock Exchange	45200
The Delhi Stock Exchange Assn. Ltd	7051

Market Price Data:

Share prices during the year 2001-02 at **NSE** for one equity share of Rs.10 each were as under:

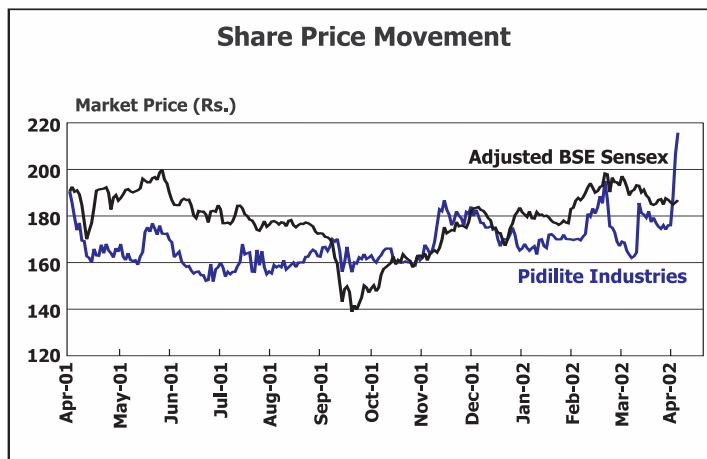
Month	Share Price (Rs)	
	High	Low
April, 2001	196.00	155.00
May, 2001	180.70	158.10
June, 2001	174.00	149.10
July, 2001	168.00	153.00
August, 2001	168.15	152.90
September, 2001	171.90	155.00
October, 2001	170.50	155.10
November, 2001	199.00	159.00
December, 2001	192.85	157.00
January, 2002	176.50	160.00
February, 2002	210.00	165.00
March, 2002	199.50	160.50

Share prices during the year 2001-02 at **BSE** for one equity share of Rs.10 each were as under:

Month	Share Price (Rs)	
	High	Low
April, 2001	193.90	155.05
May, 2001	180.50	157.10
June, 2001	173.00	141.50
July, 2001	174.50	150.00
August, 2001	171.90	155.00
September, 2001	171.10	151.25
October, 2001	172.00	157.00
November, 2001	187.50	160.10
December, 2001	200.00	160.05
January, 2002	179.60	163.00
February, 2002	200.00	168.05
March, 2002	193.70	160.10

Stock Performance:

The performance of the Company in comparison to BSE sensex is given in the Chart below:



Registrar & Transfer Agent:

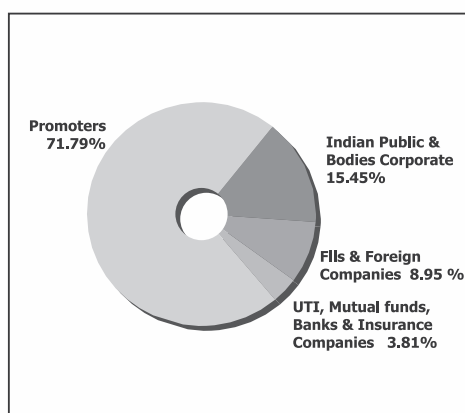
Tata Share Registry Limited
 Unit: Pidilite Industries Limited
 Army & Navy Building,
 148, Mahatma Gandhi Road
 Fort, Mumbai 400 001,
 Tel: 022 - 2873831,
 Fax: 022 -2844160
 e-mail: csg-unit@tatashare.com,
 website: www.tatashare.com

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
upto 2000	Tata Share Registry Limited
upto 10000	Any one of the Sarva Shri B.K. Parekh, S.K. Parekh, M.B. Parekh, Directors or in their absence, the Company Secretary.
above 10000	Share Transfer Committee comprising of the Directors viz, Sarva Shri B.K. Parekh, S.K. Parekh, N.K. Parekh and R.M. Gandhi.

Shareholding Pattern as on 31st March, 2002:



Dematerialisation of shares & liquidity:

As on 31st March, 2002, **95.41%** of total equity shares of the Company were held in dematerialised form with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL). The Company's equity shares are to be compulsorily traded in the dematerialised form w.e.f. 26th June, 2000. The shares are available for dematerialisation under **ISIN INE318A01018**. Requests for dematerialisation of shares are processed and generally confirmed within 15 days of receipt .

Plant Locations:

Mumbai, Mahad, Panvel and Taloja (Maharashtra), Vapi (Gujarat) and Daman (Union Territory of India).

Address for Correspondence:

Registered Office

Regent Chambers, 7th floor
 Jannalal Bajaj Marg, Nariman Point
 Mumbai 400 021.
 Tel No 022-2822708
 Fax No: 2043969

Corporate Secretarial/Investors' Assistance Department:

The Company's Secretarial Department headed by Shri P.C. Patel, Sr. Vice President & Secretary, is situated at the Registered office mentioned above. Shareholders/Investors may contact Shri P.C. Patel or Shri K.S. Krishnan at the Registered office in Mumbai for any assistance they may need.

Pidilite Industries Limited and Subsidiary Consolidated Balance Sheet & Profit and Loss Account

Auditors' Report

To :

**The Board of Directors of
PIDILITE INDUSTRIES LIMITED**

We have examined the attached consolidated balance sheet of Pidilite Industries Limited (PIL) and its subsidiary as at 31st March 2002, the consolidated Profit and Loss Account for the year ended on that date.

These financial statements are the responsibility of the PIL management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing Standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 5,08,990 as at 31st March, 2002 and total revenues of Rs. 11,631 for the year ended on that date. These financial statements have been audited by other Chartered accountants whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other chartered accountants.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, on "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Pidilite Industries Limited and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Pidilite Industries Limited and its aforesaid subsidiary, we are of the opinion that:

- a) the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Pidilite Industries Limited and its subsidiary as at 31st March, 2002 and
- b) the consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Pidilite Industries Limited and its subsidiary for the year ended on that date.

For HARIBHAKTI & CO
Chartered Accountants
CHETAN DESAI
Partner

Mumbai

Dated: 25th June, 2002

CONSOLIDATED BALANCE SHEET AS AT 31 ST MARCH, 2002			
(Rs. in Lacs)			
	Schedule	As at 31 st March, 2002	As at 31 st March, 2001
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS:			
Capital	1	25,24.00	25,24.00
Reserves and Surplus	2	2,35,84.21	1,91,47.83
		2,61,08.21	2,16,71.83
LOAN FUNDS :			
Secured Loans	3	17,59.69	5,33.44
Unsecured Loans	4	26,64.78	39,75.93
		44,24.47	45,09.37
TOTAL		3,05,32.68	2,61,81.20
APPLICATION OF FUNDS			
FIXED ASSETS:			
Gross Block		2,72,94.27	2,21,37.96
Less: Depreciation		91,91.48	73,47.60
Less: Lease Adjustment		11.54	18.05
Net Block	5	1,80,91.25	1,47,72.31
Capital work in progress		4,24.68	4,10.58
		1,85,15.93	1,51,82.89
INVESTMENTS (Net)	6	15,04.48	15,78.55
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories		79,44.87	65,92.69
Sundry Debtors		69,84.58	56,58.99
Cash and Bank Balances		8,51.39	7,67.67
Other Current Assets		2,74.82	3,21.11
Loans and Advances		25,68.19	21,16.21
		1,86,23.85	1,54,56.66
Less: Current Liabilities and Provisions	8		
Liabilities		62,01.56	46,67.98
Provisions		19,12.65	13,71.55
		81,14.21	60,39.53
NET CURRENT ASSETS		1,05,09.64	94,17.13
MISCELLANEOUS EXPENDITURE		2.63	2.63
(to the extent not written off or adjusted)			
TOTAL		3,05,32.68	2,61,81.20
Notes forming part of Accounts	12		
AS PER OUR REPORT OF EVEN DATE			FOR AND ON BEHALF OF THE BOARD
For HARIBHAKTI & CO.			B.K. PAREKH
Chartered Accountants			Chairman
CHETAN DESAI			S.K. PAREKH
Partner			Vice Chairman
Mumbai		P.C.PATEL	M.B. PAREKH
Dated: 25 th June, 2002		Sr. Vice President & Secretary	Managing Director

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 ST MARCH, 2002			
(Rs. in Lacs)			
	Schedule	As at 31 st March, 2002	As at 31 st March, 2001
INCOME			
Sales		5,70,25.83	5,18,79.87
Other Income	9	6,93.07	7,43.18
		5,77,18.90	5,26,23.05
EXPENDITURE			
Materials	10	2,53,84.61	2,48,38.44
Other Expenses	11	2,27,72.90	1,95,22.27
Depreciation		18,96.78	16,51.71
		5,00,54.29	4,60,12.42
Profit Before Taxation And Others		76,64.61	66,10.62
Provision for Current Taxation		16,50.02	18,15.00
Deferred Taxation		8,01.90	-
Profit for the Year		52,12.69	47,95.62
Prior year Tax provision written back (Net)		1,88.59	-
Balance brought forward from previous year		15,51.76	15,07.78
Profit available for appropriation		69,53.04	63,03.41
Proposed Dividend		17,66.80	11,35.80
Corporate Tax on Dividend		-	1,15.85
		17,66.80	12,51.65
Transfer to General Reserve		34,00.00	35,00.00
Balance carried to Balance Sheet		17,86.24	15,51.76
Notes forming part of Accounts	12		
Earnings Per Share (Rs.) (Refer Note 12 of Schedule 12)		20.65	19.00
AS PER OUR REPORT OF EVEN DATE			FOR AND ON BEHALF OF THE BOARD
For HARIBHAKTI & CO.			B.K. PAREKH
Chartered Accountants			Chairman
CHETAN DESAI			S.K. PAREKH
Partner			Vice Chairman
Mumbai		P.C.PATEL	M.B. PAREKH
Dated: 25 th June, 2002		Sr. Vice President & Secretary	Managing Director

Schedule Numbers 1 to 12 annexed to and forming part of the Balance Sheet as at 31st March, 2002 and Profit and Loss Account for the year ended 31st March, 2002

(Rs. in Lacs)			
		As at 31 st March, 2002	As at 31 st March 2001
SCHEDULE - 1			
SHARE CAPITAL			
Authorised			
2,75,00,000 Equity Shares of Rs. 10 each		27,50.00	27,50.00
25,00,000 Unclassified Shares of Rs. 10 each		2,50.00	2,50.00
TOTAL		30,00.00	30,00.00
Issued, Subscribed and Paid up			
2,52,39,400 Equity Shares of Rs. 10 each, fully paid (Notes 1 and 2)		25,23.94	25,23.91
Bonus Shares Issue Suspense Account (Note 3)		0.06	0.09
TOTAL		25,24.00	25,24.00
NOTES: Out of the above			
1. 7,47,588 Equity Shares of Rs.10 each have been issued for consideration other than cash pursuant to various schemes of amalgamation during earlier years.			
2. 2,26,41,634 Equity Shares of Rs.10 each have been allotted as fully paid Bonus Shares by way of capitalisation of General Reserve, Share Premium Account and Capital Redemption Reserve.			
3. Bonus Shares Issue Suspense Account pertains to issue of 600 (900) fully paid Bonus Shares pending settlement of dispute for title of Shares.			
SCHEDULE - 2			
RESERVES AND SURPLUS			
Capital Reserve		33.70	33.70
Revaluation Reserve			
Balance as per last Balance Sheet		-	32,15.68
Less: Amount Adjusted during the year		-	32,15.68
		-	-
Share Premium Account			
Balance as per last Balance Sheet		-	9,53.78
Less : Amount capitalised towards issue of Bonus Shares		-	9,53.78
		-	-
Cash Subsidy Reserve			
Balance as per last Balance Sheet		74.74	74.74
Special Reserve			
Balance as per last Balance Sheet		11.89	11.89
General Reserve			
Balance as per last Balance Sheet		1,74,75.74	1,42,84.00
Add: Transferred from Profit and Loss Account		34,00.00	35,00.00
Less: Amount capitalised towards issue of Bonus Shares		-	3,08.26
Amount adjusted on account of accumulated			
Deferred Tax upto March 31, 2001		19,93.60	-
(Refer note: 10 (b) of Schedule 12)			
		1,88,82.14	1,74,75.74
Carried Forward		1,90,02.47	1,75,96.07

	As at 31 st March, 2002	(Rs. in Lacs) As at 31 st March 2001
Brought Forward	1,90,02.47	1,75,96.07
Deferred Tax Reserve		
Set aside from General Reserve on account of accumulated Deferred Tax upto March 31, 2001	19,93.60	
Add: Adjustment for the Current Year (Refer note : 10 (b) of Schedule 12)	8,01.90	
	<u>27,95.50</u>	-
Profit and Loss Account	17,86.24	15,51.76
TOTAL	<u>2,35,84.21</u>	<u>1,91,47.83</u>
SCHEDULE - 3		
SECURED LOANS		
Working Capital loans from Banks	17,59.69	5,33.44
TOTAL	<u>17,59.69</u>	<u>5,33.44</u>
Working Capital Loans from Banks are secured by hypothecation of stock of Raw Materials, Finished Goods, Packing Material, Stock in Process and Book Debts. Further, these loans are collaterally Secured by way of second charge on all fixed assets of the company's unit at Kondivita, Mumbai.		
SCHEDULE - 4		
UNSECURED LOANS		
Interest free Sales Tax loan from Gujarat State Finance Corporation	-	1.05
Interest free Sales Tax loan from Government of Gujarat	23.91	26.47
Interest free Sales Tax loan from Government of Maharashtra	6,40.87	3,99.30
Loan from Banks	20,00.00	35,00.00
From Other Companies	-	49.11
TOTAL	<u>26,64.78</u>	<u>39,75.93</u>

Amount due within one year Rs. 20,04.71 Lacs (Rs. 35,01.04 Lacs)

SCHEDULE - 5

FIXED ASSETS

(Rs. in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				Lease Adjust- ment Account	NET BLOCK	
	As at 1.4.2001	Additions/ Adjust- ments	Deduc- tions/ Adjust- ments	As at 31.3.2002	As at 1.4.2001	Provided during the year	Deductions/ Adjust- ments	As at 31.3.2002		As at 31.3.2002	As at 31.3.2001
Goodwill	2,22.08	110.91	-	3,32.99	57.24	44.42	-	1,01.66	-	2,31.33	1,64.84
Freehold Land	1,31.44	435.16	-	5,66.60	-	-	-	-	-	5,66.60	1,31.44
Leasehold Land	1,65.00	45.71	-	2,10.71	11.66	1.21	-	12.87	-	1,97.84	1,53.34
Buildings	39,10.65	4,67.29	1.19	43,76.75	6,73.79	1,19.02	(1.01)	7,91.80	-	35,84.95	32,36.86
Plant and Machinery	1,24,56.75	33,47.02	36.61	1,57,67.16	55,70.26	12,51.36	(22.36)	67,99.26	-	89,67.90	68,86.49
Trademark	33,51.77	5,88.24	-	39,40.01	3,83.39	3,40.08	-	7,23.47	-	32,16.54	29,68.38
Copyrights	56.18	43.34	-	99.52	6.41	5.98	-	12.39	-	87.13	49.77
Furniture & Fixtures	8,72.44	83.47	1.46	9,54.45	2,63.65	55.83	(0.84)	3,18.64	-	6,35.81	6,08.79
Vehicles	5,96.96	1,38.92	76.97	6,58.91	1,88.61	54.12	(29.21)	2,13.52	-	4,45.39	4,08.35
Capital Expenditure on Scientific Research:											
- Buildings	14.83	-	-	14.83	6.09	0.47	-	6.56	-	8.27	8.74
- Plant and Machinery	2,58.04	12.48	-	2,70.52	1,42.98	14.68	0.52	1,58.18	-	1,12.34	1,15.06
- Furniture and Fixtures	30.65	-	-	30.65	4.05	1.94	-	5.99	-	24.66	26.60
Assets given on Lease											
Plant and Machinery	56.97	-	-	56.97	32.16	5.89	-	38.05	(7.00)	11.92	12.04
Vehicles	14.20	-	-	14.20	7.31	1.78	-	9.09	(4.54)	0.57	1.61
Total	2,21,37.96	52,72.54	1,16.23	2,72,94.27	73,47.60	18,96.78	(52.90)	91,91.48	(11.54)	1,80,91.25	1,47,72.31
Previous Year	2,34,67.48	26,45.12	39,74.64	2,21,37.96	63,82.48	16,51.71	(6,86.59)	73,47.60	(18.05)	1,47,72.31	

Note: i) Additions during the year include acquisition of Steel Grip Brand form M/s. Bhor Industries Ltd. for Rs. 8,72.90 Lacs.

ii) Capital work in progress including capital advances, not included above, is Rs. 4,24.68 lacs (Rs. 4,10.58 lacs)

		(Rs. in Lacs)	
		As at	As at
		31 st March, 2002	31 st March, 2001
SCHEDULE - 6			
LONG TERM INVESTMENTS (AT COST)			
I. In Government Securities (Unquoted)			
6 and 7 Years National Savings Certificates (Deposited with Government Departments, Bombay Municipal Corporation, Bombay Suburban Electric Supply Co. Ltd.)	1.63		1.63
II. In Equity Shares (Fully paid)			
a) Quoted			
Trade:			
• 74,50,439 (72,09,402) Equity Shares of Rs. 10 each of Vinyl Chemicals (India) Ltd.	11,78.34		11,57.17
Others:			
• Nil (18,300) Equity Shares of Rs. 10 each of Corporation Bank	—		14.64
• 5,800 Equity Shares of Rs. 10 each of Hindustan Adhesives Ltd.	1.43		1.43
• 16,400 Equity Shares of Rs. 10 each of Hindustan Organic Chemicals Ltd.	8.20		8.20
• Nil (1,000) Equity Shares of Rs. 10 each of ICICI Banking Corporation Ltd.	—		0.35
• 9,700 Equity Shares of Rs. 10 each of Indian Petrochemicals Ltd.	17.94		17.94
• 2,000 Equity Shares of Rs. 10 each of Jindal Vijaynagar Steel Ltd. (Rs. 5 paid-up)	0.10		0.10
• Nil (2,000) Equity Shares of Rs. 10 each of Oriental Bank Of Commerce	—		1.20
• 1,21,300 Equity Shares of Rs. 10 each of Pal Peugeot Ltd.	12.13		12.13
• 1,80,042 (1,94,242) Equity Shares of Rs. 10 each of Indian Overseas Bank Ltd.	18.00		19.42
• 62,700 Equity Shares of Rs. 10 each of Menon Pistons Ltd.	44.30		44.30
TOTAL - II (a)	12,80.44		12,76.88
[Market Value Rs. 696.31 Lacs (686.35 Lacs)]			
b) Unquoted (Fully paid)			
• 40 Equity Shares of Rs. 50 each of Regent Chambers Premises Co-op. Society Ltd.	0.02		0.02
• 5 Equity Shares of Rs. 50 each of Adarsh Co-op. Housing Society Ltd.	—		0.01
• 10 Equity Shares of Rs. 10 each of New Usha Nagar Co-op. Housing Society Ltd.	0.01		0.01
• 2,00,200 Equity Shares of Rs. 10 each of Enjayes Spices & Chemicals Oil Ltd	52.86		52.86
• 628 Equity Shares of Rs. 100 each of Jawahar Co-op. Industrial Estate Ltd.	0.62		0.62
• 2,275 Equity Shares of Re. 1 each of Himalaya House Company Ltd.	0.02		0.02
TOTAL - II (b)	53.53		53.54
c) In Units of Mutual Fund (Unquoted)			
• 400 Units of Rs. 1,00,000 each of Infinity Venture India Fund	2,60.00		2,60.00
TOTAL - II (c)	2,60.00		2,60.00
SHORT TERM INVESTMENTS (AT COST)			
In Units of Mutual Fund (Unquoted)			
• Nil (4,037,915) Units of Rs. 10 each of Birla Mutual Fund Cash Plus Plan	—		0.50
• Nil (12,636,074) Units of Rs. 10 each of Prudential ICICI Mutual Fund Liquid Plan	—		1.48
TOTAL	—		1.98
Less : Provision for Diminution in value of Investments	91.12		15.48
TOTAL	15,04.48		15,78.55
Investments purchased and sold during the year other than shown above:			
	Purchased	Sold	
Birla Mutual Fund Cash Plus Plan	12,03,212.721	12,07,250.636	
Prudential ICICI Mutual Fund Liquid Plan	1,44,60,591.490	1,44,73,227.560	
SCHEDULE - 7			
CURRENT ASSETS, LOANS AND ADVANCES			
A) Current Assets			
a) Inventories (As valued and certified by the Management)			
Consumable Stores and Spares, etc.	72.09		87.71
Raw Materials	30,16.62		23,28.34
Goods in Process	2,97.94		1,94.99
Finished Goods	34,57.72		30,87.16
Traded Goods	5,84.02		4,42.30
Packing Materials	5,15.88		4,51.60
Raw Materials for Scientific Research	0.60		0.59
79,44.87			65,92.69
b) Sundry Debtors (Unsecured, considered good)			
Debts outstanding for a period exceeding six months	3,10.63		3,35.66
Others	66,73.95		53,23.33
69,84.58			56,58.99

		(Rs. in Lacs)	
		As at	As at
		31 st March, 2002	31 st March, 2001
SCHEDULE - 8			
CURRENT LIABILITIES AND PROVISIONS			
A) Current Liabilities			
Acceptances		1,48.13	1,67.25
Sundry Creditors (Refer Note: 2 of Schedule 12)			1,92.29
Small Scale Industrial Undertakings	2,87.31		33,80.52
Others	47,85.61		35,72.81
50,72.92			6,67.10
Dealers' Deposits		7,43.88	—
Interest Accrued but not due		1.07	23.26
Unclaimed Dividends		28.65	2,37.56
Other Liabilities		2,06.91	46,67.98
62,01.56			
B) Provisions			
Un-encashed Leave	1,39.58		1,13.63
Performing/Substandard assets	6.27		6.27
Dividends:			
Proposed Dividend	17,66.80		11,35.80
Corporate Tax on Dividend	—		1,15.85
19,12.65			13,71.55
TOTAL		81,14.21	60,39.53
SCHEDULE - 9			
OTHER INCOME			
Interest received (Gross)		7.45	95.92
[Tax deducted at source Rs. 0.79 Lacs (Rs. 2.09 Lacs)]			
Dividend received			
a) On long term Investments	73.09		—
b) Others	12.59		14.20
85.68			14.20
Export Incentives	1,29.18		1,54.48
Profit on sale of Investments (Net)	10.50		1,56.30
Miscellaneous	4,60.26		3,22.28
TOTAL		6,93.07	7,43.18

	(Rs. in Lacs)	
	Previous year	
SCHEDULE - 10		
MATERIALS		
a. Raw Materials consumed		
Stock at commencement	23,28.34	27,00.79
Add: Purchases	1,92,14.06	1,70,40.88
	<u>2,15,42.40</u>	<u>1,97,41.67</u>
Less: Stock at close	30,16.62	23,28.34
	1,85,25.78	1,74,13.33
b. (Increase)/Decrease in Stocks		
Stock at close		
Goods in Process	2,97.94	1,94.99
Finished Goods	34,57.72	30,87.16
	<u>37,55.66</u>	<u>32,82.15</u>
Less: Stock at commencement		
Goods in Process	1,94.99	2,40.90
Finished Goods	30,87.16	34,27.65
	<u>32,82.15</u>	<u>36,68.55</u>
	(4,73.51)	3,86.40
c. Packing Materials consumed	51,82.32	49,49.82
d. Cost of Traded Goods		
Stock at commencement	4,42.30	4,63.93
Add: Purchases	22,91.74	20,67.26
	<u>27,34.04</u>	<u>25,31.19</u>
Less: Stock at close	5,84.02	4,42.30
	<u>21,50.02</u>	<u>20,88.89</u>
TOTAL	2,53,84.61	<u>2,48,38.44</u>
SCHEDULE - 11		
OTHER EXPENSES		
Stores and Spares consumed	2,36.67	2,30.55
Clearing, Forwarding, Octroi Duty, etc.	20,48.63	17,35.79
Central Excise Duty	78,61.38	66,41.32
Power and Fuel	7,77.52	7,24.06
Water Charges	90.05	91.26
Employees' Emoluments :		
[Refer Notes 1(vi), 6 and 7 of Schedule 12]		
Salaries, Wages, Bonus, Allowances etc.	26,97.52	22,99.64
Contribution to Provident and Other Funds	3,67.39	2,85.12
Welfare Expenses	6,41.88	5,73.87
	<u>37,06.79</u>	<u>31,58.63</u>
Rent	1,53.39	1,26.28
Rates and Taxes	58.29	38.14
Insurance	1,67.26	1,40.59
Licence fees	4.31	3.42
Repairs		
Buildings	81.35	79.36
Machinery	1,34.37	1,69.61
Others	1,04.43	73.12
	<u>3,20.15</u>	<u>3,22.09</u>
Directors' Fees	1.50	0.70
Advertisement and Publicity	24,62.09	17,58.13
Legal and Professional fees	4,24.86	3,71.93
Communication Expenses	3,43.98	2,94.75
Printing and Stationery	1,03.78	1,02.75
Bad Debts Written Off (Net)	75.63	57.28
Travelling & Conveyance Expenses	9,61.12	8,83.81
Processing and Packing Charges	10,73.23	8,15.78
Bank charges	1,62.28	1,41.38
Commission & Brokerage	50.90	77.50
Miscellaneous expenses	10,97.45	10,24.23
Scientific Research and Development Expenditure	21.10	19.36
[Refer Note 1(iv) of Schedule 12]		
Remuneration to Auditors		
Audit Fees	7.10	7.09
For Other Services	10.13	11.46
	<u>17.23</u>	<u>18.55</u>
Donations	35.74	28.65
Provision for Diminution in Value of Investments	75.65	-
[Refer Note 1(v) of Schedule 12]		
Loss on Fixed Assets Sold/Discarded (Net)	25.67	18.26
Interest	4,16.25	6,97.08
TOTAL	2,27,72.90	<u>19,522.27</u>

SCHEDULE - 12

NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

i) System of accounting

The company follows accrual system of accounting. Claims which are not of Material nature/refunds of Insurance, Octroi Duty, Customs duty, etc., are accounted for when no significant uncertainties attach to their eventual receipt.

ii) Fixed Assets and Depreciation

a) Tangible assets are stated at cost.

b) The Company provides depreciation as under

1) For assets acquired up to 30.6.1987, on Straight Line Method (SLM) basis, except certain assets for which written down value (WDV) basis is adopted at rates equivalent to the rates specified in Income-Tax Act, 1961.

2) For assets acquired after 30.6.1987 & before 31.3.1993, on SLM basis at rates specified in Schedule XIV of the Companies Act, 1956.

3) For assets acquired after 31.3.1993, on SLM basis as per new rates prescribed under Schedule XIV vide notification No. GSR 756 (E) dated 16.12.1993 issued by the Department of Company Affairs.

4) The company provides pro-rata depreciation for additions / deductions made during the year except for assets less than Rs. 5,000, for which depreciation has been provided at hundred percent.

5) The Goodwill acquired by the Company are depreciated over a period of 5 years on SLM basis.

6) The Trademarks acquired by the Company are depreciated over a period of 10 years on SLM basis.

iii) Method of Valuation of Inventories

Raw and Packing Materials are valued at average cost; Goods in process are valued at Cost; Finished Goods and Traded Goods are valued at cost or net realisable value whichever is lower and Consumable Stores and Spares are valued at cost.

iv) Scientific Research and Development Expenditure

a) Capital expenditure is shown separately in Fixed Assets.

b) Expenses incurred on Consumables and Materials used for the purpose of Scientific Research and Development are shown against "Scientific Research and Development Expenditure"; all other expenditures are charged to respective heads of account.

v) Investments

Investments are stated at Cost. Diminution of permanent nature in the value of investment is provided for.

vi) Gratuity

Payment for present value of future liability of Gratuity is being made to approved Gratuity Fund, which fully covers the same under cash accumulation policy of the Life Insurance Corporation of India and the same is charged to Profit and Loss Account for the year.

vii) Leave Encashment Entitlement

Liability in respect of leave encashment entitlement, in accordance with the policies of the Company, is provided for based on valuations by an independent actuary.

viii) Foreign Currency Transactions are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency assets and liabilities are restated at rates ruling at the year end. Exchange differences relating to fixed assets are adjusted in the cost of the asset. Any other exchange differences are dealt with in the Profit & Loss Account.

2. The names of small scale industries to whom the company owes a sum exceeding Rs. 1 lac, which is outstanding for more than 30 days at the Balance Sheet date, are : A. D. Mehta & Co, Alpack Paper Packaging Pvt Ltd, Bago Cans Pvt Ltd, Poonam Plastic Industries, Ruchi Arts Pvt Ltd, and Sun-shall Enterprises. The above information and that given in Schedule 8 "Liabilities" regarding small scale industrial undertakings has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

	(Rs. in Lac)	
	As at	As at
	31st March, 2002	31st March, 2001
3. Contingent liabilities not provided for		
i) Guarantees given by a Bank in favour of Government and others	4,40.50	14.12
ii) Partly paid Shares and Units	1,40.10	1,40.10
iii) Sales Tax	2,92.03	2,30.87
iv) Foreign Bill Discounting	1,49.33	1,06.11
4. Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for	1,60.45	2,69.86
5. The net amount of exchange differences charged to Profit & Loss Account	43.91	55.78
6. Remuneration to Directors (Includes benefits which are debited to respective expenses)		
a. Remuneration	1,10.03	71.43
b. Commission	1,68.76	1,24.59
c. Provident Fund Contribution	14.07	7.11
d. Other Perquisites	21.54	15.03
7. Computation of Net Profit for Commission Payable to Directors Profit as Per Profit and Loss Account before Provision for taxation and commission to directors	78,33.37	67,35.21
Add: Directors' remuneration	1,10.03	71.43
Contribution to Provident Fund	14.07	7.11
Other Perquisites	21.54	15.03
	<u>1,45.64</u>	<u>93.57</u>
	79,79.01	68,28.78
Less: Profit on sale of investments	11.62	1,58.06
Net Profit for the year for the purpose of Directors' Commission	<u>79,67.39</u>	<u>66,70.72</u>
Commission payable to Directors		
a) Whole time employment of the Company	1,56.76	1,24.59
b) Others	12.00	-
	<u>1,68.76</u>	<u>1,24.59</u>

8. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of Schedule VI to the Companies Act, 1956

Details of licensed capacity, installed capacity, production and sales of the goods manufactured

I. DETAILS OF THE GOODS MANUFACTURED/SALES/STOCKS

(Rs. in Lacs)										
Class of Goods ^a	Licensed Capacity	Installed Capacity	Opening Stock	Opening Stock	Production Meant for Sale	Sales ^b	Sales ^b	Closing Stock	Closing Stock	
	Approx.	(Qty.)	(Rs.)	(Qty.)	(Qty.)	(Qty.)	(Rs.)	(Qty.)	(Rs.)	
Dyestuffs										
MT	3,624	2,362	182	10,34.64	1,472 ^c	1,513	85,07.59	141	5,41.80	
	(4,344)	(2,364)	(250)	(11,38.68)	(1,237)	(1,305)	(77,23.66)	(182)	(6,81.36)	
KL			225	2278 ^b	2,040	2,040	463	7,34.47	463	7,34.47
			(541)	(870)	(1,186)		(225)	(3,53.28)		
Chemicals										
MT	102,835	76,810	3,455	20,52.52	46,692 ^c	46,689	4,35,52.95	3,458	16,18.87	
	(79,335)	(66,590)	(3,573)	(22,88.98)	(46,356)	(46,474)	(3,97,73.75)	(3,455)	(15,57.23)	
KL	19,260	15,660	712	10,235 ^b	10,069	10,069	878	5,62.58	878	5,62.58
	(15,660)	(15,660)	(735)	(8,845)	(8,868)		(712)	(4,95.29)		
Traded Goods				4,42.30			47,33.21		5,84.02	
				(4,63.93)			(42,73.32)		(4,42.30)	
				35,29.46			5,67,93.75		40,41.74	
				(38,91.59)			(5,17,70.73)		(35,29.46)	

Notes:

A Class of Goods is based on main classification given in the Industries (Development and Regulation) Act, 1951.

B Excluding a) Resale of Raw Materials / Packing Materials Rs. 2,26.45 Lacs (Rs. 1,05.29 Lacs).

b) Sale of Software Rs. 5.63 Lacs (Rs. 3.85 Lacs).

C Includes 131 Tonnes (35 Tonnes) produced in the factory of third party.

D Includes 2,208 KL (658 KL) produced in the factory of third party.

E Includes 28,225 Tonnes (25,091 Tonnes) produced in the factory of third party.

F Includes 149 KL (157 KL) produced in the factory of third party.

Figures in bracket indicate previous year's figures.

ii(a) Value of Imported and Indigenous Raw Materials consumed and percentage thereof

	2001-02		2000-01	
	Rs. in Lacs	%	Rs. in Lacs	%
Imported	74,60.02	55,18.53	40.77	31.88
Indigenous	1,08,39.31	1,17,92.21	59.23	68.12
	1,82,99.33	1,73,10.74	100.00	100.00

(b) Consumption of Raw Materials

	2001-02		2000-01	
	Quantity	Value	Quantity	Value
	MT	Rs. in Lacs	MT	Rs. in Lacs
Vinyl Acetate Monomer	10,295	43,80.71	9,583	47,41.69
Miscellaneous *		1,39,18.62		1,25,69.05
(None of which individually account for more than 10% of total consumption)		1,82,99.33		1,73,10.74

Notes: * Net of Resale of Raw Materials Rs. 2,26.45 Lacs (Rs. 1,02.59 Lacs)

iii. C.I.F. Value of Imports

	2001-02	2000-01
Raw Materials	56,23.05	36,10.57
Capital Goods	9.28	22.33
Others	5,84.08	7,18.04
	62,16.41	43,50.94

iv. Expenditure in Foreign Currency

	2001-02	2000-01
Foreign travel	83.35	81.87
Professional Fees	83.03	45.69
Others	90.08	88.08
	2,56.46	2,15.64

v. Earnings in Foreign Exchange

	2001-02	2000-01
FOB Value of Exports	26,79.88	28,20.11
Others	34.29	58.60
	27,14.17	28,78.71

9. Segment reporting:

During the year, SEBI has amended Clause 41 of the Listing Agreement by virtue of which, Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India (ICAI) has become mandatory. In view of this, the Company has disclosed the segment information for the current year, as follows:

INFORMATION ABOUT BUSINESS SEGMENTS

(Rs. in Lacs)				
Business Segments	Consumer & Bazaar Products	Industrial Products	Others	Total
REVENUE				
External sales	40392.63	16262.88	370.32	57025.83
Inter Segment Revenue	-	595.51	-	595.51
Total Revenue	40392.63	16858.39	370.32	57621.34

(Rs. in Lacs)				
Business Segments	Consumer & Bazaar Products	Industrial Products	Others	Total

RESULTS

Segment Results	90,25.25	17,47.70	(94.81)	1,06,78.14
Unallocated Corporate Expenses				32,90.34
Unallocated Corporate Income				5,99.93
Operating Profit				79,87.73
Interest expenses				4,16.25
Interest / Dividend Income				93.13
Income Tax (Provision for Taxation and Deferred taxation)				24,51.92
Net Profit				52,12.69

OTHER INFORMATION

Segment Assets	1,56,12.17	1,10,01.17	60.89	2,66,74.23
Unallocated Corporate assets				1,19,72.66
Total assets				3,86,46.89
Segment Liabilities	29,90.83	17,08.01	-	46,98.84
Unallocated Corporate Liabilities				34,15.37
Total Liabilities				81,14.21
Capital expenditure	17,59.54	3,84.54	-	21,44.08
Unallocated Corporate Capital Expenditure				31,28.46
Depreciation	6,27.60	7,60.76	-	13,88.36
Other non-cash expenses other than depreciation				75.65

INFORMATION ABOUT GEOGRAPHICAL SEGMENTS

Geographical Segments	India		Other Countries		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales Revenue	5,42,35.67	4,89,81.55	27,90.16	28,98.32	5,70,25.83	5,18,79.87
Carrying amount of Segment Assets	3,82,93.86	3,19,56.51	3,53.03	2,64.22	3,86,46.89	3,22,20.73
Additions to Fixed Assets and Intangible Assets	52,72.54	26,45.12	-	-	52,72.54	26,45.12

10. Taxation:

a) Current Tax

(Rs. in Lacs)				
	2001-02	2000-01	2001-02	2000-01
Advance payment of taxes in Loans and advances represents:				
			31.03.2002	31.03.2001
Tax Payments (Net of Provisions)			9,55.76	6,18.49
Tax Provisions (Net of Payments)			(1,24.27)	(2,97.05)
			8,31.49	3,21.44

b) Deferred Tax

1) In compliance with AS - 22 (the Accounting Standard on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, mandatorily applicable from the current financial year), the following adjustments have been made:

(i) Deferred Tax in respect of the backlog of timing differences upto March 31, 2001 amounting to Rs. 19,93.60 Lacs has been transferred from General Reserve; and

(ii) Deferred Tax in respect of timing differences pertaining to the Current Year is Rs. 8,01.90 Lacs.

2) Out of the deferred tax of Rs. 27,95.50 Lacs as at 31st March, 2002, the major components of deferred tax balances are set out below:

	(Rs. in Lacs)		
	Upto 31.03.2001	During the year 2001-02	Carried as at 31.03.2002
Deferred Tax			
i) Difference between accounting and tax Depreciation (Cumulative)	20,42.08	8,35.63	28,77.71
ii) Others	-	-	-
	20,42.08	8,35.63	28,77.71
Deferred Tax Credit			
i) Expenditure under Section 43B of the Income-tax Act, 1961	1.18	0.03	1.21
ii) Preliminary Expenses Amortised	10.25	(2.70)	7.55
iii) Provision for loss on diminution of Investments	5.52	27.97	33.49
iv) Others	8.69	(2.15)	6.54
v) Leave salary	22.84	10.58	33.42
	48.48	33.73	82.21
Net Deferred Tax	19,93.60	8,01.90	27,95.50

11. Related Party Disclosures

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

i) Relationships:

a. Vinyl Chemicals (India) Ltd. - Substantial Interest in Voting Power

b. Kalva Chemicals Ltd. - Significant Influence

c. Parekh Marketing Ltd. - Significant Influence

ii) Key Management Personnel:

Sarva Shri M.B. Parekh, Managing Director; N.K. Parekh Jt. Managing Director and A.B. Parekh, Whole Time Director.

iii) Other Directors:

a. Sarva Shri B.K. Parekh, H.K. Parekh, S.K. Parekh, R.M. Gandhi, N.J. Jhaveri, B.S. Mehta, Ranjan Kapoor, Yash Mahajan and M.A. Pai (upto 7.8.2001)

b. Sarva Shri Santosh Kumar and S.T. Dave - Whole Time Directors.

IV) Transactions with Related Parties during the year ended March 31, 2002 are as follows:

Nature of Transactions	Amount (Rs. in Lacs)
1. Sales and Related Income	2,87,57.16
2. Other Income	41.72
3. Dividend received	73.09
4. Purchases and Other Related Services	30,66.68
5. Remuneration to Directors:	
– Sitting Fees	1.50
– Managing Director/Jt. Managing Director	2,18.95
– Whole Time Directors	83.46
– Commission to Non-Executive Directors	12.00
6. Expenditure on Trade Mark	0.01
7. Purchase of Fixed Assets	20.82
8. Sales of Fixed Assets	23.30
9. Interest paid	16.18
10. Rent, Maintenance and Service charges paid	1,04.03
11. Reimbursement made	2.93
12. Reimbursement received	31.77
13. Outstanding Balances:	
– Debtors	35,81.72
– Creditors	6,70.28
– Outstanding Payable (Net of receivable)	28.45

Except item no 5 above, the rest of the items relate to parties stated in (i) above. No amounts have been written off or written back during the year in respect of debts due from or to Related Parties.

12. Earnings Per Share	As at	As at
	31.03.2002	31.03.2001
Outstanding Equity Shares (Nos.)	25240000	25240000
Net Profit after tax (Rs. in Lacs)	52,12.69	47,95.62
Earnings Per Share (Rs.)	20.65	19.00

13. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956:

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

	2001-02	2000-01
I. Registration Details		
Registration No.		
Pidilite Industries Limited	14336	14336
Fevicol Company Limited	21508	21508
State Code	11	11
Balance Sheet Date	31.3.2002	31.3.2001
	(Rs. in Lacs)	(Rs. in Lacs)
II. Capital Raised during the year		
Public Issue	Nil	Nil
Rights Issue	Nil	Nil
Bonus Issue	Nil	12,62.00
Private Placement / On Amalgamation	-	-
III. Position of Mobilisation and Deployment of Funds		
Total Liabilities	3,05,32.68	2,61,81.20
Total Assets	3,05,32.68	2,61,81.20
Sources of Funds		
Paid-up Capital	25,24.00	25,24.00
Reserves and Surplus	2,35,81.58	1,91,45.20
Secured Loans	17,59.69	5,33.44
Unsecured Loans	26,64.78	39,75.93
Application of Funds		
Net Fixed Assets	1,85,15.93	1,51,82.89
Investments	15,04.48	15,78.55
Net Current Assets	1,05,09.64	94,17.13
IV. Performance of Company		
Turnover	5,70,25.83	5,18,79.87
Other Income	6,93.07	7,43.18
Total Expenditure	5,00,54.29	4,60,12.42
Profit Before Tax	76,64.61	66,10.62
Profit After Tax	52,12.69	47,95.62
Earnings per Share in Rs.	20.65	19.00
Dividend rate %	70.00	45.00

V. Generic Names of three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
3506	ADHESIVES
3905 + 3906	SYNTHETIC RESINS
3204	ORGANIC PIGMENTS AND PREPARATIONS BASED ON ORGANIC PIGMENTS

14. Figures in bracket indicate previous year's figures.
15. Previous year's figures have been regrouped/rearranged wherever necessary.

Signatures to Schedules 1 to 12

AS PER OUR REPORT OF EVEN DATE	FOR AND ON BEHALF OF THE BOARD
For HARIBHAKTI & CO. Chartered Accountants	B.K. PAREKH Chairman
CHETAN DESAI Partner	S.K. PAREKH Vice Chairman
Mumbai Date: 25 th June, 2002	P.C. PATEL Sr. Vice President & Secretary
	M.B. PAREKH Managing Director

The Tradition Continues



Pidilite's innovative advertising has created a tradition of winning recognition and awards, both in India and internationally. The Company's campaigns, created by our agency Ogilvy & Mather, have picked up a number of prestigious awards. The most recent national and international awards are:

Fevicol "Bus" Film

- Gold ABBY at the Ad Club Mumbai Awards
- Silver ABBY for the Best continuing campaign at the Ad Club Mumbai Awards
- Bronze at the Asia Pacific Advertising Festival
- Special Awards for Best Soundtrack in TV Commercials at the Asia Pacific Advertising Festival
- Silver at the Cannes Awards

Fevicol Print Campaign "Dog", "Train" & "Seaface"

- Finalist at the One Show, New York, USA
- Finalist at Clio Awards, New York, USA

M-Seal "Will" Film

- Gold ABBY at the Ad Club Mumbai Awards
- Bronze at the Asia Pacific Advertising Festival



PIDILITE INDUSTRIES LIMITED

Registered Office: Regent Chambers, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.

Visit us at: www.pidilite.com.