



Pidilite Industries Limited

Investor Update

Quarter and Year ended March 2009

Coverage

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- Financials

Investor Communication

This investor update covers the Company's performance for quarter and year ended 31st March 2009

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Financial Highlights

Quarter ended 31st March 2009

- Gross Sales at Rs.4055 mn declined by 0.6% over the corresponding quarter of the previous year
- Net Sales at Rs.3805 mn grew by 3.2% over the same quarter last year
- Sales were impacted due to the general economic slow down and in particular due to lower sales of industrial products
- EBITDA (before foreign exchange difference) grew by 10.5% to Rs.629 mn
- Profit from ordinary activities before foreign exchange difference declined by 1.8% to Rs.407 mn

- Material cost to Sales ratio dropped by 260 basis points in comparison to same period last year
- Costs, other than Staff costs were lower than same period last year
- After considering the foreign exchange difference the resultant Profit Before Tax (PBT) and Profit After Tax (PAT) for the Quarter is Rs.743 mn and Rs.676 mn respectively as compared to PBT of Rs.351 mn and PAT of Rs.331 last year
- The foreign exchange gain for the quarter is Rs.336 mn as compared to foreign exchange loss of Rs.63 mn in the same quarter last year. The company has exercised the option permitted under the amendment to AS 11 and accordingly dealt with foreign exchange losses by adjustments to carrying value of depreciable assets and amortize other differences. Accordingly the company has reversed a sum of Rs.235 mn and adjusted the carrying value of the depreciable fixed assets and a further sum of Rs.165 mn will be amortized over the next two years.

Year ended 31st March 2009

- Gross Sales at Rs.19074 mn grew by 12% over previous year
- Net sales for the year at Rs.17611 mn registered a growth of 14.7%
- EBITDA (before foreign exchange difference) declined by 6.4% to Rs.2583 mn
- Profit from ordinary activities before foreign exchange difference declined by 19% to Rs.1793 mn
- This decline in profit is due to lower sales growth, high input cost inflation in Q2 and Q3 and increase in interest costs. Material cost to Sales ratio increased by 370 basis points in comparison to previous year
- Staff cost increased due to wage increments and recruitments in key positions to build organizational capability
- The foreign exchange loss for the year is Rs.161 mn as compared to a foreign exchange gain of Rs.21 mn in the same period last year. This was mainly due to sharp depreciation of the rupee as compared to USD during the period Apr-Dec'08

- After considering the foreign exchange difference Profit Before Tax (PBT) and Profit After Tax (PAT) for the period is at Rs.1632 mn and Rs.1464 mn respectively as compared to PBT of Rs.2243 mn and PAT of Rs.1880 mn last year
- The Board has recommended a final dividend of Rs.1.75 per share same as that paid for the previous year

Business segment wise performance

Figures in Rs. Mn

<i>Rs. In Million</i>						
Segment Revenue	Q4 2008	Q4 2009	Growth %	FY 2008	FY 2009	Growth (%)
Consumer & Bazaar Products	2688	2927	8.9	12225	13884	13.6
Industrial Products	1056	1012	-4.1	4019	4527	12.6
Others	522	307	-41.2	1589	1642	3.3
Less: Inter-segment Revenue	187	192	2.6	809	979	21.0
Net Segment Revenue	4079	4055	-0.6	17024	19074	12.0

Figures in Rs. Mn

Segment PBIT	Q4 2008	Q4 2009	Growth (%)	FY 2008	FY 2009	Growth (%)
Consumer & Bazaar Products	437	596	36.4	2453	2546	3.8
Industrial Products	136	120	-12.0	504	531	5.4
Others	70	23	-67.1	170	93	-45.5
Total	644	739	14.9	3128	3170	1.4
Less: i) Interest	50	96	93.6	161	318	97.8
ii) Other unallocable expenditure - net of unallocable income	243	-100	-141.0	724	1220	68.5
Total Profit Before Tax	351	743	111.5	2243	1632	-27.2

Note: Other unallocable expenditure – net of unallocable income includes foreign exchange difference write back of Rs.336 mn

CONSUMER & BAZAAR PRODUCTS

- For the quarter ended 31/03/09 the segment posted revenue of Rs.2927 mn registering a growth of 8.9% over the corresponding period last year.
- For the year Revenue at Rs.13884 mn registered a growth of 13.6% over the previous year.
- Top line was impacted due to the slow down in H2.
- The total exports of Consumer & Bazaar Products for FY 2008-09 at Rs.854.4 mn were 16% over the corresponding period last year
- Profit before tax and interest for this segment for the quarter at Rs.596 mn posting a rise of 36.4% over the same quarter last year. For the year ended 31/03/09, Profit before tax and interest for this segment stood at Rs.2546 mn, a growth of 3.8% over last year

INDUSTRIAL PRODUCTS

- Industrial products revenue declined by 4.1% over the corresponding quarter last year, posting revenue of Rs.1012 mn for the quarter. For the year ended 31/03/09, revenue of Rs.4527 mn grew by 12.6% over last year. The growth was significantly higher in first half of the year due to better economic conditions
- Profit before tax and interest for this segment at Rs.120 mn posted a decline of 12% over the corresponding quarter last year. For the year ended 31/03/09, Profit before tax and interest for this segment stood at Rs.531 mn, a growth of 5.4% over the corresponding period last year
- Total exports of Industrial Products for FY 2008-09 at Rs.989.3 mn registered a growth of 33.7% over the corresponding period previous year

OTHERS (VAM)

- Revenue from the VAM manufacturing unit stood at Rs.307 mn and the profit before tax and interest from this segment was Rs.23 mn for the quarter
- For the period ended 31/03/09 revenue from VAM manufacturing unit was Rs.1642 mn and the profit before tax and interest from this segment stood at Rs.93 mn

Overseas subsidiaries

REVIEW OF OVERSEAS SUBSIDIARIES

- The Company has 14 overseas subsidiaries (4 direct and 10 step-down subsidiaries) including subsidiaries having significant sales and manufacturing operations in the USA, Brazil, Thailand and Dubai
- Total revenue from overseas subsidiaries for the year ended 31/03/09 stood at Rs.2316 mn up by 22.6% over previous year.
- Overseas subsidiaries continue to incur losses mainly at Brazil, the USA and Dubai.
- Losses in the current financial year are higher due to lower sales growth on account of global slowdown, steep increase in input costs due to high oil prices in 2008, fluctuation of local currencies vs. USD
- Costs have increased due to investments made in additional manpower, new product development, sales promotion and brand building initiatives
- Significant actions have been taken to reduce costs and improve margins in the USA and Brazil.

SYNTHETIC ELASTOMER PROJECT

- Plant is being set-up in a Special Economic Zone (SEZ) in Dahej, in the state of Gujarat, in India. The compound wall has been constructed and warehouse cum workshop construction is almost complete.
- The dismantling activities at France have been completed and the Plant and Machinery has reached the site.
- Preparation of the Process Design Package has been completed. Detailed engineering work has been assigned to UHDE and is under progress

Financials

PIDILITE INDUSTRIES LIMITED

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

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31.03.2009

(Rs. in lac)

Sr. No.	Particulars	Unaudited			Audited		Consolidated Audited	
		For the Nine Months ended	For the Quarter ended		For the Year ended		For the Year ended	
		31.12.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
1	Gross Sales	150189	40546	40787	190735	170237	213255	187530
	Less: Excise Duty	12124	2499	3936	14623	16706	14623	16706
	a) Net Sales/Income from Operation	138065	38047	36851	176112	153531	198632	170824
	b) Other operating Income	1552	691	742	2243	1960	1047	2419
	Total Income	139617	38738	37593	178355	155491	199679	173243
2	Expenditure							
	a) (Increase) / Decrease in stock in trade	1702	(774)	(1440)	928	(2520)	91	(3150)
	b) Consumption of raw materials	57301	15313	16303	72614	62783	82413	71210
	c) Purchase of traded goods	6602	1569	2068	8171	6388	12553	9150
	d) Employees cost	11989	4316	3097	16305	13007	22047	16370
	e) Depreciation	3461	1261	1051	4722	3851	5882	4590
	f) Other expenditure							
	1) Packing material consumption	16878	4692	4187	21570	17657	21570	17660
	2) Others	25546	7372	7761	32918	30408	36930	34880
	g) Total	123479	33749	33027	157228	131574	181486	150710
3	Profit from Operations before Other Income, Interest & Exceptional Items	16138	4989	4566	21127	23917	18193	22533
4	Other Income	83	63	146	146	283	147	404
5	Profit Before Interest & Exceptional Items	16221	5052	4712	21273	24200	18340	22937
6	Interest (Net)	2216	962	497	3178	1607	3609	1900
7	Profit After Interest but before Exceptional Items	14005	4090	4215	18095	22593	14731	21037
8	Exceptional Items							
	a) Donations	148	20	66	168	433	168	570
	b) VRS Expenditure	-	-	4	-	24	-	20
9	Profit from Ordinary Activities before Foreign Exchange Difference Expenses / (Income)	13857	4070	4145	17927	22136	14563	20447
10	Foreign Exchange Difference - Expense / (Income)	4962	(3355)	634	1607	(291)	1812	(323)
11	Profit / (Loss) from Ordinary Activities before Tax	8895	7425	3511	16320	22427	12751	20770
12	Tax Expenses							
	(Add) / Less: Provision for Current Taxation #	860	642	(292)	1502	2228	1507	2260
	Less: Provision for Deferred Tax	154	26	494	180	1404	160	1360
13	Profit / (Loss) from Ordinary Activities after Tax	7881	6757	3309	14638	18795	11084	17150
14	Extraordinary Item (Net of Tax Expense of Rs. Nil)							
	- Prior Years' Tax Provision written back	-	-	(40)	-	(40)	-	(40)
15	Net Profit	7881	6757	3349	14638	18835	11084	17190
16	Minority Interest						69	20
17	Share of Profit / (Loss) in Associate Company						35	90
18	Consolidated Net Profit	7881	6757	3349	14638	18835	11188	17300
19	Paid-up Equity Share Capital (Face Value of Share : Re.1)	2531	2531	2531	2531	2531	2531	2531
20	Reserves excluding Revaluation Reserve				70831	61430	66880	59160
21	Earnings Per Share (EPS) in Rs.							
	a) Basic EPS before extraordinary item	@ 3.11	@ 2.67	@ 1.31	5.78	7.43	4.38	6.82
	b) Diluted EPS before extraordinary item	@ 3.04	@ 2.61	@ 1.30	5.64	7.37	4.27	6.77
	c) Basic EPS after extraordinary item	@ 3.11	@ 2.67	@ 1.33	5.78	7.44	4.38	6.84
	d) Diluted EPS after extraordinary item	@ 3.04	@ 2.61	@ 1.32	5.64	7.38	4.27	6.78
22	Public Shareholding							
	- Number of shares	73685549	73685549	73685549	73685549	73685549		
	- Percentage of shareholding	29.12	29.12	29.12	29.12	29.12		
23.	Promoters and Promoter Group Shareholding as on 31st March 2009							
	- Number of Shares							
	- Percentage of Shares							179381757
	(i) As a % of total shareholding of Promoters and Promoter Group							100%
	(ii) As a % of total share capital of the Company							70.88%

Provision for Current Taxation includes Fringe Benefit Tax and Wealth Tax.

@ For the period only and not annualised.

REPORTING OF SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

(Rs. in Lacs)

Sr. No.	Particulars	Unaudited			Audited		Consolidated Audited	
		For Nine Months ended	For the Quarter ended		For the Year ended		For the Year ended	
		31.12.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008	31.03.2009	31.03.2008
1	Segment Revenue							
	a) Consumer & Bazaar Products	109568	29268	26878	138836	122248	161356	139540
	b) Industrial Products	35144	10124	10560	45268	40190	45268	40190
	c) Others	13347	3069	5216	16416	15886	16416	15880
	Total	158059	42461	42654	200520	178324	223040	195610
	Less : Inter Segment Revenue	7870	1915	1867	9785	8087	9785	8080
	Net Segment Revenue	150189	40546	40787	190735	170237	213255	187530
2	Profit before Interest and Tax							
	a) Consumer & Bazaar Products	19497	5964	4372	25461	24532	23056	23160
	b) Industrial Products	4114	1198	1362	5312	5042	5312	5040
	c) Others	697	231	703	928	1703	928	1710
	Total	24308	7393	6437	31701	31277	29296	29910
	Less : i) Interest	2216	962	497	3178	1607	3609	1900
	ii) Other unallocable expenditure - net of unallocable income	13197	(994)	2429	12203	7243	12936	7240
	Total Profit Before Tax	8895	7425	3511	16320	22427	12751	20770
3	Capital Employed							
	a) Consumer & Bazaar Products	42764	39089	39925	39089	39925	34120	37660
	b) Industrial Products	15436	14209	15223	14209	15223	14209	15220
	c) Others	3940	3122	4612	3122	4612	3122	4610
	d) Unallocated	9695	16942	4487	16942	4487	17959	4490
	Total Capital Employed	71835	73362	64247	73362	64247	69410	61980

- The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors at their meetings held on 20th May 2009.
- Unallocated Capital Employed as at 31st March 2009 includes Capital Work in Progress of Rs. 2173.25 million of Synthetic Elastomer Project presently under implementation.
- The Consolidated Financial Results as per Accounting Standard (AS-21) comprise of the results of Pidilite Industries Ltd. (Holding Company) and 17 subsidiary companies.
- Earlier, the Company dealt with the difference (gain / loss) in respect of Foreign currency transactions in compliance with AS 11 prescribed by the Central Government pursuant to Section 211 (3C) of the Companies act, 1956, by recognising the same as part of the profit or loss. Following the issue of the notification no G.S.R.225 (E) dated 31st March, 2009 by the Central Government optionally permitting the modification in such treatment retrospectively from 7th December, 2006, the Company has exercised the option permitted there under to treat such differences relating to assets as adjustments in the carrying value of such depreciable assets and amortise other differences of a specified nature over the term of the relative item. Accordingly, the Company has reversed a sum of Rs. 235.29 million, charged as an expense / loss earlier and adjusted the carrying value of relative depreciable fixed assets and a further sum of Rs. 164.81 million as so amortisable and the effect thereof is reflected in the results for the quarter ended on 31st March, 2009 and for the financial year ended on 31st March, 2009.

Further for earlier period, the exchange gain of Rs. 4.7 millions has also been adjusted in a similar manner with corresponding debit to General Reserve.
- The Company raised US \$ 40 million from issue of zero coupon Foreign Currency Convertible Bonds in December 2007. After payment of US \$ 0.99 million for certain issue related expenses, the Company has utilised US \$ 19.52 million for investment in equity capital of its overseas subsidiaries, US \$ 13.17 million for capex and US \$ 0.76 million for buyback of FCCB of Face value of US\$ 1.1 million. The balance amount is kept with banks.
- Nebula Trading FZE, a stepdown subsidiary of Pidilite Middle East Ltd. a wholly owned subsidiary of the Company was wound up effective from 11th January 2009.
- Subject to the approval of the shareholders at the Annual General Meeting, the Board has recommended payment of Dividend at Rs. 1.75 per Equity Share of Re. 1 each for the financial year 2008-09.
- In terms of Clause 41 of the Listing Agreement, details of number of investor complaints for the quarter ended 31st March 2009: beginning - nil, received - nil, disposed of - nil and pending - nil.
- Previous period's figures are regrouped wherever necessary.

Mumbai
Dated 20th May 2009

M.B.PAREKH
Managing Director